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Leadership

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Leadership

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Preface

The Learning Design of this Course

This course is designed to enable you to

1. know and understand theories, issues and tools of leadership in order to
 - (a) develop yourself as a leader
 - (b) develop leadership in your organisationand
2. understand how leadership theories are developed in order that you can
 - (a) be critically aware as you make use of them
 - (b) consider how you might make a contribution to them (especially relevant to DBA candidates).

The structure of the course is set out in Module 1.

Our starting point

We the authors see ourselves as (somewhat distant) consultants or coaches to your learning. This gives two questions:

- (a) How do we see you as learners?
- (b) What kind of consultancy are we offering?

- (a) *How do we see you as learners?*

Our first assumption is that you are adult learners, experienced and capable of learning from the content of the course, and of relating the course learning to your own roles and to your own organisation, as well as being capable of constructing your own models of leadership and your own developmental processes for your leadership roles.

Our second assumption is that you, the learners, are a very diverse community of people.

The authors have supervised masters' dissertations and doctoral dissertations with students from more than 50 countries from every continent across the world. This has taught us that you, the learners, differ very much from one another in gender, age, nationality, culture, religion, beliefs, social context, educational background, professional and managerial experience, economic sector and learning patterns.

Our third assumption is that each of you is a unique person and will therefore have your own unique way of learning and will develop your own unique way of leadership effectiveness.

- (b) *What kind of consultancy are we offering?*

Our first assumption is that you do not require us to tell you what to do. Indeed, given the fact that we do not know the unique person that you are, it would be presumptuous of us to do that. But it is the case that leadership research has not reached the point where accurate universal predictions can be made.

Second, we offer the content of this course as a vehicle where we enter a partnership with you on ideas, theories, issues and processes about leadership. We

do not know the culture, context or setting in which you work, so we invite you on a journey through the modules. It would not be surprising if you found that some were more relevant to your past, some more relevant now, and that others would be more relevant in the future.

Third, we expect that you will respond in a unique way to the content of the course and the modules. Sometimes you will find that we are challenging your deeply held beliefs, your experience and your understanding of leaders and leadership. At other times we shall reinforce what you believe. This may be confusing at first, but please remember that there are many theories and ideas about leaders and leadership. What is more, every month new research is adding to both knowledge and understanding of leaders, leading and leadership

Fourth, we assume that you, as a leader, and your practice of leading as well as your ability to develop leadership in your context, will be undergoing some changes.

Learning Processes

Each module has set learning objectives that are designed as a first-level insight into the course. We hope that they are helpful at that level.

However, because individuals learn in different ways, we have added some questions for reflection and consideration where your responses are those that matter. You may wish to keep these in a journal and revisit them towards the end of the course.

We have also included some examples of leaders and leadership. But we also know that your magazines, newspapers, TV and radio carry many reports and stories of leaders, their triumphs, conflicts, disasters and ordinary everyday work. We also know that some of these tales will be about the rise and indeed the fall of all types of leader. In short, we know that you are surrounded by and infused with observation and reports about leaders, leading and leadership. We encourage you to keep these with you as you work through this course. One way of doing this is to start and keep a press and magazine cutting file as you do the course. (Don't forget the sports pages!) Another way is to see how leadership is handled in TV, radio and especially films about various national heroes and heroines. Biography and autobiography are also good places to observe leaders. Take time in your busy day to discuss these with colleagues.

For 14 of the modules we have written case studies. (There are no cases for the first introductory module or the learning about leadership module; the case material for Module 17 is you.) These are not designed as illustrations of good leaders or of good leadership practice. They are designed so that you can examine how the ideas in each module might be applied, to recognise problems and to suggest some possible solutions. But by the time you get to the sixth or seventh module you will begin to see that you can consider most of the cases in relation to almost any of the modules. Indeed, we recommend that you take two or three of the longer cases and do that work. It would be very good preparation for the course assessment.

We assume that you will be able to make connections between the materials of each module. In Module 1 we set out our rationale for the design of the course. In Module 17 we create a development process for you to build on the connections that you have made. That provides a framework for linking and sense-making. One way of getting to grips with the course is to read the summary points in each module to construct a map in your mind.

In places the text is unashamedly academic. That did not seem to the authors to be a problem in courses leading to a masters or doctors degree. There is nothing so useful as a good theory. In other parts it is unashamedly pragmatic, as befits a business degree.

Module I

Learning about Leadership

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Learning Objectives

By the end of this module, you will be able to:

- understand and work with the circles of leader development;
- acknowledge that leading is about change;
- understand the structure of the book and how it relates to the circles of leadership development.

1.1 Introduction to the Ideas and Structure of the Book

This module examines some of the themes of leadership studies, and sets the scene for the following modules. We have set out to cover most of the current ideas in the field. But to begin, we see that there is considerable complexity in learning about leadership and about being a leader.

The two circles in Figure 1.1 show how you might learn about leadership and being a leader. The outer circle is based upon acknowledging your experience of leadership in organisations, reflecting upon that experience, examining those experiences and reflections against the theories of leadership and then planning how you might plan to change your own leadership and leadership in your organisation.

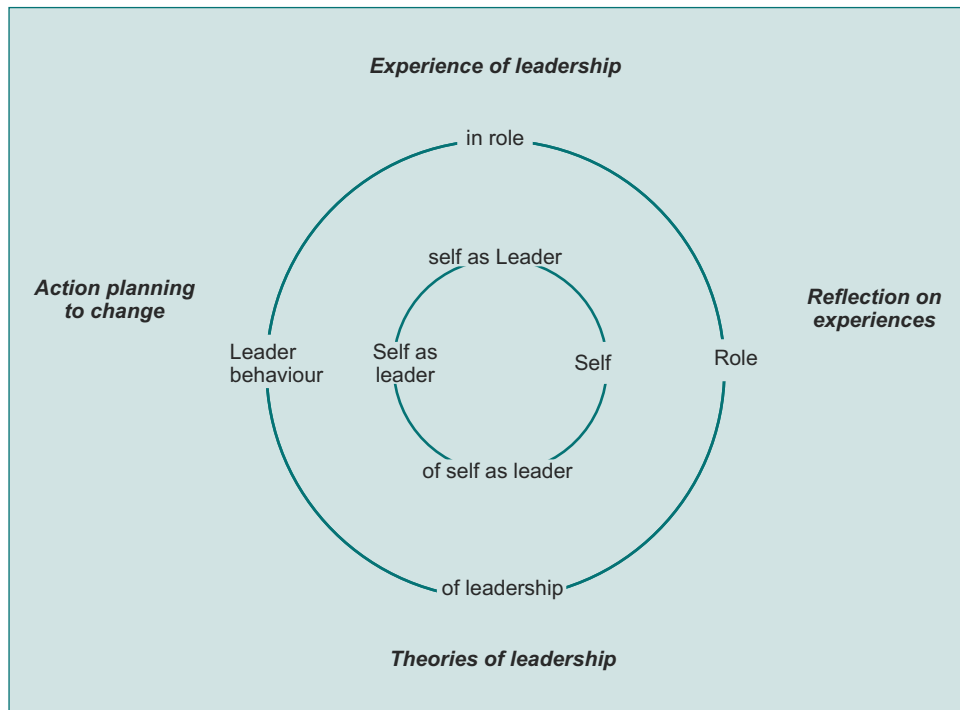


Figure 1.1 The leadership learning cycle

The inner circle is about you. Beginning with your personal experience of being a leader, reflecting upon that experience, examining those reflections against theories of persons as leaders, and then planning to change and develop yourself as a leader.

The connection between these circles of development is quite complex. It can be difficult to disentangle your experience of leaders in your organisation from your experience of yourself as a leader. It is also not always clear how to take on board the theories of leadership. Part of your task in this book is to keep in mind these two circles as you work through the modules and the questions and exercises we have provided.

It appears to be impossible to define effective leadership for all situations. There are a variety of theories and philosophies of leadership, the research on leadership is not conclusive and sometimes contradictory, the field is constantly changing, and the most important thing is for you to develop your *own* working or lived theory of leadership, one with which you are comfortable, but also one that is open to learning and development. So we see you as being open to continual learning and development as a leader. The book is designed to guide you through both circles and has a number of learning exercises to help you.

Warren Bennis, a noted writer on leadership, borrowed William Shakespeare's idea of the seven stages of a man's life to consider the parallel stages of a leader's development. These were:

<i>The infant</i>	executive in need of a mentor.	The young graduate
<i>The schoolboy</i>	must learn and then act in public, still in need of mentors.	The unit leader
<i>The lover</i>	wonders anxiously about his success and his attachment to the career and organisation.	The group leader
<i>The bearded soldier</i>	is now a leader of substance who must be willing to accept people better than himself as talented staff.	The divisional leader
<i>The general</i>	must be open to the truth, listen and hear what people say to him.	The strategic leader
<i>The statesman</i>	works at wisdom for the organisation, is a policy-maker.	The policy leader
<i>The sage</i>	embraces the role of mentor.	The senior non-executive director

It seemed unnecessary to change this to include women, not because we do not acknowledge equality, but because it would not make as much sense of the poet's original intention. Indeed in most organisations the leadership role of women is without question. You, the reader, may be at any one of these stages, having travelled through all or none of them. You might think that you do not carry the history of these stages with you, but you most surely do. And as you work through this book you will have to consider why ideas of leadership that you do not appreciate so readily may be more applicable either to your past or to your future than to your present position.

How do you place yourself in these stages?

1.2 The Practice of Leadership?

Leadership is everywhere in the world of politics, organisations and our private lives. A familiar view of the great leader was the hero or heroine (*see* Module 2). The attraction of the hero as leader seems to be as old as human society. It appears in many stories and in most cultures. In the *Iliad*, Homer gives an account of the battles to capture Troy, where the Greek and Trojan heroes struggle in individual combat to gain ascendancy and kill their adversary. The prose becomes electric in the description of the individuals and of the fights. In the sequel to the *Iliad*, the *Odyssey*, Homer takes us and Odysseus on a long and terrible journey, beset with external and internal dangers as the archetype of the leader as traveller into the unknown, with courage and fortitude together with hair-raising and delicious

adventures. The arrival home of Odysseus is celebrated with great bloodshed. The journey of the defeated Trojans is described by Virgil in the *Aeneid* as a process, led by Aeneas, of re-establishing themselves in Italy to serve as a founding myth of Rome. Homer creates heroes for us both to admire and to emulate.

Leader models and images, when MBA students are asked for them, are almost always entirely male. Such persons nearly always need prodding to find an equal set of female leadership models and images. That this maleness persists in this age, an age in the West anyway that is surely the 'age of woman', is quite surprising. The revolution in expectations and assumptions as to personal, private and public roles of men and women has yet to be worked through, but its impact on business organisations is felt in every detail of its working, including leadership.

Leaders and leadership have preoccupied mankind for centuries. We all can recognise many people, throughout our national and international histories, who have been acknowledged as great or powerful leaders. Some of these have succeeded in their goals and some have ultimately failed. Reflecting on historical experience led Max Weber (1947), a German social theorist, to conceive of three kinds of leadership. First came **traditional**, by which he meant that the leader's authority came from social, political and institutional continuity. Examples are kings, tribal leaders, religious leaders and such. Second was **rational legal**, where the leader's authority came from constitutions of nations and organisations. Examples are presidents, prime ministers, trade union officers etc. Third was **charismatic**, where the leader's authority came from inside the person and was accepted by those who were inspired to follow. Of course both traditional and rational legal leaders could also be charismatic. And this charismatic leadership was the uncomfortable driving force of change. Indeed Weber and others took the view that only charismatic leadership could effect substantial change. Weber noted that charismatic leaders were often the driving force of change from traditional to rational legal forms, but he also suggested that rational legal forms also decayed towards the traditional. So, as you may have experienced, leadership forms are not automatically stable.

Business leaders may be of any of these three kinds. Family firms are usually founded by a charismatic figure and then continued in a traditional way, often to their detriment. In Lancashire there was an old saying about family firms: from clogs to clogs in three generations. The founder grew out of the poverty (wearing the clogs), the inheritor took the fruits of the business, and the next generation failed the business as other competitors and technological change made their products and processes redundant. So in business and commerce there have been many people recognised for innovation, for development, for adventures and venturing and for economic, social and political contribution. In the last century Henri Fayol (1949), when considering the task of business management, wrote of five functions of managing. These were planning, leading, organising, controlling and motivating. And note that leading was central to those but, as we shall see in this book, later leadership theorists were keen to establish the connections between leading and planning as an approach to strategy formulation, leading and controlling as a means of protecting the business, and leading and motivating as a means of engendering support and change, as we shall see in Module 4. Some theorists have made links between the functional stance of Fayol and the institutional stance of Weber to

write of transformational leadership as a combination of charismatic leading and motivating.

In a workshop on leadership the following matrix, Table 1.1, was sketched by one of the authors. It connected modes of working to the change orientation of the 'leadership group', producing four 'characteristic' outcomes: accidental, preservative, enabling and strategic.

- **Accidental leadership** will not be focused upon any dynamic of change but may, like a stopped clock, find a correct solution with the passage of time.
- **Preservative leadership** will seek to keep the traditions and business practices intact, perhaps with considerable attention to both the effectiveness of those practices and the efficiency of the business processes.
- **Enabling leadership** will work to allow others, probably more junior but not necessarily so, to use their own leadership in their work.
- **Strategic leadership** will be concerned with purposes and their achievement in the evolving context in which the business seeks to operate.

Table 1.1 Leadership and orientation to change

Leadership Group		
Change orientation is	Modes of working	
	Low interventionist	High interventionist
<i>Towards no change</i>	Accidental: Que sera sera	Preservative: maintaining
<i>Towards change</i>	Enabling: encouraging	Strategic directive

Most managerial literature is written on the assumption that leadership, in a world of competition and markets, is actively seeking strategic change. But as soon as the matrix was made it became clear that leaders across a range of organisations can consciously and/or unconsciously seek any or all of these four outcomes, but in relation to *different issues*. Any corporate leader will recognise that the needs of some parts of the organisation will respond to enabling (especially where high levels of knowledge and individual contribution are required), some parts will require preservation and continuity, while other parts will be in need of strategic change. And of course it can be difficult to work in an organisation that needs all three of those in the same time period. (You might know of organisations that work on accidental leadership. We have experienced some where accidental was the best description of leadership!) Of course any given organisation may centre itself on any one of these and, in the election of leaders, proceed to provide appropriate leadership.

But leadership is often as embedded in the culture of the organisation as the organisation is embedded in its cultural contexts. So leadership is not only about deciding upon change and making it happen but also, in its embeddedness, is about enacting aspects of the societal or cultural context in which it occurs. The question arises as to whether any leaders can stand outside the organisations that they are expected to lead. It is a tradition in the Church of England always to appoint a

person as bishop who has no experience of (and presumably no ties within) the diocese to which they are sent. And some commercial organisations do the same by always appointing divisional leaders from another part of the organisation. Military units nearly always have new leaders from outside them. In one dramatic case the UK government appointed a foreign manager to a nationalised industry with a remit to reshape it drastically. After much public ferment, and a long and bitter strike, the organisation was substantially different, with large parts closed down and new managerial style everywhere. To signal the new world the new leader did not occupy the office in the existing HQ building. He set up his own chairman's office in a nearby office block. Of course Machiavelli, some 500 years ago, advised the Prince to do the same.

I.3 Design of the Book and the Module

This module is designed to enable you to understand where leadership studies have been, where they are now, where they are going, how you can build your own leadership capability, and how you can build the leadership capability of your organisation. We outline below the structure and focus of the modules. Of course all of these themes and issues are intertwined in practice, and we ask you to hold on to that idea as we explore leadership theories and issues.

In **Modules 2, 3 and 4** we present three of the most significant understandings of leadership via an exploration of what they are and how they have developed. What will become clear is how enduring these theories are. The older ones are not so much superseded as complemented or extended. These three theories are the theories of **personality traits** (Module 2) of **leader behaviour** (Module 3) and the contrasts of **transactional** and **transformational leadership** (Module 4). To complement this concentration upon leaders alone we examine the theories of **followers** (Module 5), which introduces the idea of leadership as relationship.

Traits. We shall begin with one of the oldest theories based upon personal characteristics. The key question here was: Can we identify the traits of the great leader? This is based upon an assumption that we can identify and then distil the characteristics of great leaders into a model of traits. Then we can select leaders by applying this model of traits as a template on persons. This process was believed to create universally recognisable and capable leaders, applicable to all tasks, all times and all settings. As you will see, it was not wholly successful.

Styles and Contingency. Given the problems encountered in developing a universal model or definition of leader and leadership the next step was to focus upon the particular circumstances in which leaders work. What do successful leaders do? So attention was given to the question of how leaders go about their work of leading and whether any one approach was more effective than any other.

Transaction and Transformation. Question: Does the basic contract between leaders and followers have a predictive capability for the effectiveness and performance of the organisations? This theory examines how the leader transforms the followers.

Followership. Effective leadership (high achievement) depends as much on the followers as on the leader. Is there a possibility of developing the ability of people to become more effective followers? How can this be done? Does it imply a reduction or an increase of the contribution of the followers? Does it necessarily diminish them? Or does good followership require enhancement of the capability of followers?

1.4 Culture, Values and Leadership

While we can think of leaders as holding and giving expression to values and beliefs, inspiring, providing and articulating visions, such people are enacting values and beliefs in a social field. Hence they are rarely as ‘independent’ as they might wish to think. Organisational culture is a hotly contested field of study. Some argue that managers and leaders can shape, indeed choose, organisational culture; others take the opposite view that cultures shape organisations and leaders. One scholar, Amatai Etzioni, took a more prosaic view and classified cultures into three types: the normative, the instrumental and the coercive. The **normative culture** is where all thought and action is infused with attention to and debates about values, and people belong because they subscribe to the values. The **instrumental cultures** are those where people belong because they can get something they want and are prepared to compromise in order to get it; business organisations have much of this characteristic. **Coercive** organisations require and force people to belong: prisons and armies are such. Surprisingly, schools are often experienced as coercive to their pupils, as the state requires them to attend. Leadership required in each of these three settings is very different. Using value-centred leadership in a coercive organisation or coercive or instrumental leadership in a normative organisation is the stuff of cartoons, comedy and organisational nightmares.

Institutional and organisational structures impose their own constraints upon what kinds of leadership may be exercised. Small businesses may operate with highly personal relationships; larger organisations require a mix of the personal relationships and more formal procedures of structures and communication; very large organisations require chains of relationships, sophisticated communication and change management processes. The context of a business can also shape the space for leadership, for people have freedom to move jobs, customers have freedom to choose, and suppliers can make choices too. Hence the system of organisation in its context imposes considerable constraints upon leaders. You could contrast your image of leaders in entrepreneurial organisations with government administrators, leaders of banks with those of construction firms, and the differences within an organisation such as leaders of research and development departments with leaders of production departments.

There is also a tameness or taming of leadership in the literature; there is little of the wildness of creativity, of unpleasantness, of human destructiveness or incompetence. But this does appear in theatre: see Shakespeare’s *Richard III*, and in politics, for example, Stalin and Mao. Norman Dixon in his *On the Psychology of Military Incompetence* and its sequel on managerial incompetence explored how an organisation’s culture and processes sustain leaders who are incapable of leading at the very

moments when leadership must be demonstrated. Many organisations breed go-getting leaders at middle levels and then expect them to cope well and be successful at top levels without any further training, education or development.

And lest we think that leadership has always been a male-dominated world, let us remember Boudicca, a fourth century woman in England who fought the Romans; Joan of Arc of France, who fought the English; Catherine the Great of Russia; Mary Woolstencroft, who began the literature of women's liberation; and Simone de Beauvoir, a great French philosopher and novelist of politics and identity. These are just a few of the women who have blazed incandescent trails. We hope that you can think of many examples of such male and female leaders in your own country and in your own organisations. This tradition has continued throughout the ensuing centuries, in literature, in painting, in music, in films and in drama, as well as in sport and business.

In Module 6 we consider the issue of leadership and culture, and complement this with an examination of gender and leadership in Module 7.

Culture. Is leadership shaped by culture or can leaders shape cultures? What does research tell us about either pathway? Or are both pathways required? How does leadership differ in sectors? What explains these differences? What kinds of leadership should you develop in order to work effectively in sectors? Is it possible to adjust from one sector to another?

Gender. Are women leaders different in their behaviour as compared with men leaders? Does this lead to different outcomes? What is the experience of 'leadership' in female organisations? Do feminists consider the term leadership to be acceptable?

For leaders of organisations there was and is an imperative to work at the systemic and inter-systemic levels, and there is much current effort in theorising from the familiar intra-organisational focus to both inter- and extra-organisational foci. This requires an engagement with contextual culture and its patterns and changes. We have little information on how leaders work at understanding these difficult issues but will spend time on this issue later in this book.

1.5 The Good Leader

The question arises as to the goodness of the good leader. For effective leaders may be both liberators and oppressors of others. Tacit assumptions of the good leader as the good person pervade almost all of the leadership literature. This idealisation serves us badly, it seems, by turning us away from imperfections such as corruption and leads us away from the real behaviour towards an ideal. This might be a reaction to the advice to the Prince, offered by Machiavelli, that leaders should either be feared or loved. (Machiavelli has a bad name these days but in his book *The Prince* he offered a lot of good advice for a leader.) We may prefer to be loved, but much leadership behaviour is based upon power and the fear that it engenders. And in a crisis the likelihood is that the leader will revert to type. You may wish to reflect upon your experience of crisis and ask what kind of leadership was mobilised. In our experience it is a mix of the fear of the consequences of the crisis and love for the leader as deliverer from the predicament.

In Module 8 we present some of the debates about **leadership** and **ethics**. What have truth, justice, love and compassion to do with business leadership? If we require ethical organisations then how do we ensure ethical behaviours? Do leaders have to be more ethical than their organisation members? Do leaders have to model ethical behaviour or is this a negotiated issue?

1.6 Leadership in Today's Organisations

The idea of organisation can seem simple, and subject to leader control. But organisations are characterised by such complexity that leaders cannot succeed simply by their own will, which is why leadership teams and collaborative working have been given so much attention. This attention included varieties of consultative leadership and participation. This is not only because organisations, following long periods of hierarchy and managerialism, have turned to assumptions of egalitarianism as more suited to the age of individuality. It is also because the knowledge explosion has exposed the limitations and capabilities of leaders and underlined the need for many contributors and contributions to organisational leadership. Modern business organisations are discovering anew what the military have always known, that success depends on the quality, range and extent of leadership at all levels.

In Module 9 there is an examination of the role of leadership in work groups and teams. This is followed by an exploration of the role of leadership across the wider organisation, the subject of Module 10.

1.7 Developing Leadership

Here we come back to the two circles of learning about leadership set out at the start of this module. We have considered theories of leadership and issues critical to leadership and its understanding and the context within which it is exercised. Now we turn to consideration of leadership development.

In Module 11 we examine the problem of leadership and its development in a fast-changing world. You should be able to answer the questions of what has been learned about effective development and how these processes can be used to develop your own leadership and the leadership capability of your organisation. These are extended in Module 12, where consideration is given to a series of tools and practices for you to use as you work on your own development as a leader. But these are equally useful as you work on the development of leadership within your organisation.

In addition you will have to be concerned with the development of leadership capability outside your organisation in supply systems and distribution systems, and in actual and potential partners, because their weaknesses will damage your capability of reaching your potential.

1.8 Are Policy-Makers and Strategists Also Leaders?

One of the myths about leaders is that they are all change oriented, active and fast decision-makers. But research has, surprisingly, suggested that while this may be true of middle managers, it is not necessarily true of top leaders. Top leaders, it appears, tend to be very careful to listen to a range of views and relatively slow to come to a view. It seems that judgement is more important for them as it forms the context within which decisions can be made. Here we get a glimpse of the difference between policy and strategy. Policy is of the whole society, of the whole community, and shapes the values, beliefs and assumptions of the organisation. Here a policy statement is one that absorbs uncertainty to create a space of temporary quasi-certainty for the organisation to function without all issues and events being triggers for more confusion. In this stance strategy is the process of achieving goals via innovation and change.

If strategy requires analysis and action then policy requires judgement. Geoffrey Vickers (a distinguished UK manager and author), celebrated author of *The Art of Judgement*, wrote that judgement is an art that requires leaders to form a multi-faceted appreciation of ambiguous and uncertain situations with discernment, a search for personal wisdom, the significance of systemic wisdom and a need for flexibility. This is a nice way of seeing the distinction between policy and strategy, between policy-makers and strategic actors. For these reasons some have argued that the strategists should never be allowed to be the chairman of the board, but should always be the chief executive officer. Should the chief executive officer be promoted to the role of chairman there will be confusion unless the person concerned understands the new demands he or she has to meet. This particular distinction between policy-makers and strategists is not made in many business texts, but it can provide a useful distinction between the leadership required in policy-making and that required in strategy and its delivery. Of course one person or a group such as a board of directors might encapsulate both with clarity and subtlety.

So in Module 13 we consider the task and role of the strategic leader. This is complemented by an exploration of leadership and risk (Module 14).

What is strategy? (You may have already completed the *Strategic Planning course*). What are the unique requirements of strategic leadership? How are these developed? How universally applicable are these in business and other organisations? Is risk merely a matter of probability, or can organisations and leaders take a cultural perspective to managing risks?

1.9 Studying Leadership

Much business leadership research is strongly rooted in philosophical assumptions, and mostly from a traditional scientific positivist and functionalist stance. This has been the basis of much leadership study and research, before and since Henri Fayol's formulation of the functions of managers. But it does appear to be the case that much leadership discourse and practice is embedded in processes of social construction and reconstruction. This means that claims to know what leadership is actually about are very contested. For example, if you were one of the subjects of a

scientific positivist study of leadership you would find the research outcomes interesting, but they would not reach the complex truth of you as a leader. You construct, in your social context, a person as leader and not a statistic.

In Module 15 we give a view of the way in which leadership has been studied by researchers. In this module you will be able to see why leadership research has been conducted the way it has, and be encouraged to consider some different approaches.

How have practice and theory contributed to the study of leadership? How can we assess the validity of the research and its recommendations? How has leadership been studied? What has been the value of these different approaches? What has been ignored or left out of these studies? How could you go about conducting a study of leadership for a dissertation or a thesis?

1.10 And A Critical Response?

In Module 16 we take a more critical account of leadership to offer you a means of beginning to challenge some of the assumptions about leaders and leadership that are rarely made explicit. Critical theorists argue strongly that much leadership research and writing is a product of the underlying power relations in society and organisations within which constructions and practices of leadership merely serve to legitimise and maintain the structure of power relationships. This provides quite a good explanation of both the glass ceiling for women in relation to leader positions and the glacial pace at which it is changing. There is a disturbing question about what we are currently seeking in leadership practice. Are we really seeking or should we search for an 'art of leadership in post-modernity', rooted in an emerging social order, no longer seeking public, institutional or egalitarian outcomes, and with little regard or care for the stable hierarchies of modernist forms, the kaleidoscopic leader perhaps taking shapes from the reflective social mirrors?

If you can accept that the social field within which organisations are embedded is undergoing radical change, then leadership studies face some very critical challenges. First, how can we enter a dialogue about these matters? This is not merely an academic exercise, for the business community needs to understand where leaders are travelling. Second, we need wider and deeper studies addressing individual, group and organisational stories and how leadership is being (re)constructed. There is a need to be attentive to a critical reading of the experience of persons in roles in systems and of working with them on making senses. Is the whole enterprise mistaken and malformed? What can we learn from a critical theory approach to leadership?

1.11 Planning For Your Future in a World of Flux: Chaos?

Where has the literature located the ferment of the interfaces, of the edges, of the presences and absences, the places of creativity, of experiment, failure, survival and success, the insecurity of experience? There is writing about risk and entrepreneurial leadership, but is this making safe and understood that which really is risky, uncertain, ambiguous or downright dangerous? The birth of what some are calling the

'chaordic age' addresses the paradox of intertwined chaos (random patterns of behaviour within bounds) and order (thus, the word '*chaordic*'). Leaders do not control very much because they cannot. This gives new life to the themes of emergence – not so much controlled but arising out of interactions. In this notion of change there is intent and design, but there is no dominance of one actor; rather there is pluralism of persons, organisations, contexts that shape events. In this sense institutions and organisations have designed and emergent properties: so how does any organisation in a field choose to run, let alone lead, itself? And are there systems of survival in the emerging, shifting field? Or is the task of leadership here to reformulate, deconstruct and reconstruct, to negotiate meanings and actions with others?

Do all significant changes come from the 'edge' rather than the middle? What is it that attracts, sustains and retains membership or adherence? And who and what can be given voice, and where lies voice in relation to the boundaries of entry or exit?

How can critical reflexivity (a critically well-informed understanding of leading, leaders and leadership) assist you to develop yourself as a leader as you go through your life processes from youth, through middle age, to maturity and to wisdom? We seek to contribute to your understanding of just what does contribute to and shape your leadership effectiveness; whether this can be universal for all your future or how it must be subject to culture, history and context. Are there choices for you and, if there are, how can you make them in the context of organisational development and institutional and societal change?

What is it that you admire about the leaders you admire? What do you not admire in them?

What has contributed to their effectiveness?

How did they develop their leadership? Were they born to it or with it?

In your experience which of the following sources have you used to understand leadership?

- Classical literature.
- Poetry.
- Biography and autobiography.
- Novels.
- Journals and newspapers.
- Theatre; films; TV.
- Personal contact.
- Research studies.

What is your own rationale for that experience? What have been your main learnings from each source? What do you expect to learn from this course?

Learning Summary

You should now understand the circles of development and how these are used for the design of the book. Check that you can make a preliminary mapping of each module onto the circles.

You should now be able to consider in what sequence you prefer to study each module.

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Module 2

Trait Theory of Leadership

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Learning Objectives

By the end of this module, you will be able to:

- state the underlying premise of trait theory in the study of leadership;
- identify the early methods employed to identify leadership traits;
- list the major reasons why trait theory is an attractive approach to studying successful leadership;
- describe the advantages and shortcomings of identifying traits through the biographies of great leaders;
- discuss the advantages and shortcomings of identifying traits through the study of leaders' physical characteristics;
- demonstrate the advantages and shortcomings of identifying traits through psychometric testing;
- explain the correlation between intelligence and leadership success;
- explain the correlation between emotional intelligence and leadership success;
- describe how the perspective of important leadership traits may be affected by culture;
- list the most commonly identified leadership traits from the research.

Consider the personalities of two leaders within your own organisation. How do they compare in terms of shared and/or different characteristics?

Which one do you consider the more effective leader?

Does the more successful leader exhibit certain traits not exhibited by the less successful leader? What are they?

2.1 Introduction to The Trait Theory of Leadership

What makes a good leader? This question is enormous in terms of its scope, with no easy answer. To begin with, there are many definitions of leadership but no universally accepted definition. Perhaps it is like what is so often said of great art, 'I can't explain it, but I know it when I see it.' However, in order to develop anything practical out of our study of leadership, we need to move beyond merely 'knowing it when we see it!' So, in spite of a lack of a crisp, universally accepted agreement of what leadership actually is, a common theme that runs through various definitions is that leadership involves influencing the attitudes, beliefs, behaviours and feelings of other people.

To understand 'what makes a good leader', it also is apparent that our fascination and appetite for autobiographical and biographical accounts about leaders past and present seem to be insatiable. Consequently, there is no shortage of books about the lives and times of a multitude of mythological figures and historical leaders, as well as religious, military, political, sporting and business leaders, which have attempted to capture the essence of what leadership is about and how individuals attain leadership status. Irrespective of domain, many published accounts of leadership achievements present leaders as being rather special individuals possessing specific qualities that gave them the capabilities to make a profound difference in their area of endeavour and be remembered for having done so. It is understandable then to try to see just why these leaders were great, with the hope that such an understanding will have application today.

2.1.1 The Emergence of Trait Theory

There is a range of theories purporting to explain what makes an effective leader. We shall explore the most influential of those theories in Module 2, Module 3, Module 4 and Module 5. The first approach, which began in the 1930s–40s, was the 'great man' or **trait theory** of leadership that will be the focus of this module. This approach was concerned with uncovering the particular characteristics that differentiated leaders from non-leaders to find out what it was about them that captured the admiration or following of others. Inherent in this approach was the notion that leaders are born with special characteristics rather than made. For how else can we explain why two people, even siblings, born and raised in the same setting, achieved different levels of leadership success? It was logical to think that leadership ability was largely something that some of us were born with.

If such characteristics could be identified, the payoff would be substantial. For organisations could then develop methods to identify those individuals who possessed

such traits and place them in appropriate leadership positions. Additionally, having identified the traits of highly successful leaders, the organisation might also find ways to develop or enhance those traits in other members of the organisation. Similarly, trait theory was also considered to be a potential source of personal awareness. Managers could assess their traits and consider whether they have 'the right stuff', the necessary qualities for promotion or for movement elsewhere in the organisation. Or they might well try to make changes in their behaviour, maximising or compensating for certain traits, in order to increase their impact in the role.

Consider three or four of the leadership traits you found to be most significant when you thought about an effective leader in the previous exercise. Assume you are convinced that they are predictive of successful leaders for your organisation. How could you confidently assess a list of current job applicants to find the extent to which they possess those traits?

2.2 Identifying Leadership Traits in Great Leaders

Unlike other approaches to the study of leadership (*see* Module 4, Module 5 and Module 6), trait theory focuses exclusively on the leader, not the followers or the situation. Therefore it is, at least in theory, more straightforward. We are concerned with what traits are important for effective leadership and who possesses these traits. Trait theory argues that it is the leader and his or her personality and other characteristics that are central to the leadership process. And organisations will work better if those in leadership positions possess these traits. Given that assumption, we are then tasked with defining those traits.

Table 2.1 Methods of identifying leadership traits

Method	Examples
Biographical analysis	<ul style="list-style-type: none"> Analysing the traits of historical 'heroes' Interviews with successful business leaders to assess common traits
Physical characteristics	<ul style="list-style-type: none"> Correlating leadership success with height, attractiveness, voice quality, etc. Analysing skull shape, neurological make-up, brain structure
Psychological characteristics	<ul style="list-style-type: none"> Correlating leadership success with levels of personality traits such as extroversion, dominance and self-reliance Correlating leadership success with levels of intelligence Correlating leadership success with levels of emotional intelligence
External perspectives	<ul style="list-style-type: none"> Identifying leadership traits valued by followers Identifying leadership traits valued by particular cultures

2.2.1 Examining the Biographies of Heroes

Biographers exemplify a traditional method of identifying leadership traits. Such authors typically study various individuals who are commonly thought to be great (even heroic!) leaders and then define traits in common that are thought to have contributed to their success. One such example is Phil Grabsky's *The Great Commanders* (1998). In his book, Grabsky writes about six men whom he considers to have been exemplary military commanders: Alexander the Great, Julius Caesar, Horatio Nelson, Napoleon Bonaparte, Ulysses S. Grant and Georgi Zhukov. He analyses each of them, particularly in light of a pivotal battle, and then draws conclusions about the traits they exhibited. Grabsky identifies common traits among these successful military leaders, such as careful planning, the ability to master the details of the battlefield, living among their soldiers in the same conditions, and the ability to communicate with and inspire the soldiers on the ground.

Although certainly informative and interesting, the biographical approach to leadership trait identification is not without its problems. First of all, most individuals selected for study are historical, a fact that necessarily limits our analysis of the individual to information contained in the historical records. Clearly the records of a World War II Russian commander such as Zhukov would be more complete and perhaps more objective than those describing Alexander the Great. But we cannot study the individuals directly. So making comparisons among individuals perhaps separated by hundreds of years poses problems. A second concern is that the particular leadership traits identified are those selected through the intellectual screen of the biographer, traits that the author would likely consider to be important for a leader (or type of leader such as a military commander, business leader or politician). The author would therefore look for specific traits during his or her research, perhaps overlooking or being unable to find other traits that are not so obvious but nevertheless contribute to the leader's ability. And yet a third problem is that of transferability: would the traits of the most likely candidates for biographical analysis such as Ghengis Khan, Louis the XIV, Attaturk or Nelson Mandela have relevance to leaders in today's organisations? What do people such as Grabsky's *Great Commanders* have to teach us today? Most often we find biographies interesting and informative, but find it difficult to make generalisations for identifying people today who might excel at leadership.

2.3 Testing for Leadership Traits

An alternative method of identifying leadership traits has been through the use of testing and measurement, a process arguably more objective than that of biography.

2.3.1 Assessing Traits through Physical Measurement

Some early studies showed a purely physical assessment. For instance, early researchers of cognitive capabilities felt that intelligence or even character might be linked to brain size and head measurements. The 19th century 'would-be science' of phrenology attempted to make such assessments by feeling the bumps on the outside of the head. More recently, upon his death in 1955, Albert Einstein's brain

was removed for analysis in an attempt to gain an insight into human genius. Graphology or handwriting analysis is another attempt to assess personality, and indeed is popular in France to assess job applicants. But graphology has not stood up well under scientific analysis. Such efforts, at least up until now, have provided little insight into greatness, although there are some correlations between body shape and leadership effectiveness that we discuss more fully below.

2.3.2 Assessing Traits through Psychometric Tests

An alternative and ongoing approach to leadership trait analysis has been through the development and administration of carefully constructed and refined psychometric tests. Most commonly constructed as a series of pen and pencil questions, such tests can be administered to large numbers of individuals, validated and assessed for reliability. Then researchers can build a normative base for comparison between any individual and the population as a whole. Following World War II, when mass psychological testing was first employed, personality and intelligence tests and subsequent studies proliferated. Personality tests assess a number of traits, often on a bipolar scale.

For instance, the 16PF® (16 Personality Factor), the world's most thoroughly validated personality test, assesses 16 personality characteristics such as concrete vs. abstract thinking, being trusting vs. vigilant, being group-oriented vs. self-reliant, and so on. And although this particular test has 16 traits, and other tests may assess different traits, there is general agreement in the psychological community that there is a 'big five' of global factors of personality characteristics: open-mindedness, conscientiousness, agreeableness, emotional stability, and extroversion.

Table 2.2 Response style of the 16PF® psychometric test

Factor	Left scale		Right scale
Warmth	Reserved	–	Warm
Reasoning	Concrete	–	Abstract
Emotional stability	Reactive	–	Emotionally stable
Dominance	Deferential		Dominant
Liveliness	Serious	–	Lively
Rule-consciousness	Expedient	–	Rule-conscious
Social boldness	Shy	–	Socially bold
Sensitivity	Utilitarian	–	Sensitive
Vigilance	Trusting	–	Vigilant
Abstractedness	Grounded	–	Abstracted
Privateness	Forthright	–	Private
Apprehension	Self-assured	–	Apprehensive
Openness to change	Traditional	–	Open to change
Self-reliance	Group-oriented	–	Self reliant
Perfectionism	Tolerates disorder	–	Perfectionistic
Tension	Relaxed	–	Tense

Most traits that are assessed overlap with one or more of the big five and with each other, much like a complex Venn diagram. To be predictive (and thus helpful), it should be demonstrated that some level of an individual trait or some combination of traits is required in order to be successful as a leader.

2.3.3 Some Problems with Defining and Identifying Traits

One underlying problem to note in the study of leadership traits is actually how to define a trait and then devise an appropriate method to measure it. For example, most people would agree that honesty is an important leadership trait. But is it a trait that is an inherent characteristic? Or is it a behaviour? And if we are to assess it, how do we do so? Psychometric testing is generally a self-reporting process, and would not both the honest and dishonest person answer pertinent questions the same?

Finally, traits that we look for in leaders may be very much a reflection of the times or the situation. For instance, feminine vs. masculine traits only began to be assessed to any appreciable extent with the onset of feminism, and it is common for more recent researchers (Nelton, 1991; Martell and DeSmet, 2001; Liberman, 2004) to find male and female leadership traits that contrast. Other writers address the traits they feel leaders *should* have for certain specialties: pharmacists need conscience, compassion, commitment and professionalism (Wollenburg, 2004); clinical teachers in health care require traits such as loyalty, dependability, flexibility and integrity (Platt, 2002); humility was identified as a virtue for military leaders (Doty and Gerdes, 2000). And if you are an executive exhibiting characteristics such as power/control, creativity and people/dependence, you will also likely exhibit success in strategic planning (Drago and Clements, 1999).

The promise of trait theory is that, by examining the test scores of successful leaders, some profile of psychological traits can be established that correlates highly with leadership success. Unfortunately, such tests have not fulfilled their early promise as, even today, personality testing has proved to be a poor predictor of job success for any specific job, let alone for overall leadership success.

Although the study of leadership traits is much more complex than it initially appears, trait theory still has much to offer in our study of leadership. Even though specific predictors have not been found, it is, however, apparent that possessing certain traits and characteristics is an advantage for leaders. Therefore we can now turn our attention to what we believe to be some of the more revealing studies of leadership traits.

2.4 Physical Traits and Leadership Success: Some Research Findings

On a more sophisticated level than phrenology or graphoanalysis, leadership researchers initially investigated the link between physical characteristics such as height, weight and appearance, and leader presence. Questions were asked as to whether leaders were taller, larger or more attractive than non-leaders and so more

easily able to command respect. Not surprisingly, any such links were quickly found to have numerous exceptions. History is littered with examples of small (e.g. Hitler and Napoleon) and rather ordinary and plain-looking leaders. However, it could be argued that the growth in mass media coverage of leaders has reasserted the belief that appearance and presentational skills of leaders are prominent factors in determining how individuals respond to those who seek to influence and persuade them.

In the first American television broadcast in the 1960s of a live debate between the two presidential candidates, Richard Nixon and John F. Kennedy, post-broadcast polls highlighted the fact that visual presentation as well as content impacted on follower response. Voters who watched the event on TV expressed an overwhelming preference for Kennedy and were influenced by the contrast between his youthful and attractive appearance and the tired-looking Nixon, whereas those who listened to the same broadcast on the radio were more swayed by the content of what was being said and rated Nixon as presenting the more perceptive and informed argument. More recent evidence examining the results of the US presidential elections has also shown that successful candidates have been taller than those who failed to secure election. This finding did not hold, however, with the 2004 US presidential election, in which the substantially taller and 'more presidential looking' John Kerry was commonly acclaimed to have won all three televised debates with George Bush. Regardless of appearance and presentation, President Bush won re-election.

It can be argued, nevertheless, that although physical characteristics alone are insufficient to explain why some people become leaders and others do not, persuasive communication does seem to be influenced by the image and the perceived credibility of those delivering the message. It would hold as well that being fortunate enough to be born with a taller and more attractive appearance would be somewhat of an asset to those who want to lead but would certainly not guarantee success.

2.5 Personality Characteristics and Leadership Success: Some Research Findings

Much of the research into leadership has traditionally been funded by military organisations, particularly in the US. In fact the US military spends more money on leadership research than all other organisations combined. Military organisations depend heavily on compliance with authority and on the leader's ability to motivate individuals to sacrifice personal needs and goals to pursue a common goal. The consequences of leadership failure in operational settings are dire. Given the difficulties of simulating battlefield conditions to identify which people to select and promote to leadership positions, the idea of identifying the individual characteristics associated with, and predictive of, leadership, and which could be assessed, was very appealing. Likewise, organisations throughout the public, private and voluntary sectors find the idea appealing.

2.5.1 Intelligence and Leadership

Stogdill (1948, 1974) conducted reviews of the existing studies on leadership traits and found that leaders tend to be more intelligent, dominant, self-confident and knowledgeable about the task than non-leaders. Mann (1959) also identified intelligence along with other personality traits such as masculinity, adjustment and conservatism. However, the relationship between intelligence and leadership appears to be curvilinear in that extremely high IQ scores are not associated with effective leadership. It seems that we like our leaders to be intelligent but not too much so!

2.5.2 Additional Traits that Correlate with Leadership Success

Other later reviews have identified varied traits. The results are not necessarily contradictory, but the explanation for differences in findings is likely dependent upon a variety of variables: the structure of the study, the era in which the study was conducted, the assessment tools and techniques, and the different study populations. For instance, Hogan *et al.* (1994) found that effective leadership is associated with extroversion, energy, agreeableness and conscientiousness. A 1986 review (Lord *et al.*) found three overriding traits: intelligence, masculinity and dominance. Later, Kirkpatrick and Locke (1991) reported drive, motivation, integrity, confidence, cognitive ability and task knowledge to be the most important traits.

Which of these characteristics do you have? To what extent?
Do you think you could develop these traits?

Table 2.3 Summary of reviews that found specific traits associated with leadership success

Stodgill 1948	Mann 1956	Stogdill 1974	Lord et <i>al.</i> 1986	Kirkpatrick and Locke 1991	Hogan 1994
Intelligence Alertness Sociability Persistence Insight Self-confidence Initiative	Dominance Masculinity Adjustment Intelligence Conservatism Extroversion	Sociability Tolerance Responsibility Initiative Persistence Achievement Insight Self-confidence Cooperativeness Influence	Intelligence Dominance Masculinity	Cognitive ability Confidence Motivation Task knowledge Drive Integrity	Extroversion Energy Agreeableness Conscientiousness

Suffice it to say that many studies have been conducted over the years in an attempt to identify leadership traits, and such studies form the raw material for reviews such as those mentioned above.

2.5.3 Leadership Traits from the Follower's Perspective

A somewhat different approach to identifying leadership characteristics was based on the opinions of individuals who were both followers and leaders. This study collected the views of many thousands of individuals from business and government, participating in university executive development programmes (Kouzes and Posner, 2002). (We shall examine their work more closely in Module 10.) When asked 'What do you look for and admire in your leader?', there was considerable consensus among these individuals in that they reported that leaders need to be:

1. honest;
2. forward looking;
3. inspiring;
4. competent;
5. fair minded;
6. supportive;
7. broad minded;
8. intelligent.

This study provided relatively consistent results when initially conducted in 1987 and when repeated in 1995 and 2002.

2.5.4 Effective Leadership May Not Be Ethical Leadership

Although intelligence, competence and honesty seem to play a role in leadership, it is also evident that overall findings are generally inconclusive in suggesting that leaders possess a consistent set of personality traits that differentiate them from non-leaders. John De Lorean emerged as an entrepreneurial and charismatic leader in the 1970s who was able to secure a multimillion pound investment from the UK government to finance a car manufacturing plant in Northern Ireland. The business subsequently failed, and De Lorean and his colleagues were investigated by the Serious Fraud Squad for defrauding the company of US \$17m. De Lorean fled to the US and could not be extradited, but his colleague Fred Bushell, a former chief of Lotus cars, was jailed for 3 years in 1992. Additionally, De Lorean was arrested for attempting to import \$12 million worth of cocaine into the US to raise money but was released on a technicality to do with entrapment. De Lorean's lack of honesty and fair-mindedness did not emerge until the consequences of his action were widely known. Such incidents serve to emphasise that 'effective' leadership does not necessarily equate with 'good' (i.e. ethical) outcomes, and that leadership can have a dark side.

A more current example is the 2005 conviction of Bernie Ebbers for an \$11 billion fraud as the head of WorldCom, which resulted in the company's collapse and the biggest bankruptcy in US history (Buncombe, 2005). Because he had built the company from very humble beginnings indeed, was seen as 'salt of the earth' and insisted on an efficient and frugal operation, he was, up until the collapse, consistently feted as an ideal executive (*see* Module 8 for a more complete review of leadership and ethics).

2.5.5 Personality Traits of Successful Business Leaders

Cooper and Highley (1985) attempted to identify what makes an effective leader by analysing the personal life histories of recognised change-makers in British industry. In a series of interviews they questioned leaders about aspects of their life and personal skills and qualities they considered contributed to their success. As a result they identified seven significant elements, described as:

1. a 'loner' attitude and sense of marginalisation;
2. considerable motivation and drive, which gave them an abundance of energy and stamina;
3. a deep-seated belief system, i.e. a strong sense of mission or cause;
4. early responsibility;
5. personal charisma;
6. well developed 'people' skills, particularly the ability to communicate and be open and honest;
7. a childhood that involved insecurity or loss.

In a study of 72 managers (Dulewicz and Herbert, 1996) comparing the scores on personality tests of 'high- and low-flyers', it was found that high-flyers scored significantly higher on the following dimensions:

- assertiveness and decisiveness;
- risk-taking;
- achievement;
- motivation;
- competitiveness.

Furthermore, they were more skilled in planning and organisation, motivating others and managing people. Fiedler (1996) has also highlighted the fact that the ability to cope with stress is important to those who take on leadership roles. Leadership is a demanding activity, and is also socially isolating the further one moves up in the organisation. Hence personal resources that improve stress-resilience become increasingly important for long-term survival.

2.5.6 The Psychological Workplace Needs of Successful Leaders

Again, this research highlights the importance of social skills to leadership as well as the role of need satisfaction. Psychological needs are considered to be a powerful motivator of human behaviour. Murray (1938) proposed that there are as many as 20 different types of need that underlie behaviour. The three most relevant workplace needs with implications for leadership are:

- **need for achievement** (nACH) – the desire to overcome obstacles and strive to do something difficult, quickly and well;
- **need for power** (nPOW) – the desire for control and influence;
- **need for affiliation** (nAFF) – the desire to form good relationships and associations with others and achieve a sense of attachment or belonging.

According to writers like McClelland who addressed these three needs, successful leaders are characterised by a high need for power, with their followers showing a greater sense of responsibility, organisational goals and team spirit. McClelland also wrote that leaders with a high need for achievement are less effective because they put their own success and recognition first, whereas a high need for affiliation will cause the leader to put their popularity first. As leadership often necessitates challenging the status quo, it would seem that leaders need to put aside issues of popularity on the basis that you can't please all the people all the time! In the context of Maslow's (1970) hierarchy of needs, leaders are driven to satisfy the higher-order needs of self-esteem and self-actualisation.

2.6 Social or Emotional Intelligence

Many descriptions of leadership emphasise that effective leadership is about winning the minds and hearts of others. Winning minds is an intellectual task and requires the application of cognitive skills such as reasoning and logic. However, winning hearts is an emotional task and requires the exercise of social and emotional intelligence.

2.6.1 The Role of Emotional Intelligence in Successful Leadership

Contemporary writers and researchers in the field of leadership are increasingly highlighting the role of **emotional intelligence** to explain the success of modern leadership. Much has been claimed of emotional intelligence by popular business writers and academics such as Daniel Goleman (1998), who suggest that emotional intelligence (EI) is more predictive of leadership achievement, life success and general well-being than general cognitive intelligence (i.e. IQ). Although not without its critics (Woodruffe, 2000), EI is perceived to be demonstrated by a distinct set of competencies relating to:

- self-awareness of one's own emotions as they happen;
 - managing feelings so they are appropriate;
 - motivating oneself in the service of a goal;
 - having empathy and understanding for emotion in others;
 - being able to interrelate well and work with others.
-
- **Self-awareness.** Emotionally intelligent individuals are those who are confident in themselves, know what motivates them, are aware of situations that cause them to think negatively, and can differentiate between the emotions they experience and easily recognise when they are angry, sad, happy or frightened.
 - **Self-management.** Emotionally intelligent individuals are able to control anger and other disruptive emotions while maintaining their integrity. They are adaptable enough to be able to move on quickly when faced with obstacles, and do not become overwhelmed by negative emotions.
 - **Awareness of others.** Emotionally intelligent individuals are sensitive to others and recognise their effort and contribution. Importantly, they are able to recog-

nise when others are unhappy, know when to speak and when to stay silent, and can recognise when someone says something that they do not really mean.

- **Pursuing the goal.** Emotionally intelligent individuals are ready and able to achieve high standards, and carefully align these standards with the goals of their group or organisation. A high level of tenaciousness and initiative also characterises these individuals, even in the face of adversity.
- **Relationships with others.** Emotionally intelligent individuals are characterised by their ability to influence others in a non-threatening way and do not avoid dealing with the feelings that others may have and/or express.

2.6.2 Leadership Development and Emotional Intelligence

According to Mayer *et al.* (2000), emotional intelligence is a form of social intelligence that lies at the intersection between emotion and cognition. Importantly, Goleman writes that unlike IQ, which remains relatively stable throughout adult life, EI is something that can be learnt and developed by training. There have been several small-scale studies (e.g. Kelloway *et al.*, 2000; Palmer *et al.*, 2001) that have linked increased EI scores with the more effective transformational aspects of leadership (*see* Module 4). Another influential study (Slaski and Cartwright, 2003) of several hundred UK managers has found strong evidence that EI is associated with leadership performance and improved well-being, and is a significant moderator of the stress response, indicating that the highly emotional intelligent are more able to cope with the demands and stresses associated with the leadership role.

How much of a leader's effectiveness might be dependent upon the cultural setting? (*see* Module 6)

Would good leaders probably be successful, regardless of the country or culture in which they were placed?

2.7 Culture and Leadership Traits

It is worth mentioning that the ideas that have driven the development of leadership theories are firmly rooted in Western thinking and still cling towards the notion of one best way to lead. Both the traditional trait theory approach and the more recent developments in the field of emotional intelligence have based their findings almost entirely on samples of Western leaders and managers. In an increasingly global business environment, the ability to lead across cultures is likely to present different challenges and may require a different set of aptitudes and abilities (*see* Module 6). This view is supported by **leadership categorisation theory** (Lord and Maher, 1991), which holds that the better the match between the leadership concepts held by followers and the leader's display of those attributes, the more likely followers will see the leader as a leader. If leadership concepts were found to differ within different cultures, then that might well hinder the effectiveness of a leader from a different cultural perspective.

2.7.1 Differing Perspectives of Leadership Traits within Europe

It may be no surprise to find that such different cultural perspectives are evident. Even within Europe, ideas about effective leadership traits show remarkable variance. Brodbeck *et al.* (2000) surveyed over 6000 middle managers from 22 European countries and found that leadership concepts are culturally influenced. In their study, they were able to find three fairly distinct clusters: Northwest Europe (Anglo, Nordic and Germanic countries), Southeast Europe (Latin, Central Europe and Near East countries), and France.

Some leadership attributes were valued as facilitating outstanding leadership success across all countries (except France), attributes such as being inspirational and visionary, having integrity, being performance orientated and decisive. Some attributes such as team integrator were ranked first in the Southeast Europe cluster but fourth in the Northwest Europe cluster. Being self-centred, face-saving and malevolent were ranked as negative traits by all groups (even France!), while participation was ranked among the highest of traits by the Northwest Europe cluster but as only slightly positive by the Southeast Europe cluster. Suffice it to say that the search for leadership traits is becoming more complex in our increasingly multinational world.

Table 2.4 Attributes and drawbacks of principal leadership traits

Traits	Main attributes	Main drawbacks
Heroic	<ul style="list-style-type: none"> Is intuitively appealing Identifies the characteristics of successful leaders from many different times and settings 	<ul style="list-style-type: none"> Heroes, generals and politicians, may have limited relevance to today's business leaders Traits contributing to success are the opinions of biographers
Physical	<ul style="list-style-type: none"> Relatively easy to assess Research shows that height and attractiveness are an asset to leaders, at least initially 	<ul style="list-style-type: none"> Are numerous examples of outstanding leaders who lack such traits
Personality	<ul style="list-style-type: none"> A huge number of psychometric tests and research are available Provide a substantial amount of feedback to the individual Characteristics such as extroversion and self-confidence correlate with leadership effectiveness 	<ul style="list-style-type: none"> Play a supporting role in selection since personality traits are only moderately predictive of leadership success Traits may not be readily developed if lacking

Traits	Main attributes	Main drawbacks
Intelligence (IQ)	<ul style="list-style-type: none"> Is a moderate correlation between intelligence and leadership success IQ is a common measurement, readily understood 	<ul style="list-style-type: none"> Too much intelligence interferes with successful leadership Intelligence is relatively fixed, not readily susceptible to development Intelligence alone is not enough; the leader must also understand the context and have other skills
Emotional Intelligence (EI)	<ul style="list-style-type: none"> Initial research suggests EI is more predictive of leadership than IQ Appeals due to its focus on managing emotions and interrelating with others May be developed through training 	<ul style="list-style-type: none"> Has been popularised, but EI traits may not be significantly different from previously identified personality traits such as sociability, introspection and self-confidence.
Follower preferences	<ul style="list-style-type: none"> Has face validity from those who choose to follow the leaders Identifies traits not found in psychometric tests such as honesty, consideration and being competent 	<ul style="list-style-type: none"> Little research available to correlate follower chosen traits with actual success Follower preferences may be influenced by the leader's level of popularity

2.8 Leadership Traits in Summary

Research into leadership traits has spanned much of the 20th century. What can we summarise about trait research and its practical application? One answer might be a long list of the findings of various researchers with the hope that the more of the traits individuals possess, the more effective their leadership. A more practical approach, however, is to recognise that some broad leadership characteristics are relatively central, and although not absolutely required in all cases, will tend to correlate positively with effectiveness in leading others.

2.8.1 The Most Commonly Identified Leadership Traits

The traits that tend to be most common in our view are physical attractiveness, intelligence, confidence, social skills, integrity and the desire to lead.

- **Physical attractiveness.** Possessing physical attributes valued by the society in which the leader functions is an advantage, at least initially. By the same token, having physical characteristics eschewed by social norms would be an initial disadvantage. Therefore a tall, attractive, well-dressed and fit-looking individual with a commanding voice and style of presentation will initially be more likely to be seen as a leader than his or her counterpart with few of those traits. However, it can be presumed that physical presentation can easily fade away as an attribute if other leadership traits are limited or lacking.

- **Intelligence.** As discussed above, most studies show that followers value leaders with relatively high levels of intelligence, but not so high as to move beyond meaningful communication. IQ is generally believed to be genetic and is clearly related with the ability to achieve academically as well as quickly understand complex concepts. But followers will also judge leaders to be bright or intelligent if they exhibit considerable skill or knowledge in achieving the task at hand, a type of intelligence gained only through experience. Going hand in hand with this type of intelligence is what is called ‘common sense’, the ability to avoid making obvious mistakes. Regardless of the source of intelligence, it is still an important trait for leaders.
- **Confidence.** When speaking of confidence we would agree that a number of similar traits might well be included within this trait: assertiveness, self-assurance, boldness, a risk-taker, maturity and so on. This confidence cannot just be internal but must be apparent to others. For the followers, a perception of a confident leader results in their becoming self-assured as well, confident in following the path set out by the leader.
- **Social skills.** It is also more than likely that successful leaders will have at least a passable level of social skills. Although there are numerous exceptions, the ability to communicate, understand organisational politics, show empathy, respect social norms, create cooperative relationships and show tact and diplomacy is usually a part of most effective leaders’ list of assets. Effectiveness achieved by following the ‘Attila the Hun’ school of leadership theory is the exception rather than the norm, even in highly structured and controlled organisations such as the military.
- **Integrity.** Among the most essential of traits is that of integrity. Although there are examples of leaders who have been successful without showing high levels of other leadership traits, we know of hardly any leaders who have been successful over time if they did not show integrity. Integrity means being reliable, keeping your word, being trustworthy. It is often a difficult trait to maintain consistently, but it is clearly among the traits rated most important by followers and employers alike.
- **The desire to lead.** It almost goes without saying that, regardless of any other traits, if the individual does not have the drive or determination to be a leader, there will be no leadership. For this trait is, in reality, the individual’s engine room, providing the power to move ahead. It provides tenacity, energy and the ability to hold up during adversity. We have known of individuals who ‘burned out’, losing this trait and thus their effectiveness as a leader. And we have also known individuals who seemed to have a bountiful supply of other leadership traits, but who had little desire to take on the leadership role. Along with integrity, the desire to lead is an essential trait.

2.8.2 Trait Theory in Perspective

Perhaps the greatest concern about trait theory is the tendency to oversimplify its implications, resulting in the assumption that individuals either have ‘the right stuff’ to be leaders or they don’t. Keeping that concern in mind, it is nevertheless quite

evident that almost any individual in a leadership or management position will be invited to assess and understand the importance of leadership traits in a variety of settings:

- through their own performance feedback and development planning;
- when providing performance feedback, coaching and mentoring to others;
- through psychometric testing in development planning;
- through psychometric testing for placement and selection;
- when identifying selection criteria for any number of jobs;
- when interviewing job candidates.

An understanding of trait theory will certainly be of value in deciding which traits are of importance, how to assess those traits, and how to develop those traits (if indeed the trait can be developed).

Although we have highlighted what we view as the six major traits listed above, we by no means see this list as all-inclusive. Even though they contribute substantially to successful leadership, the process is more complex. Any two individuals, perhaps equally successful, will tend to show leadership differently based on their gender, cultural background, genetic heritage, experience, work setting and much more. Trait theory is an important method of understanding effective leadership, but only one of several, as we shall see in the following modules. For although having the traits identified above is shown to be somewhat of an advantage, it is only a start. As we shall see in the following modules, the leaders' experience, their interactions with their followers, their desire to lead and much more contribute to any given leader's success. And as each of us is unique, we shall need to learn to optimise our experiences and abilities in our own unique way in order to optimise our effectiveness as leaders.

You have been appointed a member of the search committee to find a leader for a major division within your organisation. What traits will you look for? Are these specific to your organisation or more universal? How will you ascertain whether a person has these traits?

Learning Summary

- Trait theory attempts to understand leadership effectiveness through the identification of personal characteristics such as personality, body shape or intelligence which correlate positively with successful leadership.
- Trait theory is an attractive way for organisations to study leadership. If the traits that successful leaders possess can be identified, then those traits can be used to identify future leaders.
- An initial approach to trait research was through examining the biographies of great, even heroic, leaders. However, the practical application of such studies has been limited.

- Physical assessment of leaders is a second approach. Although some approaches such as measuring head shape, brain structure and so on have been largely discredited, there does appear to be some correlation between leadership effectiveness and the individual's physical make-up. For example, height appears to be an advantage.
- Psychometric testing has been used to identify the relationship between leadership success and a variety of psychological characteristics such as intelligence, personality traits, psychological needs and emotional intelligence.
- When followers are asked which traits are required in effective leaders, they tend to identify traits such as honesty, being forward-looking, being inspiring, being competent and fair-minded. Such traits are not commonly assessed through psychometric tests.
- A leader who exhibits the traits of a successful leader may not, however, necessarily be an ethical leader (*see* Module 8).
- Traits valued in leaders are often somewhat different from culture to culture (*see* Module 6).
- Although psychometric testing is commonly used to test for leadership traits, it largely fulfils a supporting role in the selection of leaders as its predictive qualities appear to be quite limited.
- Traits commonly found to correlate with successful leadership from across a variety of studies include physical attractiveness, intelligence, confidence, social skills, integrity and the desire to lead.

Review Questions

True/False Questions

- 2.1 Measuring the size and shape of the head was an early attempt to measure personality characteristics. T or F?
- 2.2 There is general agreement that leadership traits are a product of our genetic make-up. T or F?
- 2.3 There tends to be a linear relationship between intelligence and leadership effectiveness: the higher the level of intelligence, the more likely the individual is to be considered a successful leader. T or F?
- 2.4 Although there are some differences of perspectives among cultures as to traits that are desirable in leaders, the differences are relatively minor. T or F?
- 2.5 Although EI (emotional intelligence) is correlated positively with leadership, it appears to be quite difficult to develop. T or F?

Multiple-Choice Questions

- 2.6 Which of the following is *not* a reason why the trait theory of leadership is attractive to organisations?
- A. If the traits of successful leaders can be identified, then future leaders can be selected for such traits.
 - B. The identification of leadership traits is a relatively cost-effective method of identifying leaders.
 - C. Identification of traits required for leadership can be a source of personal awareness for individuals in their career aspirations.
 - D. If desired leadership traits can be assessed, then existing and aspiring leaders can seek to develop those traits.
- 2.7 Which of the following statements is *most* accurate when describing leadership trait theory?
- A. Leadership traits are relatively easy to define but difficult to measure.
 - B. Leadership traits are most accurately assessed through well-validated, self-reporting psychometric tests.
 - C. Motivated individuals can generally improve most leadership traits through careful development planning.
 - D. Leadership trait theory has come to focus more on personality traits and less on physical characteristics.
- 2.8 Which of the following statements is *not* true?
- A. Physical characteristics alone do not explain why some people are successful leaders while others are not.
 - B. Height has been found to be of no advantage for leaders.
 - C. Attractiveness is somewhat of an asset for those who wish to lead.
 - D. Personal image has an influence in being persuasive as a communicator.
- 2.9 Which of the following traits was the *most* important as rated by the followers in Kouzes and Posner's work?
- A. Charisma.
 - B. Honesty.
 - C. Intelligence.
 - D. Creativity.
- 2.10 Among a wide variety of studies, a number of traits are commonly identified. Which of the following does *not* fall into that group of commonly identified leadership traits?
- A. Physical attractiveness.
 - B. Humility.
 - C. Intelligence.
 - D. Social skills.

Case Study 2.1: The Greenfield Assignment

Gillian Buxton was perplexed. As the MD of Trans-European Logistics (TEL), a growing full service 'logistics solutions' company headquartered in Brussels, she was responsible for a wide-ranging organisation that included warehouses, a variety of transport operations and logistics contracts for a number of manufacturers and retail clients. She was justifiably proud of the team of managers she had put in place to manage the various, often very complex, operations.

One of those managers, Francois Picard, was the cause of Gillian's concern. Francois had been selected to establish a new warehouse hub just outside Paris. Francois had been with TEL for six years, working first as a highly successful sales representative in Northern France and Belgium and then moving into marketing at the head office, where he quickly gained the respect of other senior managers and, in time, caught Gillian's eye as an individual with great potential. Francois, 32, could clearly have been considered as a successor to the Director of Marketing, given experience and additional development, but the incumbent Director of Marketing was herself 39 years of age so there would be little chance for Francois to move into the position in the foreseeable future.

Francois was charismatic and influential, readily making friends and maintaining a network of contacts within the industry as well as the profession that was truly remarkable. He always had someone, it seemed, to whom he could turn for a favour! A hard worker, he was able to see the big picture, knowing what was important and making sure things got done, sometimes to the consternation of the more procedurally oriented departments such as finance and legal services, which sometimes had to tidy up the pieces after Francois. 'I know, I know, details are important,' Francois would say with boyish charm, 'but we got the job done, didn't we?'

During a succession planning exercise, Gill agreed with the HR Director that Francois might benefit from an assignment in another part of the organisation for a couple of years, both to provide him with a more rounded background and to give him a new challenge. Francois was delighted at the prospect of taking on a new assignment. TEL had taken an option on a site outside Paris to establish a new automated warehousing operation, in essence a greenfield site, and needed someone to take on the responsibility of site manager. This would entail overseeing the construction and fitting of the physical facility, staffing the facility and ensuring that the facility was functional as soon as possible.

Francois was offered the assistance of a variety of corporate resource specialists, facilities management, HR, legal and so on. After meeting briefly with each entity, Francois launched himself into the project with his usual vigour. He found an apartment near the site, set up his office in a temporary facility, and was soon head over heels in planning permits, blueprints, site services problems and so on. The build portion of the project appeared to be largely on schedule but with substantial budget overruns. 'It was my judgement that we were better off to be on time than under budget,' explained Francois. 'We have commitments to customers and we need to get this facility up and running.'

An additional concern, however, was a report from a regional HR manager who had visited the facility and emailed what she considered to be problems with the staffing process. Francois was taking it all on himself to hire, and it soon became evident that his selections were based largely on his network of contacts. For instance, he had promised one of the contractors that his daughter would be office manager. Another supplier's teenage boys had been promised jobs in the warehouse over the summer. An inspector of the local governmental planning agency had found a job for his brother as shift manager. There appeared to be more qualified people available who had not been selected.

Just as worrying was a report from facilities management that some aspects of the new building were simply not within specification. Some of the cement flooring had already begun to crack, and an initial inspection of the electrical wiring indicated that a lower grade of wire had been installed than was specified in the contract. 'Not to worry. I can ring any of these guys up at any time and they'll come and put it right,' said Francois with reassurance. 'Just tell me what needs to be fixed.'

'Over budget, HR problems and now the building is not up to specification. I don't think Francois is going to make it. I can't let this go on,' thought Gillian. 'How could I have got it so wrong?'

Questions:

- 1 Do you think Gillian had understood the characteristics required for the building and start-up of the new warehouse?
- 2 Could it be that she misjudged Francois's success in one situation with his ability to be successful in quite different situations?
- 3 What traits or characteristics did Francois exhibit that made him so successful in sales and marketing roles? What traits would be needed for him to be successful at the start-up operation?

Case Study 2.2: The Divisional Managers

Leanne Jones had worked for two successful and effective divisional managers in the same publishing company. The first one, Phillip Dasler, Divisional Head of Southern Region, was very helpful to her, responding to her ambition and providing opportunities for her to move on to the second division, a move that resulted in a good promotion as well.

Phillip was a large but rather plain man just under two metres tall with dark hair and quick brown eyes. A little overweight, he had a deep rumbling laugh, which was much in evidence around the office. He was an amusing companion; people could laugh with him and at him. Approaching his 40th birthday, Phillip was seen as a star performer as well as having leadership potential for higher management. His planning was good, his staff were happy and constructive, he met deadlines and was rarely under pressure. He had a policy of letting his staff get on with their work. If they needed to talk to him they could and did walk through his open door. He set out to help others fulfil their potential, and the staff trusted him as a very capable and fair man. He had great listening ability, and always had time for others.

Phillip was very intelligent, but he covered this with a somewhat bumbling air and some personal eccentricities about how problems could be resolved. He was also clever and self-confident in that he could comfortably outmanoeuvre most people. Leanne had grown and flourished under his leadership and considered him one of her best managers ever.

Leanne's next manager, Paul Johns, Divisional Head of Eastern Region, was of middle height, with blonde hair and blue eyes, and had been privately educated. His boss was very happy with his good performance. Paul's exceptional good looks were, however, marred by a somewhat blotchy complexion, a product of a variety of indulgences. He had a liking for female company but kept this out of the office. Leanne noted that he had a rather dainty way with his fingers and that he was a bit precious. Leanne soon discovered that Paul did not trust his staff and they did not trust him. Paul was clever, even shrewd, but also a rather anxious man, perhaps verging on paranoia. In fact he was a bit paranoid. He also was difficult to predict in that he often seemed to be saying one thing but ended up doing something just a little different. As Leanne observed, you soon learned to relate to him by taking one step back and another to the side.

Paul occasionally disappeared after a good lunch. The rumours asserted that he had been observed on one of these afternoons going into a massage parlour. One day Leanne was called in to discuss an expense claim for her first business trip to London. It soon became apparent that Paul was unhappy with the level of the expenses claimed. To Leanne's surprise, Paul said that they were too low and had to be increased. 'If you're the only one with hardly any expenses, head office might start asking questions. The expense account is one of the perquisites of the job in this division,' Paul explained with a wink. He then produced a bundle of blank receipts and said that she could use some of these or she could start taking her family out to dinner and claim such expenses, whatever it required to get her expense claims up. It became starkly apparent that Paul was ripping off the expense system in a consistent and undetected way. Given that other members of Paul's team took advantage of the liberal interpretation of the expense policy, Leanne reluctantly did as she was asked. However, she was so unhappy with the behaviour that she decided that she would have to leave. In three months she had found another job.

Questions:

- 1 Although they are quite different in how they project leadership, Phillip and Paul are both well thought of by their respective bosses. How might trait theorists describe the difference between the ways in which Phillip and Paul approach leadership?
- 2 How do Leanne's differing experiences in working for the two leaders compare with what you now know about leadership traits from the follower's perspective?
- 3 Would you think that both managers have high levels of emotional intelligence? How can you tell?
- 4 How do you assess Phillip and Paul against the leadership traits that are most often cited as being indicative of leadership success?

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Module 3

Behaviour Theory of Leadership: What Do Effective Leaders Do?

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Learning Objectives

By the end of this module, you will be able to:

- describe the difference between the trait theory of leadership and the behaviour theory of leadership;
- list the two major dimensions of early leadership theories as focus on task and focus on relationship;
- identify the difference between McGregor's Theory X manager and the Theory Y manager;
- list the different styles of management proposed by Blake and Mouton in their managerial grid;
- describe the underlying premise of contingency theory;
- describe the diagnostic process used in Hersey and Blanchard's situational leadership model;
- list and describe the four situational leadership styles of the model;
- state the concepts behind Fiedler's contingency model;
- state the concepts underpinning path–goal theory.

Do you think leaders are born with innate leadership ability?

Or is leadership a learned behaviour that can be assimilated and honed?

In short, do you think you lean more toward the trait theory of leadership or the behaviour theory of leadership?

3.1 Introduction to the Behavioural Theory of Leadership

An alternative approach to the study of leadership is to focus on what the leader does – on leader behaviours, rather than leader traits. This approach has appeal if leadership behaviours can be learned. The implication, therefore, is that leadership success may be achieved by anyone willing and able to study such behaviours. In short, leadership behaviour theory holds that leaders are made, not born. As we begin our examination of behaviour theory, however, we might well ask a number of questions:

- If leadership can be learned, is there a ‘best’ way to lead and, if so, what behaviours are involved and how can we learn them?
- Or is it more likely that leadership behaviours need to be adapted, depending on the situation, the needs of the individual, or the characteristics of the team or organisation that is being led?
- Or is it possible that some combination of inherited traits and experience results in a specific style that can vary among individual leaders? Therefore, any given leader will likely be more effective in some situations and less effective in others. If so, should we not try to identify the specific styles of our leaders so they may be placed in situations where their style may be optimised?

We shall examine all three of these questions in some depth as we turn our attention to the evolution of leadership behaviour theory.

3.1.1 Early Scientific Efforts to Improve Worker Productivity

The idea that managers can learn to manage in such a way that employees become more productive can be readily traced back to Fredrick Taylor (Kanigel, 1997), the world’s first modern efficiency expert. He started his work in the factories of the northeastern US in the 1880s, where he studied work, conducted experiments and devised ways to improve productivity by breaking work into small, precisely defined components that improved performance. For instance, he would conduct experiments to find the optimum size of shovel for shovelling coal, and immortalised a labourer identified as ‘Schmidt’ who went from loading 14 tons of pig iron a day to 52 tons by carrying an optimum load size. Although Taylor’s work is often misinterpreted today as primarily being an attempt to manipulate workers into working harder, his intentions were good as he also experimented with the effects of enhanced pay for enhanced productivity. Taylor nevertheless left a lasting legacy in that work began to be regarded as a scientific process that could be studied and improved.

It was in just this scientific tradition that two researchers, Frederick Roethlisberger and William Dickson (1939) conducted research at General Electric's manufacturing plant at Hawthorne, Illinois, from 1924 to 1933. Although the Hawthorne experiments were conducted in a number of aspects of work-related behaviour in a telephone component assembly plant, the most oft-repeated story is of a small group of women who were assembling wiring relays. The women were taken to a special room, and an experiment was conducted that was designed to monitor the effect of lighting levels on their productivity. The surprising outcome was that productivity tended to increase, regardless of lighting levels. In time it became evident that the reason for the productivity was that the women were receiving extra attention and were seen as having status within the workforce: in essence, they felt special. This finding came to be known as the Hawthorne Effect. Just as Taylor had opened the door to thinking about management as a scientific process, so Roethlisberger and Dickson furthered thinking by entering the human factor, the psychology of work, into the equation.

3.1.2 A Focus on the Styles of Leaders

Following on from the Hawthorne studies, research undertaken by two US universities, Ohio State University and the University of Michigan, began looking at leadership itself and how different leadership behaviours might affect followers. The universities sought to identify whether effective leadership in the workplace was the outcome of a specific and consistent behavioural style. This approach was the further development of a classic study conducted some years earlier by Lewin *et al.* (1939); it investigated the effect of three kinds of adult behaviour on a group of 10-year-old boys attending an after-school club. The boys were randomly divided into three groups and given a model-making task. Each group was assigned a male leader who behaved in a particular style, described as autocratic, democratic or laissez-faire. The impact of these three different styles was evaluated in terms of how well the boys accomplished the task and how they responded to the leader.

3.1.3 The Two Dimensions of Leadership: Task Focus and Relationship Focus

The **autocratic** leader gave strong directions to the boys as to what they were to do and how they were to do it. He decided the kinds of models they were to make, and was quick to criticise and chastise them for their poor performance. In terms of outcome, the boys did produce both high quality and a high quantity of models. However, although they performed well at the task, they were very discontented with the leader's behaviour towards them, although they were compliant to this leadership when he was around them. As a result, whenever the leader left the room, they would discontinue working on the task and fool around. In contrast, the group that was assigned the **laissez-faire** leader was given no task guidance and interacted minimally with the leader. Basically, the leader presented the boys with the task materials and just told them to get on with it. Consequently, the boys produced fewer and more inferior-quality models than either of the two other groups. Furthermore, they were unmotivated by, and dissatisfied with, the leader's behav-

ious. The third group, assigned the **democratic** leader, were allowed to choose the types of models they made, and received considerable support, advice and encouragement from their leader. They performed as well on the task as the autocratic leader's group and were also highly satisfied with, and motivated by, the leader's behaviour towards them. The results of this study highlighted the fact that effective leadership had two distinct dimensions – the ability to accomplish a given task and the ability to develop motivating and satisfying relationships with those one leads. From Lewin's work, we can easily come to the conclusion that a democratic leadership style is best.

The research team at Ohio built on Lewin's work by asking subordinates, and to a lesser extent leaders, to describe the kinds of behaviours exhibited by their workplace supervisors. The Michigan team began their research by classifying leaders as effective or ineffective and then went on to identify the kinds of behaviour that differentiated the two groups. Both research teams came up with rather similar conclusions: that leadership had two important dimensions, structure and consideration. To be effective, leaders had to behave in a way that demonstrated that they were concerned about accomplishing the task and were able to direct a group's activities to attain their given goal. In addition, leaders need to demonstrate trust, respect and consideration for their subordinates and be able to maintain good interpersonal relationships.

3.2 The Emergence of Specific Leadership Style Theories

In a similar vein, Douglas McGregor (1957) described management styles on a continuum ranging from a traditional **Theory X** style to an opposing **Theory Y** style. The Theory X manager realises that management's job is to organise and direct work and closely monitor the workforce, because people tend to be lazy by nature, lack ambition, prefer to let others be responsible, and resist change. Therefore the Theory X manager would be 'hard' or 'strong', keeping tight control. McGregor then proposed a new, enlightened style of managing, Theory Y. Theory Y holds that if employees have become passive and resistant, it is because of their experience in organisations. In reality, in each person is a sense of drive, a desire to achieve and be responsible. The Theory Y manager will realise that management's role is to arrange the working environment and methods of operations so that people feel trusted, take on responsibility, and achieve their personal goals by directing their efforts toward achieving organisational goals.

3.2.1 Douglas McGregor's Theory X–Theory Y

McGregor's work is often oversimplified, and can create the view that a leader is either task-oriented or people-oriented. In fact, we recall McGregor's Theory X–Theory Y being presented in management training programmes as the choice between an autocratic, even dictatorial approach (which was dehumanising and therefore to be avoided) or a democratic and caring style. Theory Y was the obvious preferred choice as a humanistic approach to dealing with people.

However, the Theory Y choice was never a completely satisfactory option, as intuitively there would seem to be at least *some* need to focus on task. So is there a middle ground where a compromise is reached, a balance of task-focused and relationship-focused behaviours, but neither to extreme?

3.2.2 Blake and Mouton's Managerial Grid

Rather than viewing leadership styles as being on opposite ends of the same scale, as in Theory X–Theory Y, Blake and Mouton's (1964) **Managerial Grid** presents a way in which managers can plot their management style on some combination of these two dimensions.

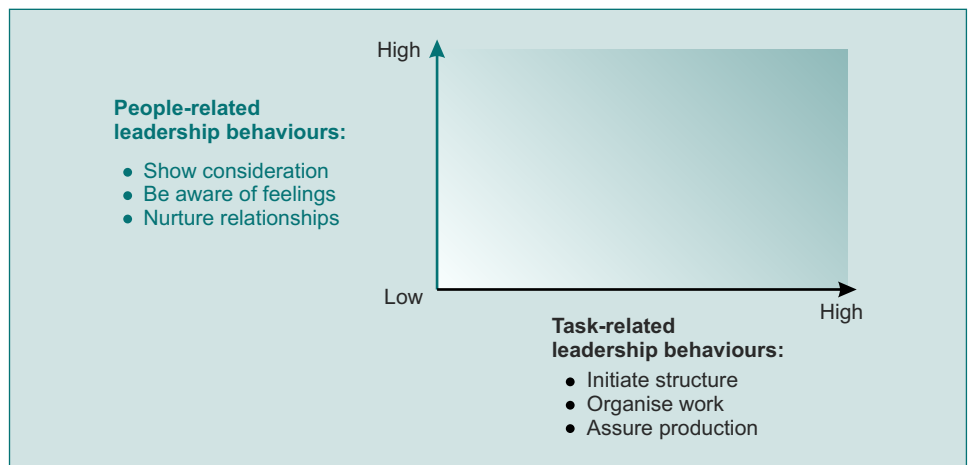


Figure 3.1 Grid displaying the two factors of leadership behaviours

They propose that there are five important positions on the grid to consider.

Impoverished management

- Low on consideration and low on initiating structure
- Non-directive and non-participative
- Uninspiring and ineffective leadership

Country club management

- High on consideration and low on initiating structure
- Highly participative but non-directive
- Individuals might find working with such a leader to be a pleasant and undemanding experience at a personal level but lacking in challenge and stimulation. The leader may be well liked but ineffectual.

Organisation (wo)man

- A middle of the road style of leadership associated with promoting moderate rather than high performance

- Leader tries to balance the contradiction between production and the needs of individuals
- Lack of strong direction often leads to team complacency and lack of challenge.

Authority–obedience

- Low on consideration and high on initiating structure
- Highly task-directive
- Leader maintains close supervision and control over team members
- Promotes compliance rather than task commitment or high levels of involvement.

Team management

- Both high on consideration and high on initiating structure
- Promotes high levels of task commitment and relationships based on trust and respect
- The ‘best’ style of management to which leaders should aspire

The Managerial Grid proposes that a high task and high relationship focus, the **team management** style of leadership, is the ‘one best way’ to manage, regardless of the situation. Its authors have produced a related questionnaire that is used to assess the way a leader is currently operating, and is used as a basis for team-building with the objective of moving the team culture to the high-task and high-relationship position.

Consider two or three quite different leaders in your organisation, all of whom you consider to be quite effective. How would you describe each individual’s style of leadership?

Are they largely the same or are they quite different?

If these individuals were to switch roles, would you predict that their style would be equally effective in their new assignment? Why or why not?

3.2.3 Concerns About the Universal ‘Best’ View of Leadership Styles

There is some criticism of the ‘best style’ approach to leadership. Among the most telling is that, in spite of considerable research, no consistent link between leadership styles, employing some combination of task and/or leadership behaviours, and outcomes such as morale, productivity or job satisfaction, has been found. In fact, according to Yukl (1989) the ‘results from this massive research effort have been mostly contradictory and inconclusive.’ He points out that the only consistent finding is that, unsurprisingly, followers are more satisfied when their leaders are more considerate.

Yet another concern is that there has been no finding of a single, universal style that is effective in every situation. The Blake and Mouton model clearly indicates that a high task and high relationship orientation is best. This is damaging, because

the major focus of the 'best style' school of thought was to identify a leadership approach that would consistently result in superior outcomes. This concern is also mirrored when we consider personal experiences working in organisations: we have experienced various leaders with quite different styles who, nevertheless, were very effective in spite of style differences. Just as the trait approach has been unable to identify definitive personal characteristics for leadership effectiveness, so the style approach has been unable to identify definitive behaviours.

3.3 Horses for Courses: Different Situations, Different Styles

Forces within the individual drive the preferred behavioural style that a leader adopts. Certain personalities feel more comfortable accomplishing tasks in a consultative way; others are more comfortable if they assume a high level of control in leadership situations.

Wright (1996) suggests that this results in four main styles of leadership:

1. Concern for task – task-centred leadership
2. Concern for people – people-oriented or employee-centred leadership
3. Directive leadership – authoritarian or autocratic leadership
4. Participative leadership – democratic leadership.

Take a few minutes to think about your behaviour as a leader. List five adjectives that describe how you tend to behave generally.

Now consider an example when such an approach was highly effective and an example when your style of leadership did not work well. Why do you think your style was effective in one situation but less so in the other?

Although most people have a preferred leadership style, adopting the same leadership style irrespective of the situation is unlikely to be consistently effective. Some individuals perform better if they receive strong direction from a leader, whereas others resent being told what to do, and respond badly to directive leadership. After all, few would imagine that they would manage a team of highly trained chemists, for example, in the same manner as warehouse employees performing a picking and packing operation.

We also know that culture plays an important role in determining the style of leadership that is likely to be expected and accepted (*see* Module 6). For example, cultures such as Greece and India expect their leaders to be more directive and autocratic than the USA or the UK. In time-pressured situations, advantages and opportunities can be lost by excessive consultation with team members. In extreme situations, such as the battlefield or a hospital casualty ward, leaders need to be decisive, as the penalty for pausing for consultation could be loss of lives. Clearly, there are forces within the group and the situation that leaders must respond to and adapt their leadership style appropriately. This recognition that leaders must match their styles to suit differing situations resulted in a third approach to leadership known as the situational or contingency approach.

3.3.1 Contingency Theories of Leadership

From the 1970s onwards, and building on Blake and Mouton's model, researchers began to consider what kind of leader would be most effective under given situations. In essence, leadership style effectiveness began to be viewed as being contingent upon variables external to the leader. There is plenty of evidence to suggest that leaders emerge to meet the needs of their group, organisation or society at a given time. During World War II, Prime Minister Winston Churchill was regarded by the vast majority of British society as a strong, inspiring and popular leader. However, in the postwar general election he was displaced as the country's leader despite his great successes as a heroic wartime leader. Political and historical commentators attributed his failure to be re-elected to the very qualities that people admired him for as a great wartime leader, qualities considered inappropriate for a leader in the postwar era. The public's perception was that a peacetime situation required a different kind of leader to rebuild postwar Britain and return the country to economic and social stability.

In more recent times Nelson Mandela has emerged as the right man at the right time to exercise the kind of moral leadership required to bring about a peaceful revolution in South Africa. Conversely, Lech Walesa, through his leadership of the Solidarity labour union, was the foremost influence in the national protests that ultimately led to the downfall of the Communist government in Poland. Easily elected as the nation's president, he was not successful in his new role, and received less than 5 per cent of the vote when he ran for re-election.

3.3.2 Tannenbaum and Schmidt's Leadership Continuum

An influential theory of situational leadership is that proposed by Tannenbaum and Schmidt (1973); it conceptualises leadership behaviour along a continuum dependent upon the degree to which leaders use their authority.

On the basis of the results of an accompanying questionnaire, Tannenbaum and Schmidt assign leadership scores to reflect the most and least favoured style. There are four main leadership positions on the continuum, with one extreme, 'telling', being an authoritarian style, whereas the other extreme, 'joining', is described as quite democratic. The four styles may be summarised as follows:

- **Tells.** This is an authoritarian style. Leaders see themselves as having all the necessary information and power simply to make decisions and issue instruction. The role of those they lead is simply to follow these instructions. This style is based on the assumption that followers have no useful role to play in decision-making, possibly because of lack of ability, knowledge or motivation.
- **Sells.** A 'selling' style is little different from a 'telling' style, except that instructions and directions are articulated in a softer and more persuasive way. Leaders still take control and make decisions. The use of persuasion represents an attempt to try and secure willing compliance rather than simply impose the decision.

- **Consults.** Leaders consult with followers and obtain their views. These views are taken into account, but leaders reserve the right to make the final decision, which may or may not be in line with the views of others.
- **Joins.** This is a totally participative style. Leaders join with followers to make a decision in which all views are represented.

Unlike Blake and Mouton, Tannenbaum and Schmidt do not advocate one ‘best way’ of leadership, but rather emphasise the need for leader flexibility. Effective leaders will move their position along the continuum and adopt the style that is most appropriate for the situation. In selecting the appropriate style, leaders will take account of the following:

- forces in the individual, e.g. personality skills and knowledge;
- forces in the group, e.g. degree of support needed, expectations, previous experience;
- forces and maturity in the situation, e.g. the nature of the task, the culture of the organisation, whether it is relatively new or a long-established organisation.

3.4 Situational Leadership

A very popular development of the contingency approach to leadership is Hersey and Blanchard’s (1988) model of situational leadership, which rests on similar basic assumptions:

- There is no single all-purpose leadership style, but rather what is appropriate depends upon the nature of the follower(s) and the demands and requirements of the task.
- The leader’s behaviour has two independent components: directive behaviour and supportive behaviour.

Directive behaviour relates to the extent to which the leader provides structure and guidance concerning the task. **Supportive behaviour** relates to the extent to which the leader supports and acts with consideration towards followers. The model emphasises four leadership styles dependent upon one major situational factor, the **developmental level** of the follower for any given task. Development level relates to three factors: having the technical knowledge, skills or competence to execute the task; the level of commitment to pursue the task; and the level of confidence that he or she will be successful at the task.

3.4.1 Diagnosing the Follower’s Development Level

Table 3.1 illustrates the model by which we assess the follower’s degree of development. In other words, before leaders choose a leadership style, they first need to diagnose the development level of the follower *for the specific task*. It is easy to err and diagnose employees on their *usual* level of development; but a very accomplished employee will be a beginner when learning a completely new task. A judgement of the development level is made gauging the follower’s competence, confidence and

commitment. For instance, if we determine the follower's development level to be D-2, 'disillusioned beginner', then we select quite a different leadership approach than if the diagnosis were to be D-4, 'peak performer'.

Table 3.1 Diagnosing the follower's development level

Diagnostic factors	Development level			
	D-4, peak performer	D-3, regular contributor	D-2, disillusioned learner	D-1, enthusiastic beginner
Competence on <i>this</i> task	Master Has mastered the task	Sufficient Can normally do the task	Marginal Cannot do the entire task adequately	Low Can do little if any of the task
Commitment to <i>this</i> task	High Wants to do the task perfectly	Varies Commitment to the task varies	Low to variable Commitment to the task varies	High to low Varies from motivated to lacking commitment
Confidence on <i>this</i> task	High Confident about doing the task	Varies between confidence and insecurity	Varies, insecure Insecure about doing the task	Low Insecure about doing the task

Source: Adapted from Hersey and Blanchard.

3.4.2 Selecting the Style to Match the Situation

The four leadership styles that are to be matched with the respective follower development levels are:

- **S1 Telling (or directing).** In order to be successful, the follower is judged to need clear direction.
- **S2 Selling (or coaching).** The follower's development level is such that he or she requires both direction and support.
- **S3 Participating (or supporting).** The follower is considered to have adequate mastery of the skills required for the job, but some support is required.
- **S4 Delegating.** This follower will have mastered the task, has confidence, and so requires only that the task be delegated with little requirement for supervision.

Figure 3.2 illustrates how the situational leadership styles are placed against the two-factor leadership grid. The overall task of the supervisor is to support the follower in moving from a lower development level to a higher development level through the application of appropriate leadership behaviours.

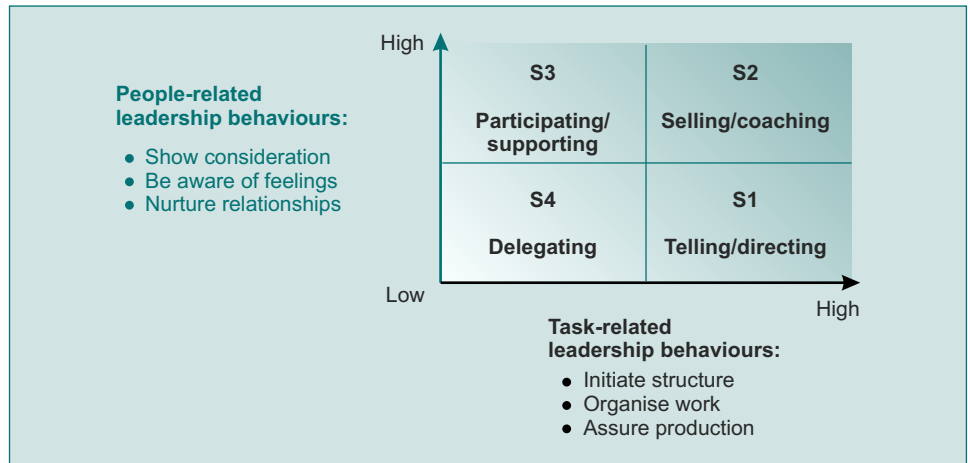


Figure 3.2 Situational leadership styles against the two-factor leadership grid

3.4.3 Criticisms of Situational Leadership

However, there are criticisms of the model that point out its weaknesses. Chief among the concerns is that there have been only a few research studies. Without a strong body of research, how can we be sure that the model provides a valid approach?

In addition, the research that *is* available is inconclusive. Vecchio (1987) conducted a study of more than 300 teachers and their principals. He found some validity for the model with newly hired and inexperienced teachers, but it did not seem to hold true for more experienced teachers. Another criticism is offered by Yukl (1989), who points out that Hersey and Blanchard are not clear about their concepts underpinning follower development levels. For instance, in an early version (1969) of their model, a Level I follower is described as unwilling and unable. A later version describes a Level I follower as having high commitment but low ability, an ‘eager beginner’. The rationale for this change is not explained, nor is underlying theory given for the developmental paths proposed.

Nevertheless, we find Hersey and Blanchard’s model to have considerable practical application for those seeking specific leadership skill development. It is easy to conceptualise, straightforward and practical, and can be readily employed at many different levels within the organisation for virtually any task. Therefore we address its application in some depth in Module 9.

3.5 Fiedler's Contingency Model

Fiedler (1967) argued that whereas every leader has a fairly stable set of personality characteristics that predisposes him/her to adopt a particular leadership style, account must also be taken of what the leader thinks about the individuals being led. In order to measure the attitudes of the leader, Fiedler developed a measure called the **least preferred co-worker (LPC)** scale. The LPC scale requires the leader to think about a person with whom he or she would work least well and rate them on an 8-point scale. The scale has 20 items. Examples include: friendly/unfriendly, cooperative/uncooperative. Summing the numerical ratings for each of the items then derives an LPC score. The less critical the rating, the higher the LPC score. Leaders who attain a high LPC score are considered to have high self-esteem needs and so derive considerable satisfaction from interpersonal relationships. They will expend a lot of energy in providing support and consideration to improve relationships in situations where relationships are poor. In contrast, leaders with low LPC scores are considered to have high task accomplishment needs and so derive considerable satisfaction from task performance and achieving objectives. Irrespective of the quality of relationships, their primary motivation will be to focus on task accomplishment.

3.5.1 Leadership Effectiveness: Situational Favourability and Situational Control

Fiedler's theory suggests that effective leadership behaviour is dependent upon both the favourability of the situation and the degree of situational control. Situational control concerns the amount of power and influence the leader has over those he/she leads. There are important situational variables. In decreasing order of importance these are:

- **Leader-member relations** (good/poor): The degree to which a leader is trusted and liked by group members, and their willingness to support the leader and follow his/her guidance, the group atmosphere.
- **Task structure** (high/low): The extent to which the task is clearly defined for the group, and the extent to which it can be carried out by detailed instructions or standard procedures. Highly structured tasks give the leader more control, whereas nebulous tasks diminish the leader's control.
- **Position power**: The amount of power and influence the leader has in the organisation, including the ability to give out rewards and punishments. If the leader can hire and fire, he or she has considerable position power.

From these three variables, Fiedler constructed eight combinations representing different situations (*see* Figure 3.3) and matched these with the more effective behavioural style, i.e. task or person-oriented.

Leader member relations	Good				Poor			
	High		Low		High		Low	
Position power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak
Preferred leadership style (LPC score)	1	2	3	4	5	6	7	8
	<ul style="list-style-type: none"> Low relationship motivated Moderate relationship motivated 			<ul style="list-style-type: none"> High relationship motivated 			<ul style="list-style-type: none"> Low relationship motivated 	

Figure 3.3 A contingency model of leadership

Source: Adapted from Fiedler, F., 1967, *A Theory of Leadership Effectiveness*, New York: McGraw-Hill.

Fiedler suggests that the relationship of leadership style to the favourableness/unfavourableness of the situation is a curvilinear one. The task-oriented leader is perceived as having greater group effectiveness under highly favourable/highly unfavourable circumstances where he/she has high/low situational control. By way of contrast, the relationship-oriented leader is more effective under circumstances of moderate favourability/control. Therefore, as a leader, your particular style will be more likely to be effective in some situations, less so in others. Once the nature of a given situation is understood, the fit between your style and the situation can be assessed. No style will be effective in all situations, so organisations should attempt to place leaders in situations where they can be effective.

3.5.2 The Contingency Model in Application

Interestingly, Fiedler's theory is supported by a good deal of research (Strube and Garcia, 1981; Peters *et al.*, 1985). Therefore it appears to have good predictive qualities, providing us with useful information in matching leaders and situations for optimal success. It also allows us to understand what we perhaps already knew intuitively: no leader is effective in every situation. If a leader is not successful, the organisation can try to identify situations where he or she *can* be successful. Fiedler's theory also provides the organisation with the possibility of creating leadership profiles for its leadership positions. The LPC could potentially be used along with other assessment tools to assist in hiring, promotions, succession planning, job assignments and so on.

Fiedler's work has been criticised by Filley *et al.* (1976) because of their finding of mixed research evidence to support his theory, as well as uncertainty about the LPC scale and its contribution. It also fails to explain why individuals with certain styles

are more effective in some situations than in others. This is what Fiedler himself calls the 'black box' problem: the mystery surrounding why task-oriented leaders are successful in extreme situations whereas relationship-oriented individuals are more effective in moderately favourable situations.

Perhaps a more telling criticism for organisation-based practitioners is the sheer difficulty of using the process in practical situations. To administer four different instruments to assess a leader's style as well as the situational variables (relations of leader-members, the task structure and positional power) is likely to be difficult for most organisations as an ongoing practice. The theory also implies that, as the style is based on personality characteristics, individual style development will not be particularly feasible. Rather the situation itself should be changed to fit the leader, or the leader should be assigned to situations that best fit his or her style. Again, in practice, most organisations are not likely to reengineer situations (even if it were possible) in order to obtain a better fit with the style of the incumbent manager. Conversely, neither will organisations be willing to find situations for their leaders. Rather, organisations are more likely to develop structures and divisions based on organisational purpose and expect leaders to adapt their style to meet the specific leadership task. At this point in time our view is that contingency theory offers rich promise to do further research in understanding the processes of leadership effectiveness, but has not developed enough for much practical application.

3.6 Path–Goal Theory

It is worthwhile to examine one additional theory that falls into the leadership style category of leadership theories: the path–goal theory of leadership. It is influenced by theories of motivation, particularly what is termed **expectancy–valence theory** (Vroom, 1964; Porter and Lawler, 1968). This states that the degree of motivation that individuals will apply to a task depends upon how likely they feel they will be able to be successful at the task and how much they value the physical or psychological outcome/reward they will receive if they are successful.

In other words, individuals are motivated to act: (a) when they feel their efforts will be successful; and (b) when they feel that success is linked to outcomes that have a positive value to them. Therefore tasks that have difficult and unrealistic goals are demotivating, and result in little effort. Similarly, tasks that have realistic goals, but for which the reward is not linked to performance or is not something that the individual needs or desires, are perceived as not worth expending a lot of effort on. The path–goal theory of leadership maintains that a leader should exercise the style of leadership that is most effective in influencing employees' perceptions of the goals they need to achieve and the path (or way) in which they should be achieved. This is, of course, in contrast to the situational approach, which indicates that the leader should adapt to the development level of the follower, as well as to the contingency approach, which emphasises matching the leadership style with situational variables.

3.6.1 The Four Types of Leadership Behaviour

House identified four main types of leadership behaviour:

- **directive** – giving clear instructions as to exactly what the goal is and the way they should go about accomplishing it;
- **supportive** – encouraging and supporting individuals in accomplishing the goal;
- **participative** – involving individuals in the goal-setting process, and listening to their opinions and views;
- **achievement-oriented** – setting challenging goals, and building confidence in followers to achieve those goals.

House and Mitchell (1974) indicate that leaders are able to motivate followers when they make the path to the goal clear and easy, when the work is made to be satisfying, and when the number and kinds of payoff are increased. In summary, path-goal theory advises that leaders can assist followers along the path to goal achievement by selecting leadership behaviours best suited both to the follower's needs and to the work situation. Therefore a follower's characteristics will determine how the leader's behaviours are interpreted: a subordinate with a high need for affiliation will respond best to supportive leadership, whereas a dogmatic, authoritarian follower will prefer directive leadership, particularly in ambiguous situations. Each style can therefore be brought to the fore in specific situations.

Table 3.2 Path-goal theory leadership styles

	Directive	Supportive	Participative	Achievement oriented
Works best when	Subordinates are dogmatic, authoritarian, prefer rules and procedures Task demands are nebulous, procedures are unclear	Subordinates require nurturing and encouragement The task is quite, structured, satisfying or causing frustration	Subordinates prefer to work autonomously, feel they have control The task requires clarification	Subordinates will take on challenges, are willing to personally develop The task lacks clarity

3.6.2 Advantages and Disadvantages of Path-Goal Theory

An advantage of path-goal theory is that it is uncomplicated and relatively straightforward. It integrates motivational theory with leadership theory, and provides a theoretical framework for how the four leadership behaviours affect job satisfaction and goal achievement of followers. Because it is relatively simple to understand, it also has the potential for considerable practical application.

An empirical criticism of path-goal theory is that it is only partially supported by research conducted to support its validity (Indvik, 1986; Wofford and Lisk, 1993). For example, some research supports the prediction that directive leadership will be related to worker satisfaction in unstructured or confusing situations, whereas other research does not support the relationship. Yet another concern is that path-goal

theory may focus too heavily on the actions of the leader at the expense of the followers. With such an approach, followers could become overly dependent on the leader at the expense of their own development.

3.7 Leadership Behaviour Theory in Perspective

We have seen in this module how an approach to effective leadership has evolved over time to include a view that the style or behaviours of the leader are what determine effectiveness. The picture has also become more complex as some theorists suggest that the style should be determined by the follower's development level (situational leadership), while other theorists submit that leadership style is probably fixed and therefore the leader should be assigned to a situation where he or she can be most successful (contingency theory). Yet another behaviour theory school of thought is that an analysis of the follower's goal orientation combined with the relative clarity of the task will determine the most effective leadership approach (path-goal theory).

Each theory has merit as well as criticism. We can learn from each theory and take something from it in terms of developing our own leadership styles. Behaviour theory is quite attractive to those concerned with developing leadership skills because, for the most part, behaviours can be learned and honed. Thus, given basic levels of ability and an understanding of the situation, individuals with a desire to lead can develop their leadership skills to an adequate level. This approach to leadership has face validity, and most successful leaders will credit their success, at least in part, to being given opportunities during their careers when they were able to learn and develop their understanding and practice of leadership behaviours.

Table 3.3 Attributes and drawbacks of principal leadership behaviour theories

Theory	Main attributes	Main drawbacks
McGregor's Theory X Theory Y	<ul style="list-style-type: none"> Clearly defines the two major orientations of leadership behaviours: task and relationship Promotes the 'people factor' in leadership behaviours 	<ul style="list-style-type: none"> Tends to oversimplify leadership as a choice between either focusing on task or focusing on relationship
Blake and Mouton's Managerial Grid	<ul style="list-style-type: none"> Develops the concept that task and relationship orientations are not mutually exclusive Creates a measurement instrument to assess leadership style 	<ul style="list-style-type: none"> Promotes the concept that there is one 'best' style of leadership focusing on both task as well as relationship No consistent research has supported the effectiveness of this approach

Theory	Main attributes	Main drawbacks
Situational leadership (Wright, Tannenbaum and Schmidt, Hersey and Blanchard)	<ul style="list-style-type: none"> Focuses on follower needs rather than a leader's preferred style Is conceptually attractive and easy to apply Proposes that leadership behaviours should be contingent upon the particular situation 	<ul style="list-style-type: none"> Conceptual underpinnings are not clearly defined or understood Research only partially supports the effectiveness of this approach
Fiedler's contingency model	<ul style="list-style-type: none"> Advocates placing leaders in situations where they are most likely to be effective Research indicates the model has good predictive qualities Proposes that differing leadership styles will be effective in different situations, depending on leader-member relations, level of task structure and positional power 	<ul style="list-style-type: none"> The theory is not able to explain 'why' some styles work in certain situations and not in others In practice, the model is quite cumbersome, difficult to use in practical situations Advocates changing the assignment rather than developing the individual's style
Path-goal theory (Vroom, Porter and Lawler, House and Mitchell)	<ul style="list-style-type: none"> Integrates motivational theory with leadership theory Leaders should, therefore, choose actions suited to both the follower's needs and the needs of the work situation Is uncomplicated and straightforward 	<ul style="list-style-type: none"> The effectiveness of the theory is only partially supported by research Focuses too much on the leader, at the expense of the follower, perhaps causing the follower to become overly dependent

Behaviour theory is a second area of exploration following on from our study of trait theory in Module 2. Undoubtedly, leadership success involves a mixture of appropriate traits as well as appropriate leadership behaviours. But we are not through with leadership theory, for now we turn to Module 4, Transformational Leadership Theory.

Learning Summary

- Behavioural leadership theory contrasts with trait theory in that it studies leaders' behaviours, what they *do*, rather than their personal characteristics.
- Behaviour theory holds that leaders are made, and therefore leadership effectiveness can be learned by developing and employing appropriate skills and behaviours.

- Early research identified two key dimensions of leadership behaviour, a focus on achieving the task at hand and a focus on developing the relationship with the follower.
- Douglas McGregor (Theory X–Theory Y) developed the idea that leaders would tend to focus either on task or on relationship, but that to focus on one dimension would be at the expense of the other.
- Blake and Mouton submitted that a strong leadership focus on both the task and the relationship was the ‘best’ style of leadership.
- Contingency theory emerged in the 1970s and considers what kind of leadership style would be effective in what kind of situation.
- Hersey and Blanchard’s situational leadership model became the most widely used model of behavioural theory, which diagnoses the follower’s task development level before selecting the most appropriate leadership behaviours.
- The contingency model (Fiedler) proposed that leadership styles are relatively fixed, being effective in certain situations but less so in others. So leaders should be placed in situations where they will likely achieve success.
- Path–goal theory marries leadership theory with motivational theory so that the motivational needs of the follower are considered along with the work situation in selecting an effective leadership approach.
- Behavioural leadership theory is intuitively appealing, as most leaders will attribute much of their success to developmental experiences, and it also supports the idea that organisational time and resources should be placed against the development of its leadership capability.

Review Questions

True/False Questions

- 3.1 Scientific attempts to study worker efficiency had been under way since midway through the Renaissance. T or F?
- 3.2 Theory Y managers are equated with autocrats with little trust or regard for their followers. T or F?
- 3.3 Path–goal theory marries motivational theory with leadership behaviour, thus individualising the leadership approach to each individual follower. T or F?
- 3.4 An advantage of contingency theory is that it is relatively straightforward and easy to apply in the work setting. T or F?
- 3.5 A major appeal of behavioural leadership theory is the concept that leadership can be learned: thus organisations can place resources against improving the leadership effectiveness of their managers. T or F?

Multiple-Choice Questions

- 3.6 Frederick Taylor did *not* study the effects of which of the following on worker productivity?
- A. The size and shape of their tools.
 - B. Optimum load size.
 - C. Lighting levels.
 - D. Pay.
- 3.7 Which of the following is correct? The 'Hawthorne Effect' proposes that:
- A. workers are more efficient in clean, well-lit working environments.
 - B. leaders who employ Theory Y behaviours will gain greater follower output.
 - C. peer pressure can act as counter leverage to leadership efforts to gain support.
 - D. followers will be more productive when they are made to feel special.
- 3.8 Which of the following is *not* considered to be a situational variable in Fiedler's contingency model of leadership?
- A. Preferred leadership style.
 - B. Position power.
 - C. Task structure.
 - D. Leader-member relations.
- 3.9 Which of the following groups of factors are considered key to diagnosing follower development levels in Hersey and Blanchard's situational leadership model?
- A. Verbal skills, sociability and affability.
 - B. Competence, commitment and confidence.
 - C. Experience, qualifications and performance.
 - D. Dexterity, fine motor skills and stamina.
- 3.10 If a follower is diagnosed as being a 'Peak Performer', the appropriate leadership style would be:
- A. telling/directing.
 - B. selling/coaching.
 - C. participating/supporting.
 - D. delegating.

Case Study 3.1: Charles, the Pharmacists and the Medical Supplies Department

When a leader consistently exhibits leadership behaviours, the consequences for the followers and the organisation may well be problematic. We knew Charles, a very successful department head in a large, multi-specialty hospital. Charles managed the hospital pharmacists, a department of highly trained individuals who were assigned to various wards and specialty areas where they worked closely with doctors, nurses and patients to ensure the best use of pharmaceuticals in patient care while also being involved in a variety of research and educational projects. With such a highly educated and motivated team, Charles' approach was almost entirely delegative and relationship

oriented. He took time to get to know each of his pharmacists personally, assigned major areas of responsibility to individuals, provided assistance if and when individuals asked for it, but otherwise left them to their work while serving as an interface between his department and senior management or the medical staff as required. The pharmacists thrived in this environment and thought highly of Charles.

At the same time, the Medical Supplies Department (which provided all manner of bedding, paper goods, bandages, bed pans and so on to the nursing wards) had been problematic for some time. Suffering frustration and stress, the department manager left. Because of Charles' success with the pharmacists and his obvious good relationships with the medical staff and various hospital wards, he was asked if he would be willing also to assume management responsibility for Medical Supplies. Charles readily agreed to take on this new assignment.

Within 90 days, it was all too apparent that Charles had been a dismal failure with this added responsibility. Not only had the performance of Medical Supplies not improved, it had actually become worse, far worse, and staff turnover had become dreadful owing to the stress placed on the poorly performing department by the internal customers. The department was reassigned to a newly hired manager with prior experience in a similar department, and it gradually resolved its issues.

Questions

- 1 How would you explain Charles' lack of success in light of the situational leadership model?
- 2 What would contingency theory indicate as an approach to dealing with Charles and the Medical Supplies Department?
- 3 If you were the manager who had made the decision to give Charles the responsibility for the Medical Supplies Department, what might you learn to do differently when dealing with similar situations in the future?

Case Study 3.2: Simply the Best

Adrian Billings is preparing for his annual spring visit to major universities, the focal point of InterBank's graduate intake programme. Each year InterBank, a commercial investment bank with offices in nine European countries, Hong Kong and Singapore, hires up to 25 new graduates to come into the firm and fill the needs of the bank for highly trained and motivated employees who will be groomed to move into management positions.

This year, however, Adrian has paused to reconsider the selection process that has traditionally been employed. The reason is that, for the last three graduate intake groups, slightly over 25 per cent of the new hires have left within 2 years, with last year's 28 per cent turnover rate being the highest. There has been little reason, at least up until now, for Adrian to review the behavioural criteria that are considered to be important for job success at InterBank. First and foremost, for a financial institution,

anyone working in the firm needs to act ethically, and to be very oriented towards protecting assets as well as customer confidentiality. Of course, analytical skills are also a key consideration in a banking institution, sought-after behaviours that Adrian assesses through the review of numeracy scores on an ability test. Not only is banking a numbers business, it is also a people business, so interpersonal skills are also a requirement, along with exhibiting confidence, initiative, personal grooming, and being able to communicate in an articulate and concise manner.

Other considerations come into play as well, such as a strong work ethic, being a team player, showing creativity ('thinking outside the box'), and more. There is also the need to bring graduates into the programme with the ability to adapt quickly to the organisational culture and then begin taking concrete steps to develop and then move into management positions.

It does strike Adrian that some of the behaviours he looks for might be contradictory. For instance, is somebody who is meticulous about following policy, making sure every penny is accounted for, likely also to be a lateral thinker or creative spark when addressing problems? Is someone with a strong analytical and technical orientation also likely to have exceedingly strong people skills? And although the ability test can assess ability in maths, Adrian is less clear about how to assess people skills other than through letters of recommendation and the impressions left at the interview process. Additionally, Adrian has begun to question how to assess whether an individual will fit well with the culture and be successful in management.

What is certain is that the loss of over 25 per cent of new graduates is very costly, not just in terms of the recruitment process, but also because of the costs incurred in bringing the new person into the firm and providing months of training and development before the individual can assume full job responsibilities. Such a level of failure in the retention of new graduates simply cannot continue.

Questions

- 1 Is Adrian looking for the right behaviours in his recruitment process?
- 2 Is it possible that the poor retention rate is due to other factors than the selection process? If so, what?
- 3 How would you analyse the turnover of graduates using path-goal theory?
- 4 If you were Adrian, would you change your recruitment process? If so, how?

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Module 4

Transformational Theory of Leadership: Engaging Hearts and Minds

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Learning Objectives

By the end of this module, you will be able to:

- describe the differences in approach between transactional and transformational leaders;
- describe the historic trends that challenged traditional views of leadership and promoted the development of transformational leadership theory;
- list the four elements that are a part of transformational leaders;
- identify common methods in which transformational leadership behaviours are identified;
- quote key research findings that describe the successful practices of executives who are considered to be transformational leaders;
- view charisma as being a key transformational leadership quality;
- list the behavioural attributes of those who exhibit charisma;
- describe the methods that have been found to be successful in developing transformational leadership skills;
- describe the key criticisms of transformational and charismatic leadership theory.

Think of a particularly successful leader whom you have experienced, perhaps someone who has taken an organisation through a period of major change, perhaps in the face of great difficulty. Why was this person so successful?
What traits or behaviours contributed to that success?

4.1 Introduction to the Transformational Theory of Leadership

We shall recall that the theories of leadership discussed so far, leadership trait theory in Module 2 and behavioural leadership theory in Module 3, place a heavy emphasis on the use of the positional, resource or reward power of the leader to get people to do the things the leader wants. It is implicit that those who occupy leadership positions have legitimate authority over those they lead, and therefore expect respect and compliance. Leaders also have the resource or reward power to offer inducements to encourage subordinates to carry out their wishes and/or admonish those who resist. But it is apparent that, at times, such authority and reward power are not enough.

4.1.1 Challenges to Our Established Views of Leadership

As discussed earlier, military agencies have been the main funders of leadership research in the US. In the aftermath of the Vietnam War in the 1970s, questions were being asked about the high level of insubordination among the enlisted soldiers and the lack of respect shown to their leaders. More than in any previous war, Vietnam was characterised by a high level of drug abuse, incidents of absence without leave (AWOL), an escalation of what is called 'fragging' (grenade attacks by subordinates on army officers in their bunkers), and an alarming lack of compliance and commitment. Was it that the followers were less conformist, less committed? Or was it that leaders were less effective? This raised challenges to the traditional theories of leadership, which regarded followers as relatively passive recipients of the leadership process. It had been assumed that, if the leaders chose the right actions, followers were sure to follow.

At the same time, the onset of the 1980s was bringing challenges in the field of business leadership. Organisations were no longer operating in the relatively stable environments of previous years. Recession hit the US and spread across Europe and beyond. Organisations, both public and private, responded by delayering, decentralisation and moving to flatter structures. As a result, the span of managerial control expanded, and managers could no longer 'supervise' employees as closely as in the past. This meant that more responsibility needed to be devolved to employees. In short, employees were expected to take more initiative, be more flexible, take on more responsibility and achieve more, at a time when organisational leaders had less resource power to reward and motivate people and less to offer in terms of job security.

4.1.2 Beyond Positional Power

Against this background there emerged what is still described as ‘new’ or **transformational theories** of leadership founded on a growing recognition that, in order to influence the attitudes, beliefs and behaviours of others, a leader had to engage the emotions of those they sought to influence. In essence leaders could no longer rely solely on their positional power to oblige followers to comply with and follow their direction; now leaders had to ‘earn’ their influence. Charles Manz and Henry Sims (1989), in their book *Superleadership: Leading Others to Lead Themselves*, put it like this:

‘The most appropriate leader today is one who can lead others to lead themselves. The more traditional image of a leader as a shining figure on a rearing white horse crying, “Follow me!” may represent an incomplete view of leadership.’

Even as organisations subsequently came out of recession and economic growth returned, organisations have remained committed to the leaner structures philosophy, and the need to engage emotional commitment and belief ‘to go that extra mile’ has continued to be a necessity of modern-day leadership.

Keep the leader whom you identified at the beginning of this module in mind. As you explore the concept of transformational leadership below, consider whether this leader was a transactional leader, a transformational leader, or some combination.

4.2 Moving From Transactional to Transformational Leadership

Transformational leadership’s emergence as an important concept in leadership theory is generally associated with two leadership theorists, Burns (1978) and Bass (1990), although the term *transformational leadership* was coined by Downton (1973). In an earlier work, Burns (1970) first drew the differentiation between *transactional* and *transformational* leadership approaches. He described the bulk of traditional theories of leadership discussed in previous modules as being transactional because they rely extensively on implicit and/or explicit exchanges or transactions to generate results. With transactional leaders, leader/follower interactions are viewed as exchange processes in which followers comply with the demands of the task and leaders reward their effort and compliance. The effective transactional leader seeks to understand and help followers reach their personal goals, e.g. promotion, recognition etc., and at the same time achieves the goals of the organisation by clarifying roles and task requirement and showing linkage between expected behaviour and the expected reward (or punishment). In basic terms, the approach is based on exchange and rationality: ‘You do this for me and I’ll do that for you, either now or in the future.’ Of course, this exchange is common, being readily observed throughout all levels of most organisations.

4.2.1 How Transformational Leaders Differ

In contrast, transformational leaders appeal to the emotionality of their followers. They inspire followers to put aside and transcend their own personal interests to work for the benefit of higher-order goals, values and principles. Although his statement is perhaps somewhat exaggerated, according to Burns a transforming leader ‘engages the full person of the follower’. Burns explains that Ghandi is a classic example of a transformational leader, as he raised the hopes and expectations of millions of people in India (and throughout the world) and was himself changed as well.

To illustrate the difference between the two concepts, consider the situation where a company is about to launch a new product. A transactional leader might gather the sales team together and offer its members financial bonuses linked to the amount of new product sales they achieve. There is a logic to this approach in that it links perceived personal goals, i.e. increased income, with the organisational goal of increased sale revenue. However, the bonuses may not be large enough to be sufficiently motivating. Or the criteria for achieving a bonus may be considered to be too difficult in terms of the amount of sales one would need to secure to trigger the bonus scheme. Additionally, the sales of other products might suffer as a result of this strategy. And then there are the support staff who may not be included in the bonus scheme but whose cooperation is nevertheless required: should they also somehow be given increased rewards? As a consequence, in the longer term, there might be problems in continuing the bonus scheme. The transactional approach might be successful in the short-term but could well have other hidden costs and ultimately prove difficult to maintain. This exemplifies a major criticism of transactional leadership: followers’ needs are not considered individually, and there is no consideration of personal development.

In contrast, the transformational leader might approach the task by giving the sales team an energising and inspirational presentation about the new product. This convinces team members that it will really ‘make a difference in the world’ and that as organisational members they should be proud both of the product and of the company for producing it. The transformational leader also considers each team member in terms of his or her needs and levels of development, and provides appropriate support. The transformational leader would focus the sales team on higher-order collective goals, i.e. increasing market share, enhancing corporate reputation and sustaining employment, rather than individual lower-order goals.

Transformational leadership is characterised as a relationship of mutual stimulation and elevation that inspires and engages the positive emotions of followers. Transactional leadership works by aggregating commitment through the leader. Transformational leadership works by aggregating commitment toward the organisation’s vision, its greater purpose. Table 4.1 outlines the differing elements of transactional and transformational leadership.

Table 4.1 Transactional vs transformational leadership

Transactional leaders	Transformational leaders
<ul style="list-style-type: none"> • Use contingent reward Leader contracts exchanges of rewards for effort, recognises good performance and promises reward for accomplishments. • Practise management by exception (active) Leader watches and searches for deviations from required task behaviours and takes corrective action. • Or practise management by exception (passive) Leader intervenes only if requirements are not met • May adopt a laissez-faire approach and abdicate responsibilities and/or avoid making decisions and generally 'hope for the best'. 	<ul style="list-style-type: none"> • Are charismatic and provide a vision which instils pride, gains respect and trust. • Are inspirational and communicate high expectations of followers. They inspire individuals to make self-sacrifices and commit to difficult goals. • Are intellectually stimulating and get people to think and approach problems in new and different ways. • Show consideration and give followers individual attention and coaching.

Source: Adapted from Bass, B.M. (1990) 'From transactional to transformational leadership: Learning to share the vision', *Organizational Dynamics*, Winter, p. 22.

It is also worthwhile to note that Kouzes and Posner (2002) describe 'five practices of exemplary leadership' that closely parallel the ideas proposed in transformational leadership theory. We describe their work in considerable depth in Module 10. Those five practices are:

- Model the way.
- Inspire a shared vision.
- Challenge the process.
- Enable others to act.
- Encourage the heart.

4.2.2 Managing Efficiently versus Leading Change

Kotter (1990) suggests that transactional leadership is about managing efficiently whereas transformational leadership is truly about leadership that brings about change. He points out that transformational leadership behaviours are more effective than transactional approaches in terms of a variety of outcomes, including:

- increased organisational commitment of followers;
- increased effort and financial performance;
- increased job satisfaction;
- greater trust in management;
- increased employee innovation, harmony and good citizenship;
- lower levels of work stress and burnout.

4.3 Identifying Transformational Leadership Behaviours

Given the consistent support for the benefits of transformational leadership and the demands of a changing environment, how then do organisations identify and assess such behaviours in their managers? The most cited measure of transformational leadership, the **Multifactor Leadership Questionnaire (MLQ)**, was developed by Avolio *et al.* (1995). The questionnaire measures transformational leadership in the four subscales illustrated in Table 4.1, above:

- individualised consideration (IC);
- intellectual stimulation (IS);
- charisma (CHA);
- inspirational motivation (IM).

4.3.1 Obtaining Input from Those Who Work with the Leader

In addition, the MLQ incorporates a number of scales that measure transactional leadership behaviour, i.e. contingent reward, management by exception and laissez-faire. A self-assessment can be made from the responses of managers who complete the questionnaire. However, ideally the questionnaire was designed to be used as a 360° measurement instrument whereby multiple raters are asked to consider the manager/leader and score his or her behaviour on the various scales. As well as obtaining ratings from direct reports, other ratings typically come from the manager's boss, the peer group or even customers or clients. Scores from the rater groups are aggregated to provide a rounded assessment of the leader.

The 360° approach is helpful in eliminating single-rater bias, which can be a problem with the traditional 'boss-subordinate' performance reviews. Self-report measures in general can produce a distorted 'halo effect' whereby individuals may perceive themselves to be a 'good leader' and so rate themselves positively on all leadership dimensions presented, a characteristic that we have found to be particularly evident in white males. Self-report measures also often result in an overestimation of other competencies and abilities as well. Similarly, some individuals also underestimate their effectiveness and rate themselves lower than do others, particularly women and minorities. In support of this phenomenon, a number of studies (Beloff, 1992; Furnham and Thomas, 2004) have shown that, when asked to estimate their IQ, men tend to overestimate their scores whereas women tend to underestimate them. In either case, the way individuals see themselves is often somewhat different from the way that others perceive them. By using 360° multi-rater methods, many of these problems are reduced – provided of course that the raters' anonymity is protected. Those who have undergone the process almost universally report that it is an enlightening and sobering experience to receive such feedback!

4.3.2 Criticisms of the Transformational Leadership Measurement Process

The MLQ has drawn criticism, particularly amongst those who have used the instrument with managerial samples drawn from outside the USA where the tool was developed (e.g. Ardichvill and Gasparishiviti, 2001). Others have questioned its validity for use with female managers, as the instrument is based mainly on findings amongst a male population. More recently, in the UK, Alban-Metcalf and Alimo-Metcalf (2000) have developed an alternative 360° instrument, the **Transformational Leadership Questionnaire** (TLQ), which includes a number of additional factors including networking and approachability, believed to be particularly relevant to leadership in UK businesses. With different versions developed for business and for the public sector, the scales considered to comprise the components of transformational leadership include:

Leading and developing others

- Showing genuine concern for others
- Encouraging questioning, critical and strategic thinking
- Encouraging change

Leading the organisation

- Networking
- Building a shared vision
- Creating a developmental culture

Personal qualities

- Acting with integrity
- Decisive, risk-taking (public sector only – not a differentiator in private sector)
- Inspiring others
- Analytical and creative thinking
- Being entrepreneurial (private sector only)

4.4 Research Findings of Transformational Leadership

In spite of the promise of transformational leadership, it may not be as simple as avoiding transactional behaviours in preference to transformational ones. According to Bass (1990), leaders need to be capable of exercising *both* transformational and transactional leadership approaches, particularly in relation to contingent reward. Further, he suggests that transformational leaders have less difficulty in adopting a transactional style than the other way around. In a later study of 72 rifle platoon leaders in the US Army (Bass *et al.*, 2003), both transactional *and* transformational leadership behaviours were found to be positively predictive of unit performance. The authors speculate that a transactional leadership approach forms a solid base of follower expectations and performance, while a transformational approach will build

on that base. Furthermore, they posit that, with an organisation such as the army, where there is rapid leadership turnover, a transactional leadership approach may be essential to maintain stable performance.

Given the platoon leader study, what is your view of the effectiveness of transactional leadership versus transformational leadership practices?

Might they both be equally effective, depending on the skill of the leader?

Or would your experience tell you that transactional leadership may be more effective in one situation while transformational leadership may be more effective elsewhere? Explain.

4.4.1 Transformational Leadership and Successful Executives

Two other studies contribute to our understanding of transformational leadership. Bennis and Nanus (1985) and Tichy and DeVanna (1990) used similar methodologies (open-ended questionnaires) to interview chief executives at major corporations regarding their leadership practices. The executives were considered to be successful, to be people who had ‘transformed’ their organisations. Bennis and Nanus included 90 such leaders in their study and explored strengths and weaknesses, critical career points, approach to leadership and so on. They categorised and analysed the responses to their interviews, looked for commonalities and identified four common practices or strategies employed by their study group:

- **Vision.** These leaders created a clear, realistic, believable and attractive vision which pulled people into supporting organisational goals. Followers felt empowered as significant contributors towards that vision.
- **Social architecture.** These leaders created a shared meaning that transformed values and culture so that employees accepted the new philosophy and direction of the organisation.
- **Trust.** Not surprisingly, these leaders were found to develop trust by setting an example, exemplifying standards of behaviour. They were transparent in their beliefs, stood by their promises, and were seen to be eminently reliable, even in times of uncertainty.
- **Positive self-regard.** Knowing their strengths and weaknesses, the leaders capitalised on their strengths rather than dwelling on their limitations. This process also appeared to have a similar impact on their followers.

4.4.2 Transformational Leadership and the Management of Change

Tichy and DeVanna studied a smaller group of 12 CEOs but concentrated specifically on how these executives had managed their organisations through periods of significant change, perhaps brought about by rapid changes in technology, competition, economic trends, social changes and so on. They found that these leaders had managed change through three stages:

- **Recognising the need for change.** It is easy, particularly for successful organisations, to rest on their laurels, feeling that success will never end. Tichy and DeVanna’s CEOs saw themselves as change agents with the responsibility

for pointing out to the organisation how it must change. They tended to encourage dissent, engage in objective assessment of the organisation, and benchmark their organisation against others.

- **Creating a vision for change.** The vision was created not as an individual act of supremely creative inspiration, but rather by bringing together different viewpoints within the organisation. This was seen to create a roadmap for the future, which employees were eager to support.
- **Institutionalising the change.** This involved the hard work of breaking down old methods and structures and finding people who were willing and able to develop new ones. New groupings were often required, and people were helped to find new roles for themselves that would support the new vision.

Both the Bennis and Nanus and the Tichy and DeVanna studies illuminated how leaders at the top, who were considered to have transformed their organisations, applied their leadership skills. It becomes clear that the transformational leadership process is broad ranging, encompassing many dimensions of the leadership process. Transformational leadership appears to succeed because it empowers employees, causing them to set and achieve higher aims. In order to create the vision and implement the change, they tend to be open to dissent and feedback, be role models for their beliefs, and be seen by followers as articulate, competent and trustworthy. Followers appear not only to want to support the goals set forth through the transformational leadership process but, indeed, to emulate the leader.

4.5 Charisma and Transformational Leadership

Charisma has been described as a special gift that certain individuals possess, giving them the ability to achieve extraordinary things. Because of its similarity to transformational leadership, charisma has largely been subsumed within transformational leadership theory, and is today generally considered to be among its most important elements.

4.5.1 Characteristics of Charismatic Leaders

Weber (1947), in some of the earliest writing about charismatic leadership, described it as a very special characteristic, divinely given to the few, resulting in extraordinary powers whereby others are impelled to follow. Although seeing charisma more as a trait as described in Module 2, Weber also realised that it was only through the actions of the followers that charisma could be validated. Later, House (1976) developed a theory of charismatic leadership that has been described in ways that make it very similar to if not identical with transformational leadership. House identified the characteristics of charismatic leaders as including dominance, a strong desire to influence others, a strong sense of one's own moral values, and self-confidence. According to Meindl (1990), charismatic leaders tend to emerge in times of social and political crisis when there is a great deal of psychological insecurity and lack of social cohesion. It would seem that, when times are troubled, people look for a charismatic leader to come to their rescue and resolve disharmony. House

agreed that charismatic leaders are more likely to arise in times of distress and that, in addition to certain personality characteristics, they also exhibit certain behaviours:

- Charismatic leaders set high expectations for their followers, with an accompanying confidence that the followers can meet those expectations.
- The goals tend to have moral or ideological overtones, providing a sense of a higher purpose.
- Charismatic leaders are strong role models for those beliefs.
- Charismatic leaders appear to followers to be very competent.

Finally, House points out that the result of charismatic leadership is that followers feel great warmth for the leader, a congruence with and trust in the leader's beliefs, and an unquestioning acceptance of the leader – and, of course, followers believe that their goals are worthy and achievable.

Recall the individual whom you identified at the beginning of this module as being a very good leader, particularly in periods of change. Was success achieved during a period of great change? Would you agree that such leaders are more likely to arise in time of great distress?

Would they have been seen as such an effective leader during times of normality?

Of course the concept of charismatic leadership has been evident throughout history as leaders (e.g. Jesus Christ, Ghandi, Nelson Mandela) have emerged from non-traditional backgrounds and have exerted extraordinary influence not because of their position or expertise, but by the force of their personality. According to House *et al.* (1991), charismatic leaders often:

- are perceived as having a divine or semi-divine quality;
- have an unconditional acceptance of their authority and emotional commitment;
- have 'hypnotic' eyes and voice;
- possess good oratory skills.

4.5.2 Behavioural Attributes of Charismatic Leaders

The study of charismatic leadership in organisations has been significantly influenced by the work of Jay Conger and Bob Kanungo (1987; 1988; 1998). Conger and Kanungo developed a model focusing on several behavioural stages that:

- Stage 1: The leader develops a vision of idealised change that moves beyond the status quo, e.g. J. F. Kennedy had a vision of putting a man on the moon by the end of the 1960s. Initially to most people this seemed an impossible task.
- Stage 2: The leader communicates this belief and vision, and motivates followers to go beyond the status quo and visualise this happening.
- Stage 3: The leader builds trust by exhibiting qualities such as expertise, success, risk-taking and unconventional actions.
- Stage 4: The leader demonstrates ways to achieve the vision by means of empowerment, behaviour modelling for followers, etc.

Similarly, Conger and Kanungo (1998) describe five behavioural attributes of charismatic leaders:

- vision and articulation;
- sensitivity to the environment;
- sensitivity to member needs;
- personal risk-taking;
- performing unconventional behaviour.

One leader who, in our opinion, exhibited these behavioural characteristics was Britain's only female Prime Minister. In the early years of her term of office, Margaret Thatcher seriously challenged the status quo in Britain. Her vision of reducing trade union power, selling off public housing stock and privatising state-owned industries was considered extremely radical. In large, part of her success at achieving these goals can be attributed to her unquestioning belief that what she was doing was right, and to the sheer force of her personality (although having a majority in Parliament was also undoubtedly an asset!). She was not afraid to take risks and her behaviour was often unconventional. Typical of charismatic leaders, she used metaphors and stories when communicating with followers. Frequently she compared managing the British economy to her experiences of watching her father run his grocery store.

Julian Richer, the founder of Richer Sounds, is a man we would also consider to be a charismatic leader. Richer Sounds entered the *Guinness Book of Records* as the retailer with the highest rate of profit per square metre of retail floor space. Visionary, hard working and well respected, he is also known for his unconventional behaviours: he rewards employees on the basis of the customer satisfaction ratings they achieve rather than their sales figures. The employee of the month gets the personal use of the company Jaguar for four weeks!

The research on successful leaders does not, however, universally support charisma as a necessary quality for leadership success. Jim Collins (2001) in his best-selling book, *Good to Great*, studied 11 US-based companies that had undergone a transition from being a good company to a great company and then produced cumulative returns at least three times greater than the stock market over at least 15 years. Collins points out that all 11 companies had the same top executive in place for that period of time (and 10 of the 11 executives came from internal promotions), and they practised what he named a Level 5 Executive Leadership. Such leadership is described as '...an individual who builds an enduring greatness through a paradoxical blend of personal humility and professional will'. Collins found these leaders to have a 'compelling modesty' in that they tended to avoid publicity – even being awkwardly shy, they would deflect questions about their personal contributions, and they seemed quite ordinary while producing extraordinary results. By way of contrast, Collins points out that companies with charismatic leaders (for example Lee Iacocca at Chrysler) tended to decline after the leader left, because they tended to lead through strength of personality cult rather than through a strong leadership team. The *Good to Great* executives, by way of contrast, appeared to be successful

through their ‘...ferocious resolve, an almost stoic determination to do whatever needs to be done to make the company great’.

4.5.3 Leadership Distance and Followers Perceptions

Boas Shamir (1995) has suggested that our notions of charisma may be different depending on how close we are to a leader. Before you continue, complete the exercise below.

Exercise

Think about a charismatic organisational leader you admire but do not know personally, perhaps the same person identified at the beginning of the module.

How would you describe that person?

Now think about a charismatic leader with whom you have had more direct experience, e.g. a boss, a teacher at school, a sports coach.

Would you describe that individual in a different way? How?

Shamir posed exactly the same questions to over 300 Israeli students. He found significant descriptive differences between close and distal (distant) leaders (see below). As perhaps is to be expected, the images presented of close charismatic leaders were richer and more differentiated – although, interestingly, distal leaders were not more idealised than close leaders.

Table 4.2 Followers views of close and distal charismatics

Distal charismatics	Common to both distal and close charismatics	Close charismatics
<ul style="list-style-type: none"> Persistence Rhetorical skills Courage Ideological orientation 	<ul style="list-style-type: none"> Self-confidence Honesty Authoritativeness Sacrifice 	<ul style="list-style-type: none"> Sociability Expertise Humour Dynamism Intelligence Physical appearance Setting high standards Originality

How did your own descriptions compare with that of Shamir’s sample?

One additional point is that there may be some cultural differences in terms of the attributes you associate with charismatic leadership. It is interesting to note that ‘visionary’ was not an adjective used by any of the individuals in the Israeli sample studied by Shamir.

4.6 Developing Transformational Leadership

Bamberger and Meshoulam (2001) have argued that organisations can either make or buy transformational leaders. ‘Buying’ or recruiting transformational leaders can be expensive. Executive recruitment agencies can charge fees of 50 per cent or more of the successful applicant’s annual salary. Moreover, a placement does not necessarily mean a successful placement; there are no guarantees. In our experience, the more viable practice for most organisations is to train and develop transformational leaders internally.

Bass (1990) proposed two methods for transformational leadership training:

1. **Individual coaching.** The MLQ is completed by a manager’s line reports. The ratings are collected and presented to the leader in an individual counselling session and compared with self-ratings. The leader is given personal feedback and target goals are set.
2. **Group workshops.** A group of leaders attend a workshop which incorporates the following activities:
 - Brainstorming the behaviours displayed by effective and/or ineffective leaders.
 - This is then linked to concepts of transformational leadership theory.
 - Participants watch videos depicting a variety of leadership styles in action.
 - Action plans are developed.

Research evidence has confirmed that these methods are effective in developing transformational leadership. Barling *et al.* (1996) combined these techniques with a sample of bank managers. Managers were randomly assigned either to a training group or to a control group who received no training. Prior to the training programme, all managers were rated by their subordinates using the MLQ. Managers in the training group attended a one-day workshop and subsequently participated in four one-to-one counselling sessions. Post-training measures resulted in a significant increase in MLQ scores amongst the training group, whereas the scores of those who did not receive training remained unaltered. Interestingly, the subordinates of the trained group became more committed to the organisation post-training and, perhaps more importantly, their performance measured in terms of credit card and personal loans sales significantly increased. Subsequent work by the same research team (Kelloway *et al.*, 2000) has demonstrated that the methods proposed by Bass (1990) do not need to be used in combination to prove effective, either training method produces positive results, although obviously group-based training has the advantage of being more cost-effective.

4.6.1 Developing Transformational Leadership with Emotional Intelligence

In Module 2 we introduced the concept of emotional intelligence, popularised through authors such as Daniel Goleman (1998). Recall that individuals who are emotionally intelligent possess the ability to understand themselves and others, and are able to adapt their behaviours to a given context. Such personal and social competencies are considered to predispose them towards a transformational

leadership style, with its emphasis on motivating and influencing others. There have been several recent studies (e.g. Duckett and Macfarlane, 2003) that have confirmed that emotional intelligence is associated with transformational leadership and increased performance. This is an interesting development, because additional research has shown (Slaski and Cartwright, 2003) that emotional intelligence can be developed through training programmes. We might also suppose that organisational cultures that are averse to rules and regulations, and create a non-threatening environment, also promote the selection and development of creative, entrepreneurial and emotionally intelligent leaders. It stands to reason then that a transformational leadership style would also come to the fore in such organisations.

4.7 Concerns About Transformational Leadership

Although transformational leadership is clearly very appealing, and currently the subject of great interest, it is not without its critics. Concerns range from its misapplication to its conceptual clarity.

4.7.1 Unethical Charismatic Leaders

While transformational leadership appears to be a powerful way of influencing followers, it can be abused to achieve unethical ends. Bass (1990) has warned against the ‘pseudo transformational leader’, who displays the behaviours associated with transformational leadership to pursue his or her own self-interest to meet selfish needs.

Consequently, a key concern about situational leadership is that leaders whose success comes through a great deal of charisma may be more able to abuse the power they are granted by their followers. Because of this exceptional ability to influence others, and in spite of their emphasis on a sense of ‘higher purpose’, charismatic leaders may be successful in persuading followers toward ends that are not in the followers’ interest. Examples include charismatic sales people who successfully separate investors from their hard-earned money through investment scams. Tragically, there are also those leaders whom we go so far as to consider to be evil, such as Jim Jones and the infamous 1978 mass suicide of much of his congregation in Jonestown, Guyana. Another example is David Korash, who in 1993 led his sect of Branch Davidians to a fiery death in the siege of their compound in Waco, Texas. Both leaders were considered to be highly charismatic. Both styled themselves to be following a higher religious calling. In the final analysis, both abused their power and led their followers and themselves to an early death.

4.7.2 Charisma May Not Be Sustainable

The use of charisma is quite central to the transformational leadership process. Conger and Kanungo (1988) assert that charisma is not magical but can be learnt through training. But charisma may be difficult to sustain on a day-to-day basis. Does ‘familiarity breed contempt’ for the charismatic individual? Evidence from historical and political leaders like Margaret Thatcher suggests that, over time, charisma tends to fade, essentially because having achieved change, leaders then

often want to maintain the gains, and so it becomes the ‘status quo’. Charisma is more often associated with change agents than with those maintaining the status quo.

How closely do you think charisma is related to being a change agent? Is it a characteristic that is always evident? Or might it remain largely unnoticed until employed to lead major change?

4.7.3 Does Transformational Leadership Focus Too Much on the Top?

Yet another criticism of transformational leadership is its focus on leadership at the top, perhaps to the exclusion of others. The leader is seen to be a visionary, and even though others may be involved, the leader is too often seen as the change agent, the one who has created and pursued the vision. Therefore the concern is that it is elitist, even anti-democratic.

This leads into another potential weakness, in that transformational leadership theory has been developed primarily through qualitative studies of people at the top of organisations. It is not entirely clear whether it can be as effective as a leadership process applied throughout the organisation, say for the front-line leaders charged with smaller groups of specialists. Is it possible that organisations function best with transformational leaders in the top positions, with the support of transactional leaders at lower levels? Further study needs to be conducted in this area.

4.7.4 Transformational Leadership’s Lack of Conceptual Clarity

A final weakness we shall note is in the conceptual clarity of the transformational leadership theory itself. The theory is extremely broad based, including envisioning, managing change, nurturing, being a social architect, being charismatic and so on. Its parameters are difficult to define, as it overlaps with so many other concepts of leadership. It also tends to contrast transformational leadership with transactional leadership on an either–or (or even good–bad) basis, rather than as a matter of degree. As leadership practices are not likely to be so clear-cut (any given leader could well use a combination of transformational and transactional practices), empirical studies will encounter difficulty in assessing the two theoretical approaches in terms of relative effectiveness.

4.8 Transformational Leadership in Context

One of the strengths of transformational leadership theory is the view that leadership is a process between two individuals – the leader and the follower – and the needs of both parties are to be met. Followers therefore gain a more prominent position in the leadership process; their needs play a central role. This has appeal for many in today’s organisations who see the development of individuals and the total workforce as being a key competitive asset.

The theory has intuitive appeal as well. We are attracted to leaders who can paint a vision for the future that will involve and benefit us all. The emphasis on the moral values and needs of followers also has appeal, as has the emphasis on

motivating individuals to move beyond their own needs and focus on the greater good of the team, the company or the community (Howell and Avolio, 1992).

A broad body of research that has accumulated since the 1970s has enhanced our understanding of transformational leadership theory. Often focusing on top-level leaders who have been identified as highly effective, there have been well over 200 theses, dissertations, research projects and so on conducted in this area (Northouse, 1997). *Leadership Quarterly* (1993, Issue 3) even devoted a whole issue to charisma, one of the most central themes of transformational leadership.

An additional piece of good news for organisations is to recall that many authorities believe transformational leadership skills and competencies can be developed by investment in training and development.

It appears that the demands of today's business world require a new and different set of competencies as embodied in the transformational approach. Transformational leadership offers rich promise to organisations competing in a faster-changing world with greater complexity and in which employees are continually expected to take on more and different responsibilities.

Do you believe that the requirements of leadership are very much shaped by the political economic and social context in which leaders operate? If so, would this indicate that transformational leadership theory is a very contemporary development, a product of its time?

In the past, business leaders were not necessarily required to be leaders and agents of change. Do you view transformational leadership theory as particularly useful for those involved in leading change?

Where does trait theory and behaviour theory fit in the management of change?

Learning Summary

- Transformational leadership theory grew from concerns about the failure of traditional leadership practices in settings such as the war in Vietnam and the development of flatter organisational structures.
- Transactional leadership relies on the rewards that leaders can provide to followers through their position in the organisation.
- Transformational leadership is in contrast to transactional leadership in that the focus is on the emotions of the follower, winning hearts and minds.
- Transformational leaders are described as charismatic and inspirational; they are intellectually stimulating and show consideration.
- Influential research of top executives who have been seen to be successful in the management of large-scale change has found that they tend to employ transformational leadership methods.
- Charisma is a key attribute of transformational leaders.
- Success has been noted in developing transformational leadership skills, both through individual coaching and through group learning experiences.

- Some of the concerns about transformational leadership theory are that charismatic leadership can be abused, that the theory may focus too much on the executives in organisations at the expense of other levels of leadership, and that it lacks conceptual clarity because it is so all-encompassing.

Review Questions

True/False Questions

- 4.1 Transformational leaders are generally not required to 'earn' their influence. T or F?
- 4.2 Transformational leadership first attempts to engage the intellect of followers, accepting that emotional engagement can only come afterwards. T or F?
- 4.3 The chief executives in Jim Collins' *Good to Great* companies, without exception, exhibited high levels of charisma. T or F?
- 4.4 Individuals with high levels of emotional intelligence are not necessarily predisposed to exhibit the characteristics of transformational leaders. T or F?
- 4.5 A strength of transformational leadership theory is that unethical behaviour is likely to be minimised. T or F?

Multiple-Choice Questions

- 4.6 Which of the following was *not* an influence of the 1970s and 1980s on the development of transformational leadership theory?
 - A. Organisations needed to train large numbers of new employees quickly.
 - B. Traditional leadership approaches appeared to fail in Vietnam.
 - C. Organisations became flatter, with fewer leaders managing larger numbers of employees.
 - D. Empowered employees were expected to be more flexible and achieve more.
- 4.7 Which of the following is characteristic of a transactional leader?
 - A. Is inspirational and communicates high expectations.
 - B. Shows consideration through individual attention.
 - C. Tangibly rewards good performance.
 - D. Gets follower to approach problems in different ways.
- 4.8 Kotter found a variety of organisational outcomes with transformational leadership, but did *not* find which of the following outcomes?
 - A. Lower levels of stress and burnout.
 - B. Increased job satisfaction.
 - C. Greater trust in management.
 - D. Increased participation in education and training.

- 4.9 Which of the following is correct? What is a strength of the MLQ in assessing transformational leadership?
- A. It gathers 360° feedback on the leader's actual practices.
 - B. It has been validated throughout most industrialised countries.
 - C. Self-ratings are very similar based on gender and ethnicity.
 - D. It is completely self-interpreting.
- 4.10 Which of the following is *not* a typical behaviour of a charismatic leader?
- A. Sets high expectations and shows confidence in followers.
 - B. Sets goals that avoid having a moral overtone.
 - C. Serves as a strong role model.
 - D. Appears to followers to be very competent.

Case Study 4.1: Turnaround Ted

Ted Shillingham was brought into Gardiner Tools by the board with one clear remit: stop the company's financial decline and return it to its former profitability. Gardiner had grown and prospered as a specialty tool-manufacturing firm for heavy industry. 'If you need it, we'll make it' was the company tag line.

However, with the IT boom in the 1990s, Gardiner found that its market share had begun to decline, a combination of customers investing more heavily in IT upgrades than in heavy tooling and Gardiner's subsequent decision to slow down its capital investment plan, which resulted in a loss of competitiveness. Competitors who had continued to upgrade were able to offer faster service and often at a lower cost.

The previous chief executive stepped down, and Ted was brought into the company based on his strong credentials as a turnaround specialist at several other manufacturing firms. Ted hit the ground running. Ted created a vision statement with a strong democratic tone, which was posted prominently and issued to each and every employee. Contracts with suppliers were re-negotiated, squeezing out costs. Productivity improvements were made, resulting in redundancies, and a capital improvement budget was presented to the board for consideration, including a move to the latest IT-driven design and manufacturing systems.

Several reorganisations occurred in quick succession, designed and driven by Ted and three of his executive staff who had joined his inner circle of advisers. The reorganisations were intended to give employees more control while preparing them for the new manufacturing systems that were to be introduced, given board approval. Yet the results of these reorganisations left most employees with a feeling of instability. In some cases they were given responsibilities for areas in which they felt ill-prepared; in other instances their input was limited in areas where they felt they should have been consulted. Some felt the reorganisation was really disorganisation, as certain individuals reported to two or even three bosses while in other situations one middle manager found that she was suddenly responsible for nearly 30 people, all reporting directly to her.

Although the changes were purportedly vision driven, the vision soon became forgotten even though it remained posted throughout the company. People complained that one change after the other left them feeling that no one was in charge. 'We are just learning to keep our heads down and let things fly over,' confided one employee.

Although Ted's appointment was initially well received by the workforce, he soon became an enigma. He would rush into a meeting unannounced and deliver a pep talk through a gleaming smile and an air of unshakeable self-confidence. Then he would climb into his high-powered foreign sports car and race to the airport to catch a plane across the country for an important meeting.

Ted claimed to be hands-on, but in reality the day-to-day operational decisions were made by his inner circle of executives, or 'the gang of four' as they soon became derisively named within the workforce. When Ted was on site, he was a study in contrasts. He claimed to be democratic, but employees had difficulty in having their voices heard. He often told stories of his successes in other firms, but failed to listen to the successes that had occurred within Gardiner Tools. He appeared to give some managers almost unlimited freedom while others felt his strong and consistent control, almost to the point of meddling, whenever he was not away on business trips. He courted the approval of the board, and loved hosting meetings with customers, but shopfloor employees felt increasingly invisible.

Ted was clearly able to cut costs as well as revitalise contacts with customers who had begun taking business elsewhere. However, productivity had not increased. At the annual board meeting, this fact was brought rather forcefully to Ted's attention by two independent board members. Additionally, the statistics on employee turnover and employee productivity had actually worsened since Ted had come on board. Ted tried to reassure his critics with his winning smile and boyish good humour. But within 90 days Ted tendered his resignation, moving on to another new challenge that required a turnaround specialist.

As the board convened to begin seeking Ted's replacement, they began their deliberations with the question: 'We thought we had the right guy in Ted. But we clearly didn't. Where did we go wrong?'

Questions

If you were consulting with the Gardiner Tools board:

- 1 What would you advise them regarding Ted's leadership from a transformational leadership perspective? To what degree was transformation leadership evident and where was it lacking?
- 2 Did Ted have a clear vision for Gardiner Tools? If so, was he able to implement it? Why or why not?
- 3 How effective was Ted in reorganising Gardiner and acting as a change agent?
- 4 Suppose that Ted did not leave, but you had been brought in as an executive coach. What coaching would you give Ted?

Case Study 4.2: Dorothy and the Warehouse SWAT Team

Dorothy Edwards has been the warehouse team leader for more than 20 years at Helping Hands, a charity foundation that collects and distributes clothing and household items for needy people. She has a full-time team of four employees. But each summer, Dorothy takes on an additional responsibility that she calls her 'SWAT Team', a heterogeneous group of volunteers, university students on summer break working for minimum wage and people placed with her for work experience through various social service and educational agencies.

Dorothy's 'SWAT team' has a big job: go through the foundation's rambling warehouse and make order out of chaos. The warehouse is the receiving point for all of the goods that are collected from across the community. Once received, goods must be sorted, repaired, cleaned, catalogued and stored so that they can be readily accessed when a need is identified. Because it is a charity, Helping Hands does not have much in the way of IT support to assist the process. Many donated items are quickly cleared, perhaps leaving the warehouse the same day they are received. But in time a sizeable store of various items begins to build, being pushed to the back of the warehouse. These items include clothing of odd sizes or colours, cooking equipment donated by a local restaurant which was just 'too good to throw away', various items that can likely be repaired but for which no one has had time, and much more. By the time the months have passed, the warehouse becomes jammed with a variety of things needing attention or even just a decision as to what to do with them.

The answer has been Dorothy's summer 'SWAT Team'. The summer tends to be a slack season, both for receiving donations and for client needs. So it is an ideal time to tackle the warehouse, a project that has shown remarkable results for each of the last four summers when Dorothy was in charge. That a SWAT Team would be so successful is not readily apparent. It usually comprises between 15 and 20 people of all ages and backgrounds who commit to between 20 and 35 hours per week. And during the eight-week period for which they are committed, the warehouse undergoes an incredible renewal: it is cleaned and painted where needed, all items are inventoried and either made serviceable or disposed of, and the storage racks are restocked for easy access of items as they are needed.

When asked how she is able to achieve such results with her 'motley crew', as she affectionately calls them, Dorothy tells a story that she finds rather unremarkable.

'I know that people are here for a variety of reasons, not only to make a contribution but also for their own learning and development as well as for the small salary that is paid to some of them. So I ask them to look around the warehouse for a day or so, poking into things, trying to see what is there, where items are deposited, what kind of work needs to be done on the donated items themselves as well as on the warehouse itself. This is in preparation for our initial meeting to get us organised. This first meeting is really more of a workshop than a meeting actually.

I usually begin by talking about Helping Hands, where it has come from, what it has done for needy people, what has happened with SWAT Teams in previous years, and what it has meant to me personally. I also usually have someone who has benefited from our services speak with the group, someone with a very personal story who doesn't mind sharing. Often this person is from among the SWAT Team members themselves. There are not many dry eyes by this time

in the workshop. Finally, I tell them what I hope the warehouse will look like in eight weeks, how critical their input is to achieving that task, and how important our goods are to our clients.

Then I ask people to talk about themselves, why they are here, what they hope to get from the experience, what they feel they have to offer and so on. Each person has a different agenda, different skills and different aspirations. They are all legitimate, and my job is to meet those aspirations while renewing the warehouse. I never forget that team members could easily be spending their summer somewhere else. Finally, we spend the rest of the day planning how to organise our work. People are asked to volunteer to work on planning and implementation teams, either because they feel that they have expertise to offer in the area or because it meets a learning need for them. For example, there is almost always an appliance repair team, and a clothing team and so on. They talk about what they want to do and how the work can be accomplished. I also encourage them to be creative and to think creatively about not only how to solve current problems but also perhaps how to make the next year easier for our full-time staff who receive and dispatch the items.

We then go to work in our teams for a couple of days initially to get the work organised and under way and then we meet again to discuss problems, talk about how teams can best interface, work out shift-working patterns and so on. There tends to be a lot of confusion at first, but I always tell them never to forget our clients – that is what we are in business for – and most times any confusion or conflict melts away. Of course I'm so old that there are not many problems I can't help them with because I have mostly seen it all before! But I tend to stay out of their way and only get involved when asked or when I sense that they may be going way off course.

I also pitch in and do as much of the dirty work as anyone else, scrubbing and washing and painting. By the time a couple of weeks have passed, we usually have a very smoothly operating SWAT Team, and it is incredible the amount of work we get through. We also ask people if they want to swap jobs to get other experiences, and it is interesting to see the number of people that end the summer being experienced appliance and furniture repair people!

Each group is different: for instance this year I have six people returning from last year so that is a help, but I also have to work with them to be open to input from the new people as well. I also have a retiree who heard about this last year from his granddaughter who had participated. But it's no big deal really, I guess you just have to treat them all as individuals while asking them to keep their eye on the real purpose for which Helping Hands is in business. I sure am proud of them, though.'

Questions

- 1 Would you say that Dorothy's approach is an example of transformational leadership? In what ways?
- 2 What is the vision that Dorothy has for the SWAT Team? How does she get it across?
- 3 What do the members of the SWAT Team gain from Dorothy's approach to leadership?

- 4 Are the four people who work for Dorothy in the warehouse year around likely to experience her in the same way as the SWAT team? Why?

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Module 5

Following

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‘If you are marching along and you look round behind you to find that there is nobody there, then you are not a leader.’
Old Soldier’s Tale

‘And now let me speak to you for a moment of something which seems to me of the utmost importance, but which has been far too little considered, and that is the part of the followers in the leadership situation.’
Mary Parker Follett (in Graham, 1995)

‘A leader is somebody with whom I will walk into the unknown.’
A woman manager (1999)

Learning Objectives

By the end of this module, you will be able to understand:

- that organisation success depends as much on followers as it does on leaders;
- that leaders’ and followers’ preferences may collide;
- the kinds of followers;
- leaders and followers as relationships;
- regressive relations, symbolic relations and developmental relations;

- how followers shape leaders;
- the significance of emotions, distributed leadership, critical reflections, cultural context, anti-followers and anti-leaders in leader–follower relations.

5.1 Introduction: The Importance of Followers

We do now know that organisational success depends every bit as much on the followers as on the leaders. Much of the literature on leadership has focused upon the task and work of leaders and leadership. There has been little on the task and work of following. But political scientists and social theorists have become interested in the other half of the leadership relationship, the world and acts of the follower. Mary Parker Follett was a very distinguished American woman who gave the lecture ‘The essentials of leadership’, from which the above quotation was taken, in 1929. She was, as Warren Bennis commented, ahead of her time. Bennis also wrote that the longer he studied effective leaders the more he was persuaded of the under-appreciated importance of effective followers (Graham, 1995). Parker Follett continued:

‘Their part is not merely to follow, they have a very active part to play and that is to keep the leader in control of a situation. Let us not think that we are leaders – or nothing of much importance. As one of those led we have a part in leadership. In no aspect of our subject do we see a greater discrepancy between theory and practice than here’

Bennis elaborated his view of what constituted an effective follower:

- a willingness to tell the truth;
- a willingness to speak out;
- to be other than the leader;
- to share their best counsel with the leader.

Which, as he noted, were characteristics of good leaders!

Follett put this sharply when she asked how else may a follower help the leader but by informing the leader of all his problems as well as achievements. She expected a follower to take a wrong order back to the leader for correction to meet changing conditions. It is interesting to note that it was the very unwillingness of some military leaders to listen to the experience and understanding of their subordinates that led to the disasters that arose from pursuing futile, unworkable and unchanged battle plans (Dixon, 1976). But you might question whether leaders do really listen to their subordinates, and you may live in a culture that does not readily tolerate the subordinate’s views being expressed (*see* Module 6 on Culture).

Follett’s view was that it was the responsibility of leaders to educate and train followers to be able to understand the goals and to be able to think for themselves and act in pursuance of those goals. It was not the task of the leader to make all decisions or to give orders, but rather to establish a mode of common purpose and

common working as a basis for achievement. It took some 50 years before these ideas became more common.

How do you experience followership in your organisation?

In what ways is it influenced by the kind of leadership that is practised?

Do good followers make good leaders?

Clearly Follett and Bennis see leaders and followers as being in a complex relationship and not just a case of a vertical dyad. Of course in large and complex organisations such as armies, officers of almost any rank are both followers and leaders. This must be true of all complex organisations. Hence the relationship of leader and followers is of considerable interest. This idea has been picked up in much of the recent research (Weymes, 2003).

5.2 Studies of Followers

Before examining some of the recent studies we should consider whether there is a simple matching of the theories in use of leaders and followers. Consider Table 5.1 below. Along the diagonal we indicate that there could be a matching or a mismatching of theories. As you work through the modules of this book you will become aware of the complexity of leadership and, we hope, become aware that often there are a number of leader theories in use in any one organisation.

Table 5.1 A map for leaders and followers

Followers theories in use	Leaders theories in use			
	Traits	Styles	Transaction	Transformation
Traits				
Styles				
Transaction				
Transformation				

Consider in Table 5.1 where you would expect a match or mismatch of styles and the severity of the problems that might arise (Table 5.2).

Table 5.2 Matching leader styles and follower styles

Follower preferred style	Leader preferred style			
	Autocrat-ic	Consults on implementa-tions	Consults on decisions and implementa-tions	Participa-tive
Autocratic	Match	<i>Mismatch</i>	<i>Mismatch</i>	Severe <i>mismatch</i>
To be consult-ed on implementation	<i>Mismatch</i>	Match	<i>Mismatch</i>	<i>Mismatch</i>
To be consult-ed on decisions and implemen-tations	<i>Mismatch</i>	<i>Mismatch</i>	Match	<i>Mismatch</i>
To participate	Severe <i>mismatch</i>	<i>Mismatch</i>	<i>Mismatch</i>	Match

Along the diagonal of Table 5.2 we can see a match. But if the leader has a contingent view of styles but the follower does not, then the mismatch is bound to produce some frustration and perhaps conflict. The reverse position is also true where the leader has a single approach but the followers have preferences contingent upon their knowledge, experience or belief that some issues are the responsibility of the leader. But rather worryingly this simple diagramme has 16 possible states and only four matches, a 25 per cent chance. As the distance between the preferences diverges then we might expect more difficulties to emerge. Indeed it is possible to conjecture that if there is a high follower–leader style divergence then followers would leave and be replaced in the image of the leader’s preferences.

Who do you think is most responsible for ensuring a match between leader and follower styles? Do you think that the tensions from a little mismatch might be beneficial to the work?

5.3 Kinds of Followers

Brown and Thornborrow (1996) asked whether organisations get the followers that they deserve. These authors used Kelly’s (1988) typology of different followers. These were:

1. **Effective and exemplary.** Think for themselves, conduct work with energy, self-starters, problem-solvers, rated highly by superiors.
2. **Survivors.** Are organisation fence-sitters, go along with leaders and adapt to any new circumstance.
3. **‘Yes’ people.** Are not enterprising and are a little servile.
4. **Sheep.** Are passive and unengaged, lack initiative and a sense of responsibility, just do what is asked of them.

5. **Alienated.** Are independent in thinking but passive in their working, perhaps become cynical and disgruntled.

From a questionnaire Brown and Thornborrow were able to measure the followership stances of staff in three UK organisations. Their findings were surprisingly similar in each organisation and may surprise you (Table 5.3).

Table 5.3 Kinds of followers

	Organisations proportions of observed follower types			
Followers	Finance	Power	Confection	All three
Exemplary	17	15	13	15
Survivors	22	24	23	23
'Yes' people	28	26	25	26
Sheep	19	22	23	26
Alienated	15	14	16	15

Source: Brown and Thornborrow (1996).

In effect, the critically intelligent split into the exemplary and the alienated, with 70 per cent covering the rest. If the exemplary leaders are those best suited for leadership then one in six of the staff at any one time were ready for promotion, but this was a static picture. It is possible that staff become conditioned to a follower role but then get frustrated and leave to seek a more congenial workplace.

The researchers sought to examine the preferences of leaders and followers about the leadership styles in use. Their findings were as below (Table 5.4) and seem almost uniformly to discourage the exemplary followers. This might explain the high numbers of the alienated. The value of this study was that these authors set out to see whether leadership style creates the pattern of follower behaviour. The findings were not clear-cut, but the data were of interest because they established that followership could be assessed and compared across organisations. They found too that the staff thought that followers were not born into that role but become followers as a result of work experiences, and the staff also thought that they could be trained to be exemplary followers. The authors argued that there was some correlation between an organisation's prevailing culture, dominant leadership style and the types of followers that are encouraged. So if staff were exhibiting a variety of follower types, organisations' leaders had preferences for some of them and hence selected them from the five types and did not encourage the others. It seems that sometimes the exemplary followers were discouraged! This could lead to a loss of leadership talent.

Table 5.4 Perceived leadership style – follower preferred style and effects

	Finance Co.	Power Co.	Confectionery Co.
Followers viewed the dominant leadership style as	No clear view	Directive	Directive
Follower-preferred leadership style	Achievement oriented Supportive	Participative Achievement orientated	Participative Achievement orientated
Effects of the mismatch	Encourages survivors, 'Yes' people and sheep	Discourages exemplary followers	Discourages exemplary followers

Source: Brown and Thornborrow (1996).

Of course in these three organisations there were managers who were both followers and leaders. It would be interesting to know whether these persons sought a leadership style from above that fitted them and a follower style from below that did not threaten them. In addition, these organisations probably had cross-functional work teams in which leaders and followers might very well be equal in organisational rank or seniority. The patterns here were not explored but would have been fascinating.

Can you map people in your organisation onto the five categories of follower? How does the leadership in your organisation encourage each of the types?

5.4 Facing the Music?

Yaakov Atik (1994) also explored the empirical world of leaders and followers, but in the world of symphony orchestras, where tradition has given great visibility to the role of conductor and less to the role of the players. The question is: Does the band simply follow the leader? He interviewed players and conductors, and encouraged them to express aspects of the leader–follower relationship. This included the comparative values of the authoritative vs collaborative conducting styles, the proper distance between conductors and followers and the necessity and role of hierarchy. From his observations he noted that the conductor and players went through two stages: first, a testing phase focusing upon authority and trust; second, a transactional relationship where there was a mutually acceptable set of expectations. This might be followed by a third phase, an inspirational stage, where leader and followers were motivated and performed beyond expectations. Atik suggested from his study that both charismatic and transformational leaders could reach stage three, but the other types would find that very difficult.

Interestingly Atik was surprised to observe cynicism and wariness from some of the players, an example of the alienated followers identified by Kelly and Brown and Thornborrow. But, even so, these musical followers also sought three things from

the leader: clarity of message, praise, and the ability to make the demands that produce the best playing. The leaders knew their role was to work for and establish respect both for the human beings and for their musicianship before pressure could be applied. In the third stage there was a different experience, summed up by a first violin (the orchestra leader): 'The very best conductors that I've worked with become part of the orchestra' and 'the whole orchestra plays with him rather than following him'. As you will notice, this echoes Follett's ideal of the good relationship of leader and follower. And a conductor commented, 'You feel the phrasing taking off' and 'a group of players will take it up' then a 'performance will be created. You're just watching it happen.' Here the conductor and the players are contributing to a joint effort, performing inspirationally. Clearly, as Atik comments, gaining consent of the follower is a basic component of the leadership process, but it is a consent to engage fully as exemplary followers. Perhaps these orchestras, highly intelligent, very experienced and very skilful, are all capable of being exemplary followers, but it is also true that they define the possible by their behaviour. It would appear that these players have not been subject to the kind of leadership that was evident in the three organisations studied by Brown and Thornborrow. But it does become clearer from each study that leaders and followers must be seen as being in social relationship and not only in technical interactions.

5.5 Transformational Relationships

As we have seen in Module 4, the emotional work of transformational and charismatic leadership is considerable. Leaders are not necessarily rational, logical, sensible and dependable people. Many organisational problems originate in the inner world of the leaders, their conflicts, desires, fantasies and defensive structures. So we cannot expect transformational leadership or charismatic leadership to be easy or comfortable. Aaltio-Marjarosa and Takala (2000) rehearse the dangers of manipulation. They also argue that the legitimacy of charismatic leadership is sociologically and psychologically attributed to the belief of the followers. There is an idealised way in which such beliefs are in tune with followers' desire to contribute to the collective good. There is no need to assume that the beliefs are accurate representations of the outside world, as many destructive episodes of leadership demonstrate. Nor is it necessary to believe that processes of manipulation between leaders and followers are unidirectional. These authors provide an example of a charismatic leader and follower relations from the case of an ice hockey team. They conclude that the coach (leader) was accurate, sought small improvements, taught personal care for other members of the team, courage, honesty and intimacy in relationships. The team members as followers responded, and they became international champions.

5.6 Follower Orientation? Task and Relationship

A complementary study of followership and performance (Miller *et al.*, 2004) was based upon applying Fiedler's model of leadership effectiveness to followership behaviour (*refer to* Module 3 for a discussion of Fiedler's model). The study subjects

were male army soldiers who were directed to participate. You might have questions about followers who have to obey orders. The disposition towards relationship and task was based upon rating their least-liked leader. The measures of performance were taken from army efficiency reports (on items such as initiative and technical competence) and an opinion survey from the subjects of his and others' performance.

Situational favourability was defined as

1. **leader–member relations:** the degree to which the leader feels accepted and supported by the group;
2. **task structure:** the degree to which the task has clear-cut and programmed goals, procedures, measurable progress and success;
3. **leader power:** the degree to which the formal position of leadership provided the power to reward and punish in order to obtain compliance from subordinates, (a transactional style).

This study assessed the followers' styles along two dimensions, **relations-oriented** and **task-oriented**. Hence they were able to produce the results as shown in Table 5.5.

Table 5.5 Relations and task orientations

Highly unfavourable conditions	Moderately favourable conditions	Highly favourable conditions
Relation-oriented Followers worse than task-oriented followers	Relation-oriented Followers <i>better</i> than task-oriented followers	Relation-oriented Followers <i>better</i> than task-oriented followers

The first two results, shown above, were predicted from Fiedler but the third finding contradicted Fiedler. The results can be mapped onto the leader–follower theories in use drawn upon early in this module. Followers' performance was influenced by their traits and the work situation. Especially interesting was that relations-oriented followers believed that they performed better with good leader–follower relations but worse with poor leader–follower relations. This underlines the significance of leader and follower link as relationship.

5.7 Relationships at Issue

Mischa Popper (2004) reviewed the discussion on leadership by focusing on the view of leadership as relationships between leaders and followers. Popper considered that it was important to try to understand extreme cases of dependence such as the mass suicide of the followers of Jim Jones (Lindholm, 1990), and the relations of a high moral quality such as Ghandi or Mandela provided. Mischa Popper suggested three kinds of leader and follower relationships: **regressive relations**, **symbolic relations** and **developmental relations**.

To some extent Popper derived his three types of relationship from Weber's distinction between authority (legal, sourced in law and rules), power (traditional, sourced in heredity), and influence (sourced in personality, called charisma). This

third idea is at the core of much literature on leadership that deals with ‘the interpretation and identification of patterns of emotional relationships between the leader and his followers’. It is this willingness of the followers that distinguishes leadership from the coercive power of rulers, such as is found in the military. So it is at least arguable that followers are deeply implicated in the construction of leaders and leadership.

It was demonstrated that a number of factors influence followers’ perception and evaluation of leaders. Social distance and cultural context were observed to be sources of attribution biases, especially the followers’ tendency to overstate the worth and quality of their leaders. A further explanation for this was the followers’ wish for a good father, as a protecting version of the familiar asymmetrical relations of power in many leader–follower relations. We shall follow Popper’s neat exposition here.

5.7.1 Regressive Relations

Regressive relations are rooted in the psychological process of projection, an unconscious process. Freud saw these relations with the leader as a projection of the longing for the father’s ‘resoluteness, strength of will, and energetic action’ (Freud, 1939). Here the leader is not a person but a construction of the followers’ wishes and yearning. ‘The narcissistically deprived personality may seek compensation in the process of leadership,’ where the love and regard of the followers fills the otherwise unmet needs of a ‘mirror hungry’ personality. As not everyone has the resources to lead, some people with narcissistic deprivation may become obsessive seekers of figures to ‘admire’, as ‘ideal hungry’ personalities. ‘The meeting of mirror hungry personalities with ideal hungry personalities may create a dynamic in which desires and fantasies feed the needs, perhaps pathological, of both parties.’

The core causes of the formation of the charismatic personality are complex and beyond our discussion here, except to note that they appear to be rooted in very early life experience, including separation and loss, grief and anger, with defences of idealisation and alienation. The very living of the defences reinforces them. Popper noted that ‘However, in crisis the self-schooling in trauma are perceived as having social value,’ and are a source of public strength. The argument of Popper is that regressive relations are not formed on ideas but are rooted in primary urges, anxieties and distress. This is not to claim that all charismatic relations are so pathological but that the concept of regressive relations does give an explanation of the interpenetration of followers and leaders (indeed deep collusion) that can lead to destructiveness. There are other examples of equally destructive deep collusions between leaders and followers where various defences interlock, such as projection and introjection, mutual denial of reality, and joint scapegoating of another group.

In one company the family that owned it was no longer capable of leading the business development. The family was unwilling either to sell at a market price that they considered to be below their own valuation or to cede control to a new leader. So in the collusion of self and business valuation and leadership incompetence the business slowly sank into near-insolvency. In another company the family, after being forced to recognise that the business was dying, had appointed a new chief officer.

But when the new leader attempted to complement the design of the main product with new designs the family rebelled. The family wanted to preserve the image of the product that one of them had designed many years before. The new leader was forced to leave. Here the family was caught up in a collusion of identity with the past and a somewhat narcissistic sense of design. The company continued to decline and was bought out. In a third case a new CEO, in narcissistic idealisation, instructed his senior managers to triple their market share. This flight from reality demoralised the senior managers. In our consulting practices we have observed leaders and managers of organisations in a process of mutual denial of any of their problems, with a refusal to deal with reality leading to failure and bankruptcy.

A linked question arises here. Can we understand the reason why people follow leaders of repressive social movements? Duncan (2003) argued that if we can gain understanding then we may be helped to find means of limiting their access to power and limit the damage they can do. The relations of leaders and followers in some cults can be intense and sometimes overpowering. This may arise from a need of the followers to have certainty, a need that the 'certain' leader only too readily supplies (Brothers, 2003), through such processes as the denial of difference, the inflammation of passion and faith keeping fantasies. This is indeed the dark side of charisma.

5.7.2 Symbolic Relations

Symbolic relations grow out of content-based meanings, messages, ideologies and values that a leader either represents or is expected to represent. These can be deeply significant figures such as Jesus, transitory figures such as pop stars, or political figures such as the liberation leader Nelson Mandela. Of course, these figures are only too available for projections to make them more unreal than real, larger than life. Just have a look at how popular newspapers and magazines shamelessly use projections to create iconic and fantasy figures in a fantasy landscape.

People, argues Shamir *et al.* (1993), have a need for self-expression, are motivated to guard and promote their self-esteem and self-worth, are motivated to preserve and increase self-consistency and have a system of self-concepts. By identifying with a symbolic leader followers have a means of enhancing their self-worth. Not only is the follower-leader relationship of importance and value, but so is the wide array of follower relations who can now share a greater sense of belonging and communal identity. Of course such leaders can also create symbols for identification, market them, and compete with other leaders for the social prizes of power, influence, adulation and wealth.

5.7.3 Developmental Relations

Developmental relations derive from an idea based in good parenting (Popper and Mayseless, 2003), where the development stages of childhood to adulthood are understood and nurtured. This appears in versions of transformational leadership where individual attention and inspiration are designed to build up followers' capability, identity and autonomy. But developmental leaders also provide the space for followers to work by holding boundaries of meaning, of policy and of anxiety,

thus giving sufficient security for the risky business of working. This is at both a conscious and an unconscious level. A developmental relationship may include the leader holding the projections of the followers (and those of others) without fighting them or colluding with them, but when and where appropriate inviting those others to take back their projections and move to a position of mature dependence. There is an interesting debate (*see* Module 4 on gender) as to whether women are more likely to be developmental than men.

These three ideas of Popper are theoretically well founded and very helpful in going beyond the useful but more structural approaches considered earlier in this module. The concept of leader–follower as relationship certainly decentres the leader and permits followers and the context to appear in our analysis and be given significance. There is some evidence that difficult situations where identity and meaning are under threat are the very conditions that see the emergence of ‘strong’ leaders as a product of regressive relations. A common example here is the rise of Hitler in an unstable Germany still troubled by the consequences of defeat and with severe economic problems. Schein (1992) has argued that symbolic leaders are important actors in changes such as liberation or of national emergence where identity has to be established and nurtured. Churchill did this for the UK, and Lech Walensa did it for Poland after 1989. In these cases the ‘secret’ of their success was the relationship, not just their own leadership. The evidence for this is the abandonment of them by the followers when a new situation existed. You will know of many examples of national heroes of this kind. Developmental relations were at the heart of the case of the ice hockey coach mentioned earlier. This developmental relationship is a common organisational need but requires great leader maturity.

Can you think of any other examples where the heroic narrative of leadership becomes a tragic one?

Mischa Popper argues that

- regressive relations tend to prevail when the need for physical safety is the focus of followers’ concerns;
- symbolic relations occur when followers are concerned with personal and social identity;
- developmental relations come to the fore when safety and identity needs are met.

Do you agree with this analysis? Is this your experience? Is it too close to Maslow’s needs hierarchy?

Are commercial organisations so open to disturbance from creative destruction that they are for ever locked into regressive relations?

5.8 Followers Shaping Leaders?

Followers may shape leaders’ behaviour. In a study in the military (Dvir and Shamir, 2003) followers’ developmental level was found to be positively related to transformational leadership among indirect followers but negatively associated among direct followers. These differences of follower distance from the leaders indicated that the social field might be influencing leaders more than it influences their close subordi-

nates. This means that leadership in any situation has to reckon with the actual capability and experience of the followers. If a leader underestimates these characteristics of followers, the followers will not give high levels of support because the relationship has drifted towards the regressive.

5.9 A Relational Process?

In an ethnographic study Megan Russell (2003) investigated people's lived experience of leadership. She was interested in small organisations, and for a year studied a school in the context of four villages in south central England. She used participative observation, informal interviews and documentation. This approach is unusual, and provides a very good contrast to the questionnaire methods of the researchers discussed above (*see* Module 15 on studying leadership). Following the grounded theory method of Glaser and Strauss (1967) and Glaser (1992), Russell claimed that this 'led to the emergence of a core category, congruent across both case studies, that recognised not only the presence but the importance of a relational aspect to leadership.' Of the 40-plus categories that emerged on each site the majority were concerned with relationships. 'These were of two main types: relations between individuals or groups of followers, and relationships between leaders and followers. The two main themes that accompanied the core category were therefore the *role of followers* and the *role of leaders* in the organisational dynamic' (our emphasis).

The leaders were observed to share three positional characteristics: they were people of importance; they were central figures in communication networks; and they had wide access to individual and groups. In short, they were well known, well informed and persons of influence. Interestingly, Russell noted that these characteristics gave leaders an overview, a 'present centred what there is here, now'. This, she claimed, was different from the familiar idea of vision, for which she found no evidence. Even more fascinating was her observation of the formation of disparate groups of followers, a formation that she saw as fragmentation of followers perhaps in contrast to a unitary or singular conception of the leader. The follower groups concentrated upon group needs rather than those of the whole organisation, a situation that led to some complex interactions of leaders and groups. The self-definitions of groups (us rather than them) were complementary, and the stronger the sense of 'us', then the more cohesive they were and the more they were able to act together.

Russell proposed an overarching concept, **relational purpose**, to underline the relational aspect of leadership in practice. She noted that leaders needed followers' consent to their leadership. But there were dilemmas, too, between the leader's need for followers' support (in their particular circumstances) and their need for followers to contribute to organisational goals. Given these dilemmas, her leaders adopted a number of stratagems, including seeking consent, manipulation, and moves to reduce intergroup conflict. These findings echo those of Haslam and Platow (2001), who found that leaders' capacity to engender active followership was contingent on their ability to promote collective interests associated with a shared in-group identity.

This study by Russell illuminates the social dynamics of leaders and followers. The followers were differentiated into interest groups with varying degrees of cohesion and capacity to seek influence. They were not passive. But the groups were not seen to be connected strongly to the overall goals of the organisation. However, these organisational goals were clearly the construction of others and not theirs, so why should they have much attachment to them? This also raises the question as to which of Kelly's categories each group might have fitted into. They do not appear to be exemplary or alienated, but neither do they seem uninvolved. The answer to this question might arise from the complex nature of the follower groups involved around a school, only a minority of whom are employees. Some are parents, others are local councillors, and yet others are members of the governing body. This variety of follower positions should lead us to be careful in ascribing simple taxonomies such as that of Kelly to social institutions that are more complex than commercial organisations. But, you might argue, surely all organisations are social institutions, and was it not the very ethnographic methodology of Russell that let her see the complexity of follower groups? We would be inclined to agree with such a view, for we too consider that the methods used to study leaders and followers do substantially shape the observations that can be made.

5.10 Some Important Issues

- **Emotions.** Few human relationships are devoid of emotions, even if some models of leadership such as the autocratic, do appear to repress or suppress them. Dvir *et al.* (2004) found that vision formulation, content of social-oriented values and assimilation were positively associated with affective commitment of followers but not with their cognitive commitment. Further, Sivanathan and Fekken (2002) reported that leaders who reported higher levels of emotional intelligence were perceived by their followers as higher in transformational leadership and more effective as leaders (*see* Module 4).
- **Distributed leadership.** Leadership may be exercised in almost any role in any organisation, to the individual and communal benefit. Here we might consider leadership to be distributed (Spillane *et al.*, 2004) across the organisation. This is different from the usual conception, but fits our discussion of leaders and followers in complex relationships. But note that if leadership is distributed then followership is also distributed, with top people being willing followers of others. You may find that somewhat unlikely, but it must be true of knowledge-intensive organisations.
- **Servant leadership.** Links to servant leadership were explored by Whetstone (2002). He argued that a genuine servant leader works with his followers in building a community of participation and solidarity. In addition, Stone *et al.* (2004) argued that transformational leaders were more focused upon the organisation and its goals whereas the servant leader was more focused upon the followers and their contribution to the organisational purpose. The servant leader is close in conception to the altruistic transformational leader. The ideal of developmental relations is found here when the leader and followers focus upon a jointly created and developed vision, avoiding manipulation by working with mutuality, solidarity and

respect. This is, of course, very close to the insight of Mary Parker Follett. The notion of servant leadership is not necessarily self-sacrificing (except of the over-weening ego) but is in service to a goal greater than the individual. Some people persist in claiming that all human behaviour is based upon self-interest, and even go as far as to claim that altruism is only another version of self-interest. Apart from the projections involved in such a stance it is also an abuse of others to make such claims (Avolio and Locke, 2002).

- **Critical reflections.** The charismatic can exert a kind of seductive power, and the fact that the seduced are more than willing does not absolve either of them from their ethical difficulties. It may be the case that charismatic leadership always has a regressive undercurrent, even if it is the best choice in a given setting, yet adoption of a specific ethical stance towards the clients, the work and the followers can still be attempted. Hoffman and Burrello (2004) noted that this could happen, for when a school leadership was critical, transformative, educative and ethical, it implemented schooling with equity as its watchword. The development of community emerged when leaders adjusted their work between leaders and followers.
- **Cultural context.** We also wish to be careful about the cultural context of leading and following. In one study Valinkangas and Okamura (1997) found that US managers based leadership and followership upon the right agency of utility and values, whereas the Japanese managers in their study assumed that a right corporate identity would induce the right contributions of the followers. Module 6 on culture indicates that leading is conditioned by assumptions that vary considerably across countries and within them. Hence the nature of leader and follower relations will, we argue, be equally varied. There is as yet limited research on following across cultures.
- **Anti-followers.** In the Hawthorn studies of leadership referred to in Module 3/Module 9, we noted that a group of women workers cooperated with the research team. Less well known was the fact that the original research design included a group of male workers. When the researchers began to change the lighting, the men simply refused to cooperate, and they removed themselves from the experiment. Heavy unionisation is a symbol of conflict and cooperation between the managers and the workforce as well as of solidarity among the workers. So obviously relations can become very regressive. In one study the managers and workers maintained good personal working relations (to meet workers' needs for work to do and direction and managers' needs for work to be done) but displaced their conflict over wages and profits into the relationship between the industrial relations managers and the elected representative of the workers. The managers positively hated the elected representative, and the workers positively hated the industrial relations managers. So there were both followers and anti-followers at the same time.
- **Anti-leaders.** It is a common experience of some stages of economic development for the conflict about wages and costs to be rather severe. In such cases the workers view the owners and managers as setting out, wilfully, to exploit them. They reciprocate by seeking ways of countering the power of the owners and managers and exploiting them in their turn. We often hear of cussed and

uncooperative staff, but rarely in the leadership literature do we see such behaviour as the product of social and economic conditions, foolish assumptions and crass and destructive leadership. As in any relationship there is more than one party, there is more than one version of history, and there is the ever-present economic pressure to reconfigure, cut costs, introduce changes and perhaps go out of business. Also, people learn lessons about relationships very quickly, and we have long memories. We might live with injustice, we might forget injustice, but we rarely forgive it unless there is mutuality in such an endeavour.

Look back to your answers to the first questions in this module. In what ways has the discussion in the module affected your understanding?

Do you think that followers should be trained in followership?

Learning Summary

- Followers are every bit as important as leaders for it is they who will influence and implement leaders' decisions
- Followers act best when they tell the truth, speak of their issues and concerns, and share their advice with the leader.
- The match of preferred leadership style of followers and the actual style of leaders may, if well matched, enable achievements or, if ill-matched, disable achievements.
- Followers can be viewed in five categories: exemplary; survivors; 'yes people'; sheep; and alienated. Leaders need to be aware of the followers' states in order to work with them.
- Followers, especially exemplary followers, can be enlisted in work performance and goal achievement that can be of high excellence.
- Leaders and followers are not only in work or technical relationships, they are also in social relationships.
- Situational context can determine performance in highly unfavourable conditions; relation-oriented followers perform worse than task-oriented followers do. In moderate or favourable conditions the reverse is true.
- Mischa Popper argued for the existence of three 'types' of leader–follower relations: regressive; symbolic; and developmental.
- Regressive relations are not constructive, but provide a sense of safety and meet dependency needs.
- By identifying with a symbolic leader, followers can seek to enhance their sense of self-worth.
- By working with a developmental leader, followers may achieve exceptional organisational performance and growth in capability.
- Followers are the means whereby distributed leadership exists.
- Leader and follower relations may be embedded in service to a greater goal, demonstrating servant leadership.
- Alienated followers can mobilise anti-leaders

Review Questions

True/False Questions

- 5.1 Any leader can lead any group of followers. T or F?
- 5.2 Autocratic leaders prefer followers who like to participate. T or F?
- 5.3 Brown and Thornborrow found that the pattern of followers differed between their three organisations. T or F?
- 5.4 Leaders and followers are always in work and personal relationships. T or F?
- 5.5 Followers cannot be developed. T or F?

Multiple-Choice Questions

- 5.6 Exemplary followers have the attributes of:
 - A. doing as they are told.
 - B. being obedient to the leader.
 - C. good leaders.
 - D. being independent.
- 5.7 Relationship-oriented followers believed they performed better with:
 - A. task-oriented leaders.
 - B. poor leader–follower relations.
 - C. good leader–follower relations.
 - D. leaders who are liked by followers.
- 5.8 Regressive leader–follower relations are
 - A. based upon rich mutual understanding.
 - B. likely to develop good social outcomes.
 - C. rooted in primary urges and distress.
 - D. able to engage in playful change
- 5.9 Symbolic relations are a product of:
 - A. the use of brand images.
 - B. content meanings, ideologies and values that the leader represents.
 - C. the degree to which corporate symbols permeate the organisation.
 - D. the history of the organisation
- 5.10 Servant leaders work with followers on the basis that
 - A. followers are ideologically committed and need lower rewards.
 - B. followers should take up the role of servant to the wishes of the leader.
 - C. they participate in the pursuit of a common organisational purpose.
 - D. followers wait to be told what to do.

Case Study 5.1: Marlowe Business Services

Case A: Astrid

Marlowe Business Services (MBS), in Sydney, Australia, was a very successful division of a diverse multinational company, DMC, which had been formed in the latter part of the last century by merging a number of existing companies. The company had a reputation as having a strong customer focus, with high-quality products and services and good quality standards. For the staff in Sydney there was the attraction of being in a big city with its vibrant athletic, artistic and social opportunities. Ten years ago MBS had largely served the domestic market but by 2002 had begun to penetrate an increasing number of overseas Asian countries. The CEO of DMC was an interesting man, having been a considerable athlete when young. He had built his career on administrative and managerial rather than product development routes, but was regarded as an effective leader and something of an operator. He was in demand as a representative of new industries on national government committees. He had never married, and was a trader in human relationships.

MBS was, like all the other divisions of DMC, a research, development and service provider. It also had several special niches in continuing professional education, in human resource development and in Accounting. Its education and training was well regarded and accredited by the appropriate bodies. The head of MBS, Astrid Michaelson, was a fine developer of education, a gifted trainer, and the author of a best-selling book on human resources management. She did not see eye to eye with the recently appointed CEO of DMC about the likely path of development for MBS. Mick Molloy, the CEO, did not see why it was not possible to build, in the next five years, MBS into a competitor with the leading US companies. He refused to see the research depth, history and staff quality that undergirded these leading firms. He thought that the provision of business services and professional education was not about research and development capability but about commercial ability. The CEO was somewhat impatient with Astrid, and at a party in early 2002 went so far as to ask some of her department heads whether she might be replaced. They were embarrassed and non-committal, but two of them, John Graves and Sid Green, agreed with the CEO that her outstanding public and professional reputation could not be allowed to stand in the way of commercial progress.

Over ten years Astrid had seen MBS build its reputation and attract some very good research and development staff. Indeed MBS was a leader in research output for its sector, was widely seen as likely to overtake some older companies, and was on a trajectory from being a very respectable hitter to having a dominant market position in the next 15 years. The division head thought that it would take about 25 years to build a top international service company, mostly because it was a matter of the development of human resources and knowledge capability. From PhD graduate to senior research and development management took about that long. Astrid always publicly supported the CEO and worked very effectively for her division and, where required, for other divisions to the benefit of DCM. Yet this difference in realisable strategy rankled with the CEO.

One morning, in March 2002, the CEO asked Astrid to see him. He told her that the permission he had granted her to do a six-week research and consultancy role in a prestigious US university was revoked. She protested that she was due to travel in three days' time and that her colleagues and clients in the USA could not be expected to adjust so quickly. The CEO was adamant about his withdrawal of permission and that if Astrid went she would be subject to DCM discipline. She went back to her office, wrote her letter of resignation and, after a brief negotiation with the HR office, left MBS the following

day. DCM announced that she had parted from DCM by mutual consent and that Astrid would continue to be available to it as a consultant. Press comment was very favourable to Astrid and somewhat sceptical about DCM.

Case B: Michael Grange and Sid Green

The resignation of Astrid and especially the circumstances surrounding it caused considerable unease among the research and development staff, who saw this as an attack upon the idea of MBS being based in developing knowledge. A new acting division head, Michael Grange, was appointed. He set out to stabilise the situation, and reassure all staff that all the work would continue, and began an initiative to develop some new projects and some new training offerings in a difficult market. He also set out some requirements for income generation for research and consultancy. He too was loyal to DMC and the CEO, and in July 2002 was confirmed in post. However, DCM was now under increasing pressure owing to changes in government research contracts, and after six months it became clear that MBS was not generating enough income to cover its costs. Michael Grange had created an MBS executive management team based upon the financial and commercial departments but without any of the research or development staff. The senior research and development staff began to consider their options. About nine months later, in August 2003, with the evidence of a deteriorating financial position, the CEO called Michael Grange in and told him that he was no longer divisional head. Both Michael and the staff were shocked by this peremptory decision.

DCM hired some headhunters to advise it on how it could recruit a new business-oriented divisional head of MBS who could lead the division into the desired competitive equality with the US-based market leaders. The public advertisement sought somebody who would be credible as a CEO at a corresponding salary. In the end there were no credible applicants, as those who were qualified to do the job did not get paid anything near the salary on offer (so were not appropriate) and those who were qualified could get a job as a CEO.

The next division head appointed, Sid Green, was a middle-level commercial manager who was an active union member and in that capacity had served on some central DCM committees and had impressed the CEO with his general understanding of business and his view of research and development. He was known to have agreed with the idea that a top service business could be built by buying in staff and inviting distinguished speakers to add sparkle to the educational programmes, and that there was no necessity to have a research capability. He was also somewhat abrupt in his relationships with the female research staff, all with doctorates and well-developed externally funded research projects. They were rather unimpressed with him as he had failed to complete a doctorate. But the new idea was to create the new MBS as a separate legal corporation wholly owned by DCM but able to engage with commercial enterprises as a training and trading unit. It was suggested that, if successful, the new MBS could be floated on the stock market. Sid and his new executive (no research or development staff) set out to create this new legal entity with the help of the DCM legal advisors, accountants and two main board directors. The financial position of DCM and MBS deteriorated further. But a worse event was when MBS fielded its lower level staff and administrators (in its new image of management) to represent it in a process of investigation of its research, development and institutional quality by a government body. The accrediting group was unimpressed and withdrew the accreditation, citing the weak presence of research and development staff in the design, management and delivery of the educational and training programmes.

Michael Grange left DCM to join a major commercial competitor. Six of the most senior female research staff had applied for other jobs, and having been appointed left MBS, taking their contacts and some junior staff with them. The most senior research and development managers also resigned to take up a variety of senior roles; one was appointed professor and dean of a business school in the UK. Almost all the senior research and development staff of MBS had now gone, and over half of all the researchers had now left. Meanwhile, the financial position of DCM had stabilised and recovery was promising.

In late May 2004, ten months after his appointment, Sid Green was invited to the CEO's office for a meeting. He was told that he was no longer division head. Sid was very distressed as he felt that he carried out the CEO's policy to the letter and had damaged his relationships with staff. An interim divisional head, Harry Brown, was appointed to chair the necessary committees but not otherwise act. Harry was clear that he was just minding the office.

Case C: Ted Jones

About three months later a new appointment was made from outside MBS and DCM. Edward (Ted) Jones was an intelligent, experienced male manager with a good career record of commercial leadership in another unrelated industry. Senior managers thought that he might not have been told of the now perilous position of MBS. After three weeks Ted had got to a full understanding of the problems: falling sales revenue, falling customer satisfaction, a diminishing reputation in the market, attack from competitors, and very low staff morale. The sick joke among the staff was that this was the first case that could be taken to an employment tribunal on the grounds of 'unfair employment'. In this period more research staff left MBS. Sid Green also found a job as a manager with a competitor.

Six months later, in early 2005, the financial position of MBS had deteriorated much further, the DCM board, after a brief review by consultants, decided that it was no longer viable and decided, on a Tuesday, to close MBS and transfer the remaining viable offerings to another division based in Melbourne. The rest of the staff, about half of the total, were made redundant. DCM found Ted Jones a job as Commercial Development Director in the DCM head office.

Press and TV interviewed Astrid Michaelson about the collapse of MBS. She said she was sad that it had happened and was especially hopeful that the staff made redundant could find employment that would use their talents and experience. When asked about leadership she said: 'I had always seen work as the outcome of good human relations. I think that that perhaps there had been a switch to a less engaged process, with a requirement to follow along, and that there may be lessons for us all in these sad events.'

The case is designed to illustrate a business process.

Questions:

- I What kinds of leadership styles and followership were present in the three parts of the case? What consequences were there for the followers? For the leaders? in each part of the case?

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Module 6

Leadership: A Cultural Construction?

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Learning Objectives

By the end of this module, you will be able to:

- acknowledge the complexity of the constructs of culture;
- consider the idea of culture of organisations;
- understand linkages of leadership and national culture;
- consider the linkage of leadership and organisational culture;
- understand whether leaders can affect organisational culture;
- consider leadership in different sectors: private; public and voluntary.

What do you understand by culture? Can leaders form cultures, or does culture form leaders?

One of the authors was once, some 40 years ago, introduced to the idea of the Wa Benze tribe. As I had not heard of this African tribe I asked my friend, himself an African, to explain. He said that it was the new tribe of post-colonial African leaders who were distinguished by being driven around in black Mercedes-Benzes. They had, he said, become a separate tribe. They had become a recognisable group of Africans who were creating a pattern of leader behaviours and lifestyles that were closer to those of the former colonial rulers than to those desired by my friend. Of course, my friend was being both satirical and critical. But he told me that he could, at that time, either live abroad or live in prison in his own country. He was an outsider in the post-colonial Africa.

6.1 Introduction

The book *In Search of Excellence* (Peters and Waterman, 1982) reported on the factors that distinguished excellent companies from the rest. Among the important factors was the idea of a strong (cohesive and clear) corporate culture. This finding created a new wave of interest in the management of organisational culture, giving some oxygen to the vision, values and action school of thought in leadership. As you can imagine, this raised some questions. Perhaps the most significant were the following: First, can leaders and managers choose and then implement a corporate culture? Second, can such a culture survive or persist in a national or regional culture if it is not aligned with it? Third, can transnational or multinational organisations choose a culture from the very many in which their staff live, and if they can, how should they do it? If excellent companies have a strong (cohesive and clear) culture, and if this was not just an accident of history, then we can presume that this was a result of decisions and actions taken by the leader or leadership team, probably over a medium or longer period of time. But leaders and leadership teams are people who live in a cultural context, so their choice of culture must be, to some extent, a product of that culture.

Before addressing these questions we shall take a brief look at what culture is and how it has been studied. Then we shall look at some of the research findings that explore leadership in relation to culture. But before we do, consider the following event.

A growing and profitable USA company was taken over by a larger company, which installed a new CEO. After a few weeks had passed the new CEO gathered together its many hundred managers and staff so that he could address them. Among the managers and staff there was much interest, anticipation and anxiety. After the initial pleasantries the CEO said, 'You people are the most important resource that this great company has. And I am here today to tell you about your new corporate culture.' As one of the female managers later commented, 'It was as good as telling us, for our own good, to look for new employment. But the CEO probably did not understand that.'

Why do you think the female manager said that?

6.2 Culture

Henry Ford was reported as saying, 'Whenever I hear the word culture I reach for my gun.' Certainly the word has many uses. But before exploring the links of culture and leadership in organisations, let us take a brief look at culture. We do this because we assume that you, the reader, may live in regions, countries and cultures quite different from ours and from those of other readers. Culture as an object of study has been the province of anthropologists – students of human societies. So definitions of culture in that tradition were broadly conceived. For example, Tyler in 1871 (*Encyclopedia Britannica*) defined it thus:

Culture is that complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society.

The *Oxford English Dictionary* defines culture as a particular form, stage or type of intellectual development or civilisation in a society, and also as a society or group characterised by its distinctive customs, achievements, products, outlooks etc. Both of these are included in Tyler's definition. We might, however, wish to include technology and artefacts more explicitly. Anthropologists were concerned to study sociocultural systems that were seen as distinguishable and autonomous groups of human beings. Their concern was with the technological, sociological and ideological elements of these systems. These things are very complex, of long standing, and change quite slowly. In this sense, then, you cannot choose your overall culture; it is too complex and out of your control. You are born into it and socialised into membership in many subtle ways, although you may choose to migrate (with your culture) to a country or region with another culture. But this creates problems. Expatriate communities and families create significant issues for the children and grandchildren. The second and third generations are enculturated by their family and by their new country and that produces significant tensions. (Consider the musical *West Side Story*, in which the two street gangs represented different ethnic groups of Americans, one more established and the other of recent immigrants.) Companies that migrate face similar kinds of problems, and the leaders must find some ways of adaptation or face failure.

As we are raised and enculturated it is difficult for any of us to study another culture or to evaluate it critically. We can take an ethnocentric stance and interpret other cultures in terms of our own. This can cause much misunderstanding, misunderstanding and resentment. You might consider the way in which other nationalities are portrayed in your own culture and ask how much of that is stereotyping. You might also have become aware of how your culture is portrayed in other cultures. If not, think about this the next time you watch TV or go to the cinema and see a 'foreign' film that is depicting your culture. You might ask to what extent do the depictions take on a stereotype view or even be a form of simplification. But, of course, we have views about aspects of our own and other cultures. For example, it is not easy to know whether humans are happier or live with more dignity in another culture. But it is possible to distinguish aspects or parts of, for example, UK culture now from 200 years ago, especially along particular dimensions. You might consider technology, agriculture, social structures, medical practice and governance and ask how they might be different and what patterns of social life and organisational forms existed then and exist now, either in the UK or in your own country.

It has been observed that many cultures have great similarities, and (apart from the copying) it appears that cultural evolution via very similar humans produces these identities and similarities. You might agree with the idea of there being a specific culture for an autonomous group, and you may want to claim that it is wholly unique. One scholar considered that there were almost universal patterns of general categories, such as language, arts, social organisation, religion and technology, and in this echoed the above definition of Tyler. In this sense of such categories we think that uniqueness is unlikely. Further, it is the case that one culture does affect another. This happens by processes of diffusion across boundaries through trade, travel, alliances, proselytisation and so on. Also, cultures diffuse through conquest and colonisation. But, of course, these influences move in both directions,

especially through the arts, music and games. And much that travels is very welcome to some people, even if it sets them against their parents and neighbours. We people are great copiers of things that we find useful or interesting.

Culture has been studied in many ways, by trying to understand whole societies to attention to small parts. In the mid to late 20th century scholars moved away from grand theorising of whole societies and classes and set out to study particular occupational groups in a wider society. These focused upon the patterns of life of these people in their communities. Further, there was a focus upon what were called **traits** which were objects, ways of doing things, beliefs, attitudes etc. The set of these was called a **culture complex**; that may be functional for the group, may be conceptually associated or acts and attitudes in behaviours. These become, for the people concerned, meaningful patterns or configurations of life, for example the life configurations of farmers, traders, fisherfolk. In the UK there were cultural studies of deep-sea fishermen, lorry drivers, bread salesmen and accountants. They may not have been entirely autonomous groups, but they were distinguishable in customs of work, of dress, of language, of beliefs about their connection with the work they did and of their local society in relation to the country.

Some companies and organisations appear to set out to build patterns of behaviour. These include the use of common clothing codes, singing company songs, living in company housing, all-pervasive corporate symbols and logos, permissible or required behaviours to customers, required ethical codes and behaviours and so on. Can you see here that organisations can create micro cultures within a larger culture? And note too that companies such as Coca-Cola and McDonald's have produced little micro cultures that are replicated in many countries. The success of Japanese manufacturing processes in the motor industry does seem to suggest that cultures that sustain research, development, innovation, technical excellence, very good customer relations, building competitive advantage through attention to culture, are advantageous. The failure of organisations that do not have such developments were noted by Peters and Waterman. But unhappily for Peters and Waterman, after five years the performance of most of the successful companies in their study had fallen quite markedly. Perhaps the relationship between organisation culture and performance is more complex than some like to think.

Do you think an organisation can have such a complex set of distinguishable enough traits and behaviours that it could be considered as a culture?

A researcher, in order to conduct an ethnographic study using participant observation, applied for and got a job as a mobile bread salesman. After he had been in post for a number of weeks he was approached by some of the other bread salesmen. These men set about inducting him into their life and work. What became clear was that the bread salesmen were working a process of diverting income from customers into their own pockets in a number of small ways. The amounts of money were about 20 per cent of their wage. Of course this was tax-free as well. The researcher went along with these methods of financial diversion in order to be able to continue observing the world of the bread salesmen. The employers were thought to offer pay rates on the understanding that the bread salesmen did have this diverted income. The ethical dilemma was not addressed. It seems that local cultures are a reality.

Culture has also been considered in terms of institutional structures and functions, including the roles of headmen and shamans as two important aspects of a society or group. The headman was perceived as important to maintain social integration, to provide direction and control and to maintain the consensus that supported him. The shaman was a priest and sometimes a magician connecting the group to ultimate mysteries and the unknown. (From the press reports we can see that some CEOs take on a role of organisational magician by promising to turn leaden companies into gold.) In some preliterate societies the headman levied goods from all families and then distributed them to those in need. Kinship was the basis of belonging, and a form of gift exchange was at the centre of common life. Property was held as a kind of tenure, where others would have the right to use property if the 'owner' was not using it. In industrialised and commercialised societies there are property rights for individuals, and most of our exchange is based upon markets and money, though the system of levies (government taxes) and redistribution to ensure minimum welfare exists. But even in these societies there is an enormous volume of gift exchange among families, communities and friends.

We moderns too have our share of shamans, some of whom might be recognised in the world of management writers and consultancy. The flood of management books written from experience and offering simple ways of managing are examples of the wish for magical solutions to difficult and intractable problems.

How do you see the role of leader as headman or headwoman? Does your view include elements of the shaman? Is there anyone in your organisation who fills this role?

6.3 Culture of Modern Organisations

Cultures (sometimes referred to as social structures) shape and condition how organisations are constructed and emerge. For example, Whitley (1992) has demonstrated that the economic arrangements of companies and markets are a product of the social and cultural context in which various arrangements are enacted. So institutions and markets are a product of cultural assumptions.

Culture, as viewed by anthropologists and social theorists, is clearly a very complex set of ideas. But there is a common idea of organisation culture as meaning shared values. This latter is much simpler and is unitary. It presupposes that values are shared, or the ones that are not are not part of the organisation culture. It is a somewhat imperialist definition because it assumes that values can be imposed upon people. But we need, at least, to ask the question as to whether an organisation can have a culture in the senses in which it was discussed earlier. Or is any organisation best seen as a manifestation of the cultures in which it is primarily embedded? Our view is that organisations are manifestations of the sociocultural system in which they are embedded. This view is similar to the stance of Scott (1995), where he argues that organisations are the places where the social institutions of values, beliefs and modes of order can be observed and be seen to change. But such organisations can also be regarded as significant parts of a wider culture. For in the sense of being a part of wider culture, any organisation might be viewed as having

patterns of behaviour and characteristics that might be functionally associated with failure, survival and effectiveness.

The search for universal aspects of culture has declined, perhaps because of the great complexity of any national culture. One helpful aspect of this decline in the search for universals has been a greater focus upon the particular and contingent. The example of occupational groups referred to earlier was accompanied by an emerging interest in culture and organisational culture. So let us look at one of the most referenced approaches to discriminating between national cultures, a study that was initially derived from the employees of a multinational corporation (Hofstede, 1980). In this study Hofstede selected four traits and argued, as we have above, that sets of traits could be found in different configurations. Hofstede's theory is justly famous for its cross-cultural focus, its simplicity and its boldness. The four traits he focused upon were:

- **power distance:** the degree to which organisations were hierarchic;
- **uncertainty avoidance:** the degree to which individuals preferred to avoid uncertainty;
- **collectivism:** the degree to which individuals subordinated individual preferences to the collective will;
- **masculinity:** the degree to which male characteristics were preferred over feminine characteristics.

Hofstede developed scales for these and obtained a series of measures for over 40 countries. It is important to note that the data were obtained from the various national employees of one US multinational company. To both general surprise and admiration it was possible to see patterns that had some face validity because countries that were recognisably similar clustered together, but there were also surprises. Sweden and Denmark were found to be almost opposite to Japan, which was observed to have high uncertainty avoidance and high masculinity; the northern European countries were almost the opposite to Portugal and Greece, which were observed to have high uncertainty avoidance and high power distance. (Be careful to note that the assumption of universal cultural categories underlies this approach.)

So the question arose: do effective and preferred leaders in different cultures behave in the same ways? Or do effective leaders behave the same everywhere?

6.4 Leadership and Culture

Dickson *et al.* (2003) provide an excellent review of the research around this question. Robert House has coordinated a major research project on cross-cultural leadership, GLOBE (Global Leadership and Organisational Behaviour Effectiveness Research Project) (House *et al.*, 2004). There follows a brief review of the findings.

Power distance in society has an impact on different aspects of leadership. It seems that an autocratic style of leadership is positively related to high power distance. In countries with low power distance people prefer egalitarian leadership. In high power distance countries people prefer leaders who are less participative and

more authoritarian and directive. And these leaders are perceived to be more effective in each context.

Uncertainty avoidance. In high uncertainty avoidance countries leadership is by planning. In low uncertainty avoidance countries flexibility and innovativeness are preferred.

Collectivism and individualism. Collectivism was found to be related to affective aspects of motivation to lead (Chan and Drasgow, 2001), and related to preference for transformational leadership (Jung and Avolio, 1999); individualists preferred a transactional leader. Dickson *et al.*, (2003) note that the terms 'individualism' and 'collectivism' have been regarded as too simple. They introduced two concepts on collectivism: vertical and horizontal. The vertical dimension was associated with power distance being high, and horizontal collectivism was associated with power distance being low.

Masculinity and femininity. Hofstede (1998) reconsidered these dimensions. The GLOBE project measured these aspects in a new way. First, they considered **gender egalitarianism**, which, when high, endorses charismatic and participative leadership. Second was **assertiveness**, which is associated with effective leadership in countries such as the USA but not so in Korea or in other Asian countries. The other new constructs introduced were **performance orientation** and **humane orientation** (Den Hartog *et al.*, 1999).

The very different scores on the dimensions for each country demonstrated that countries have different configurations of the traits, although Hofstede did find some clusters of countries, for example Asia, northern Europe and Latin Europe. These configurations suggest that leadership effectiveness is to some degree dependent upon a fit between leader behaviour and culture. But while country culture was observed to be different, the observations of country culture were made with an instrument of cultural dimensions that were derived from a set of trans-country or perhaps *universal* categories. It is possible to see these results as suggesting that the characteristics of leadership are related to the cultural dimensions of Hofstede. In other words, leadership preferences are part of patterns of culture in that leadership is a trait and a behaviour.

The GLOBE study was based upon nine dimensions or traits, developed by extending and revising the traits of Hofstede. These were power distance, uncertainty avoidance, in-group collectivism, institutional collectivism, gender egalitarianism, assertiveness, humane orientation, and performance orientation. Gupta *et al.* (2002) reported that this produced ten clusters among the countries represented in the GLOBE study.¹

There were five 'European' clusters: Anglo (7 countries), Eastern Europe (8), Germanic Europe (4), Latin Europe (6) and Nordic Europe (3).

There were five others: Confucian Asia (6 countries), Latin America (10), Middle East (6), Southern Asia (5) and Sub Saharan African (5).

¹ See the *Journal of World Business*, Special Issue 2002 for a fuller description and analysis.

In addition to measuring and clustering cultures the GLOBE study also included a leadership questionnaire of descriptors of behaviour that would impede or facilitate outstanding leadership.

The review authors (Dickson *et al.*, 2003) claim that the GLOBE studies provided a theoretical rationale for the cross-level effects of societal culture and organisational culture and societal culture and leadership. (The researchers work from the institutional theory of isomorphic pressures, where isomorphism means very similar characteristics or shapes, from two Greek words meaning constant and form.) The same underlying pressures lead to similarities in the patterns or outcomes within a culture because of institutional rules, because of leaders' copying what is generally seen as good practice, or because of cultural immersion in the society's patterns of values and beliefs. In case you think that individuals can be free of culture, you might remember that culture is stronger than life and stronger than death, for it influences how we live every aspect of our lives in its taken-for-grantedness.

House *et al.* (1997) suggested that there might be three propositions:

1. Leaders' behaviour is congruent with the culture in which they are embedded.
This has been discussed above.
2. Leader behaviour that is slightly different from the culture might lead to innovation and change.

This does not appear to have been tested, but if you are prepared to accept the proposition that leaders who fit closely to culture are likely to conserve it, and that leaders who do not fit at all to the culture are likely to be rejected by it, then leaders who are active in change must to some degree be challenging their cultural context but not so much as to be rejected. Perhaps you can think of some examples of such leaders.

3. Leader behaviours are almost universal.
Leader behaviours that reflected integrity, charisma, inspirational and visionary attributes were found to be aspects of outstanding leadership. Those that reflected irritability, non-cooperativeness, egocentricity, a loner, ruthlessness and autocracy were associated with ineffective leaders (Den Hartog *et al.*, 1999; Brodbeck *et al.*, 2000). Other studies (Lesley and Van Elsom, 1998; Robie *et al.*, 2001) have produced further evidence of near universality of some leader behaviours across Europe and the USA. Further, Silverthorne (2001) found that effective leaders in the USA, China and Thailand tended to be high on personality attributes of extroversion and low on neuroticism (meaning low levels of anxiety and lower levels of personal defensiveness).

6.5 Some Caveats

These studies were based upon a well-conceived and well-designed research project using questionnaires and interviews (designed, translated and tested with great care) that were derived from the set of nine cultural traits. These are only a small aspect of the behaviour in both the countries and organisations concerned. Also, respondents were invited to respond in relation to ideal leaders and not the 'real' ones they encountered. It would be expected that the ideal (or normative) would be likely to

be an expression of cultural assumptions. It would be interesting to compare the desirable attributes of ideal leaders with the experience of real leaders. If we were able to do this we might discover something of the resilience of cultural assumptions and behaviours. We would also learn something about the way in which 'necessities' dictate the behaviour of real leaders, and that while real leader behaviour may not be ideal, it may be regarded as acceptable overall and may indeed be very effective.

Given the evidence of Hofstede that clusters of countries' traits could be constructed from his data, it would be surprising if there were not clusters in the later GLOBE studies, but the clusters did seem to fit one's prior conceptions of country clusters. But the GLOBE study also excludes more than half of the countries in the world. So their findings and observations may not fit with the behaviours of those found or desired in the absent countries.

In addition (to studies such as the GLOBE project) there have been a large number of comparative studies that compare culture and leadership in pairs of countries or among small groups of countries. These have produced three themes. First, many scholars view leadership with somewhat universalising constructs. Second, there is a local valuation of these constructs. Third, human beings as leaders in different cultures behave in very similar ways.

These small comparative studies do help build up a picture of the general area. But they are too varied for them to be used as a basis for a critical appraisal of the development of comparative leadership knowledge.

A further and stronger reservation is that nations have great variations within them. The regional variation in the cultures of the United Kingdom seen in England, Wales, Northern Ireland and Scotland are quite substantial, especially in areas where Welsh and Gaelic are spoken. This regional and ethnic variety is especially true of vast countries such as the USA, Russia and China with their many subcultures. So the research data on national country cultures mask these internal variations. Hence we need to be careful in the assumptions we might be tempted to make about leaders and leadership in any country and applying them to all parts of the country. In support of this argument House *et al.*, (2004) considered French- and German-speaking parts of Switzerland to be different enough to be regarded as different elements of their research.

A Problem

In the northwest of England there was an example of culture in the local society influencing the behaviour of managers in an organisation. The company, a subsidiary of a company based some 40 miles away, had been established in a coastal town to employ women to assemble electrical components. The first-line male supervisors were imported from the parent company. The quality of the workers was very satisfactory and the new company was successful. There was one problem. The supervisors were unhappy, and were lasting only three to four months in post. The factory could not understand why this was happening.

Seeking help. They, somewhat unusually, sought the help of an anthropologist.

Diagnosis. The anthropologist studied the situation and became interested in the experience of the men supervisors. These men reported great difficulties in their personal relationship with the women. It seemed that the women were very dismissive of men who walked up and down wearing white coats. The men in the women's families were deep-sea fishermen who had physical strength and endurance.

Solution. The solution offered was to replace the first-line male supervisors with women. This was done; the female workers were happy, and the female supervisors were stable in their jobs.

In Table 6.1 we set out a simple (possibly over-simple) matrix to locate leadership in relation to the culture of the country and the organisation. It is obvious that leadership in relation to culture is different in each quadrant. The most complex arena is where heterogeneity of nations and organisations intersect to produce the need for transcultural leadership. Often future leaders begin their family and educational life in homogeneity and then have to learn very quickly. But it may be that global mobility of families, together with the satellite media and the Internet, is making possible a much more heterogeneous experience for young people and for the training of organisational leaders. If this can bring deep understanding (as opposed to a mere acquaintance) of other cultures, then perhaps we can hope for a more peaceful and creative future for us all. But note that, as only a very few people end up in transcultural organisations, then all of the problems and issues raised in this module will be the stuff of organisational struggles and learning.

Table 6.1 National and organisational culture

	National culture is homogeneous	National culture is heterogeneous
Organisational culture is homogeneous	The domestic organisation: leadership is an accidental fit.	Leadership may or may not fit the organisation depending on agenda for stability and change.
Organisational culture is heterogeneous	The geocentric organisation: leaders have to learn to be culturally sensitive to others.	Transnational organisations: leadership is a very complex problem of awareness and is likely to be transcultural. Choice of leader is crucial.

The choice in 1992 by the German company Siemens of a new leader was a tussle between the capability to work in the German context and a strategic wish for Siemens to become a transnational company. The company chose a German national who had the cultural sensitivity (as well as the leadership capability) to build Siemens over ten years to a position where it had more than half of its activities outside Germany.

It is possible that we could learn as much and perhaps more about culture and leadership from a study of the autobiographies of leaders and especially from more

independent biographies. The memoirs of General de Gaulle are especially interesting to an Anglo-Saxon. The histories of World War II by Winston Churchill are immensely insightful, as is the biography of Churchill by Jenkins (2003). But historians who write biography give us the opportunity to see how leaders and leadership assumptions have changed over centuries, and the chance to see cultural transformation. Also, leaders in religion, such as Augustine, Aquinas, Benedict, Theresa, Martin Luther, Simone de Beauvoir, Erasmus, and Thomas Cranmer provide insight into the deep value issues of western society. Leaders of liberation such as Lenin, Mao, Ghandi, Luther King and Nelson Mandela provide fascinating insights into the struggles within a society. Also, current and historical novelists work from considerable research and scholarship. They too can illuminate our understanding. The search for universals has great value, but it can mask the reality of grounded political action in which leaders need to engage.

6.6 Back to Organisations

At the start of this module we mentioned the work of Peters and Waterman and their (somewhat simple) comments and nostrums about organisational culture. You may remember that they advised strong, unitary and cohesive cultures to produce excellence. However, over the next few years the companies that had been identified as excellent fell from favour as their performance became weaker, so the permanence of the effects was small.

In this tradition Goffee and Jones (1998) examined organisational culture along the two human dimensions of **sociability**: (the degree of friendliness between the workforce) and **solidarity** (the degree to which the workforce clearly understand and share goals). This produces a matrix of four types of organisational culture (see Figure 6.1).

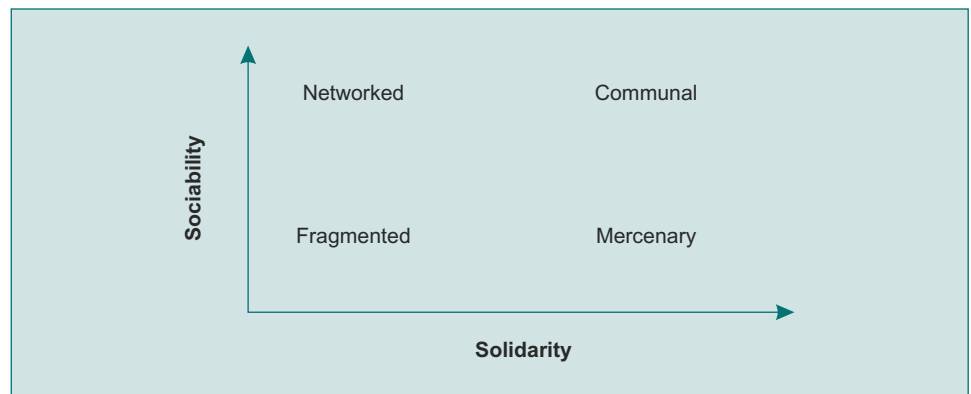


Figure 6.1 Sociability and solidarity

Source: Goffee and Jones, 1998.

What was interesting about these four is the move from a unitary conception of culture to a pluralist stance. Also interesting is that these authors provided examples of each type that were successful organisations. (For example, universities are quite fragmented organisations. Voluntary organisations tend to be communal.) They also

recognised that there was a dark side to each of these types that could lead a successful organisation to become unsuccessful if, for example, the useful fragmentation of a university was used to stop any development or change. This observation was echoed by Kotter and Heskett (1992), who found that organisations with weak cultures were as likely to be successful as those with strong cultures. It was also found that any complex organisation could have subunits in any of the four types. Perhaps there was an underlying question of fit between the types, the environment they worked in, the technology of work organisation and history. In any case it poses good questions for leaders who may have been experienced in one type as they move to another. Should they remake themselves in the other type or should they set out to remake their new organisation in their familiar type?

These ideas are similar to those of Etzioni (1961), who argued that there were three ideal types of organisation: **normative** (working upon and about values, close to the communal), **instrumental** (working at jobs in exchange for money, similar to mercenary), and **coercive** (working at what is commanded, like a prison). Most of our organisations are mixes of the normative and the instrumental, with some occasional lapse into coercion. Ouchi (1980), contrasting the control modes of hierarchy with markets, examined the issue of what he called **clan control**. By clan he meant a group with norms of reciprocity, legitimate authority and shared values and beliefs. Here he was suggesting that clans, such as professional groups or occupational groups with well-developed norms (or cultures), could and did exert considerable control and influence upon organisational behaviour. The leaders of such clans could be crucial to effective working of such organisations, but would exhibit characteristics of the clan's values and beliefs. There are similarities between Goffee and Jones' idea of communal, Etzioni's idea of normative and Ouchi's idea of clan, in that all three express the significance of the culture of the workgroups in the life of any organisation.

While these are interesting ideas (and you may well know of others like them), there have been more 'academic' definitions of organisational culture (see Allaire and Firsirotu, 1984). The founders or influential reconfigurers of organisations may be considered to establish strong cultures as patterns of behaviour or ways of doing things and setting expectations of how people should behave.

6.7 What Can Leaders Do About Culture?

Schein (1985) wrote of five mechanisms in use by senior managers to embed and transmit culture. They were the manner in which leaders:

- chose issues to attend to, to be controlled and measured;
- reacted to critical incidents and crises;
- deliberately role-modelled, taught;
- set criteria for allocation of rewards;
- set criteria for recruitment, promotion, retirement and excommunication.

Schein considered that the first of these was the best method for managers to communicate what mattered most. He also considered organisational culture from a

wider anthropological viewpoint to include the visible artefacts (production technology, products, buildings, offices, furniture) that influence and express culture. But he also included the structures, information and control systems, goal and mission statements together with the stories, myths and legends that are told by the members and encapsulated into histories.

An example of these stories, myths and legends may be the narratives that members construct about their experience. Look back at Case Study 5.1: Marlowe Business Services and consider the narratives of leadership and culture.

So again these narratives speak of degrees of pluralism in organisational culture, where you might recognise central themes with local and individual variations. You might have seen how such variations are stifled when an organisation is under threat from market competition. You will understand that each of these narratives expresses something of the parts of that organisational culture but not all of it. Any analysis of myth, legend, story and narrative can be at best illuminating and partial. But sometimes they offer the greatest insight because stories can capture something of the not-directly-speakable, subconscious and unconscious experience of members. These difficult- or impossible-to-describe experiences and understandings are also expressed by metaphors that members use to describe their organisation. Often it is the task of the leader to find these metaphors and, by voicing them, render them available for examination. This is a kind of cultural interpretation role of leaders. In so doing they can provide meanings that enable greater understandings to be possible, sometimes comforting and sometimes challenging. But the voicing here is a real act of leadership, which may or may not in any given case be done by the 'leader'.

Morgan (1986) in his images of organisation provided a set of metaphors that could be taken to describe an organisation. Among them were the **machine bureaucracy**, the **organism**, the **network** (or maze), the **psychic prison**, and the processes of **flux and transformation**. The first three are familiar, but the psychic prison represents an organisational culture where anxiety has become so high that the defences of repression have been mobilised to deal with it, imprisoning the members in their unhappy condition. The challenge for leaders in this state is to begin to interpret the defences to the organisations (that is, to explain their origin and function) while providing sufficient protection for the members to feel safe when working with him/her on these issues. This is one of the most demanding roles of any leader. But often the one major cause of the defended state persisting is leaders being unable to handle themselves or the organisational defences and attempting to deny or demolish them, making it all much worse. The metaphor of flux and transformation expresses the near-chaos and complexity during major change processes and the sense of being tossed about while everything is in transition. The language of flux and transformation is oddly reassuring, because it gives a description of reality that can balance the personal experience of external turbulence and internal instability. The role of the leader here is to be in the flow of change, encouraging and supporting, assisting transformation.

If organisations can have pluralist cultures we need to ask whether there are types of organisational characteristics that might have different implications for leaders. We

need to examine three classes of organisation that have such differences that they can be said to have very different kinds of cultures. These are privately owned, public and voluntary organisations.

The argument so far is that leaders are mostly products of some aspects of their broader national or regional culture. But this is not to suggest that leaders cannot change anything. Leaders may have limited room for manoeuvre, but they can and will set in motion changes in patterns of behaviour that may contribute to success. The economists among our readers will agree that any such changes have to be aligned with economic realities of factor and product markets. However, we also insist that, while the leader cannot change much in the short-term (except the personnel), over five or ten years very significant changes can be accomplished. Many of the stories of the impact of leaders changing newly privatised companies tell of the change in culture from producer to customer orientations, from technical excellence to innovation in markets, from long-term stability to medium-term flexibility, from internal competition to external competitive positioning, from management by committee consent to leading change through participation, and from closed hierarchies to open flexible structures.

6.8 Leadership In Private, Public And Voluntary Organisations

Would you expect differences in the practice of leadership in each sector? If so, why?

6.8.1 Private Organisations

These organisations are subject to private interests and private objectives and goals, e.g. achieving the maximum value for the owners subject to all the environmental and market constraints. Here we can observe the power of the single economic goal: simplification and clarity. Of course, in practice matters are not so simple. The externalities of stock market requirements, government regulations and law, environment, social responsibility considerations and reputation all have a major impact. Further, the human internalities carrying complex cultures into the organisations also impact.

The leader role here is essentially instrumental, a kind of task master. Leadership is based in exchange theory and transactional in nature, as this is about the inducements and contributions that people need in order to work (or to follow). Any transformation might be seen as another act of instrumental leadership. Leadership is resource dependent, on money, opportunities and capability. Leaders face the danger of confusing short-term, medium-term and long-term goals and the behaviours that sustain them. But leaders also know that they are almost always judged in the short-term. This is not to underestimate the significance or impact of leaders such as business founders like Ford, Branson or Marks and Spencer. Nor is it to underestimate the contribution of reshaping leaders such as Jack Welch in an industry or KKR in financial reconstructions.

6.8.2 Public Organisations

These have multiple goals in conflict and must be responsive to a wide array of private interests and of public concerns, holding within them varying conceptions of the public good and mediating between different interests while delivering services. They are subject to changes in political control, political leadership and policy leadership. Because they are public bodies, they are open to more demands for transparency, accountability and control. The very amusing television series *Yes Minister* is a rolling illustration of the conflict in expectations that leaders can make things simple but that the real complexity always dominates.

One solution to the complexity of public institutions was to separate them into a policy body and a service delivery body. Then the service delivery bodies could be led and managed as goal-clarified organisations with a more unitary culture. This was done so that goals of efficiency were possible without being continually disturbed by value debates.

6.8.3 Voluntary Organisations

These are essentially normative in that the leader (often the founder) embodies the core values. There are three basic kinds of these:

- **Value-centred associations** such as religions, philosophical societies, and clubs of members gathered for common interest such as photography, music or sport. Leaders here encapsulate or symbolise the basic values that they must not betray.
- **Service organisations** working from a value position to give provision to others, such as the Red Cross, Médecins sans Frontières. Leaders here are concerned with the needs of actual and potential clients and the quality and range of the given service delivery, but face the complexity of leading a mix of professional staff, employed staff and volunteers.
- **Campaigning organisations** setting out to challenge prevailing mores and to change societies and laws, such as political parties, and issue groups like Greenpeace. Leaders here must be able to represent the issues to the world, be articulate and probably charismatic.

These are often quasi-public social institutions such as professions, trades unions, trade associations and housing associations. Some of these organisations have regulatory powers delegated from the state. All of these have contests of ideas and interpretation. There are often difficult relationships between fundamentalists (re the foundation tradition and documents) and revisionists, especially when the fundamentalists think that the revisionists are responding to contemporary culture.

Of course any one voluntary organisation may take on all three of these sets of values and activities. This multiplicity of roles, with the mix of staff and volunteers, adds to the cultural brew that the leadership must handle and sustain.

Authority and Leadership: A Fable

There was once a family with four sisters and a little brother. The family name was Archy. The four sisters were Mon, Oleg, Polly and Ann. The boy was named Aut. When they grew up they founded organisations in quite different styles. Mon established a command hierarchy with just one clear leader. She claimed it was the most efficient, and fitted her traditional society. Oleg founded her organisation with a team leadership, a leadership of the ruling coalition that she claimed fitted the needs of the work. Polly, however, decided to have a multidivisional organisation with considerable powers for their heads as a form of governance with distributed leadership. They were much like the feudal barons or a wide array of public, private and voluntary organisations. The fourth sister, Ann, was different again. She founded a kind of structureless commune to make whatever they wished, with a flow of activities and relationships where everybody was a leader and a follower. The brother founded a sole trader business and took care of himself. After a few years the sisters and brothers met to see whether, in the interests of the wider family, they could merge their organisations into a family firm.

How do you think they could do this? What kind of leadership would be needed? What are the chances of success? Do you recognise the cultural assumptions in the patterns of authority?

You should note that national cultures and organisational cultures are not static, for though they are persisting they are also changing in small ways all the time. Cultural leaders as a group are not just the poets, painter and composers. Also included are technology, scientific and business leaders. But we must be very careful of claims to global leadership, for such a person must not just be viewed as a geocentric globetrotter. To become a transcultural leader is the work of a lifetime, and few roles demand it. Those that do, such as the Pope, the Secretary General of the UN, Chair of the World Trade Organisation and leaders of major transnational organisations, have enormous gifts and face an almost impossible challenge. It is remarkable that they do as well as they do.

6.9 Some Final Comments

This module began with a wide conception of culture following the definition of Tyler, an anthropologist. This included consideration of ideologies, languages, technologies and artefacts, symbols, meanings, values and beliefs, morals, rules, structures, customs and habits and a lot of other behaviours. These have appeared in parts in the various approaches to organisational culture, that we have addressed. But please note that we have not set out to provide a comprehensive account of all the theories and approaches to organisational cultures. We have not set out to criticise the formulations of organisational culture believing that the study of complex sets of traits is very difficult and hence all studies are partial and potentially valuable. We have given some of the emerging research evidence about the impact of cultures upon leaders, and argued that very different cultures appear to need

different kinds of leadership. We have briefly considered the differences in private, public and voluntary organisations as examples of quite different types of organisational culture and the different kinds of leadership they seem to need.

We do take the general view that leaders, because they are human beings, are products of their cultural context, whatever that might be. But in turn leaders and leadership teams can change cultures, especially of organisations, in some limited but crucially important respects. There is much yet to discover and understand about culture and leadership. We hope you will continue to do that.

Learning Summary

- Culture is a very complex idea and has many definitions that include values, language, beliefs, customs etc.
- National culture and organisational culture are not necessarily the same.
- The idea of an organisational culture complex is a useful tool: the traits are ways of doing things, attitudes, behaviours and beliefs exhibited in an organisation.
- In the field of leadership studies there are 'gurus' who act as symbolic leaders for managers.
- National culture (and organisational culture) were defined by Hofstede along four dimensions: power distance, uncertainty avoidance-seeking, collectivism-individualism and masculinity-femininity. Hofstede found clusters of countries with similar scoring on the scales.
- The Globe studies found clusters of cultures: there were five European clusters together with a cluster of Confucian Asia, Latin America, Middle East, Southern Asia and Sub-Saharan Africa.
- Leader behaviour was found to be congruent with culture in which it was embedded.
- However, there were found to be some universal aspects of (a) outstanding leadership; integrity; charisma; inspirational and visionary attributes, and of (b) ineffective leadership; irritability; egocentricity, ruthlessness; autocracy; being a loner.
- The fit of leader, organisation and culture is very complex and has yet to be very well understood.
- Leaders cannot do much about national culture or regional culture. However, leaders can affect the cultural complex and thereby enhance performance.
- The key difference between voluntary, public and private organisations centres upon the degree to which leaders may define goals for participants. In voluntary organisations people join because of values: in public organisations values are plural, while private organisations can have narrower values and goals. The freedom of leaders to focus values differs in each kind of organisation.

Review Questions

True/False Questions

- 6.1 Culture is a simple and universal concept. T or F?
- 6.2 Hofstede's four dimensions give a sufficient understanding of national culture. T or F?
- 6.3 The GLOBE studies only focus upon the behaviour of leaders. T or F?
- 6.4 Leaders cannot change the culture of organisations. T or F?
- 6.5 Leaders and followers must share the same culture. T or F?

Multiple-Choice Questions

- 6.6 A strong culture is necessary for organisational success because:
 - A. the core values and beliefs must not be a source of conflict.
 - B. only a strong and clear culture will shape behaviour.
 - C. it will give the leader the right to select followers.
 - D. strength is more beneficial than flexibility.
- 6.7 Organisational culture is a crucial aspect of national and regional culture because:
 - A. it shapes almost all human behaviour.
 - B. it defines acceptable leader behaviours.
 - C. it shapes goals.
 - D. it contributes to changing national and regional culture.
- 6.8 Leaders can embed and transmit organisational culture by:
 - A. concentrating only upon good communication.
 - B. choosing the focal issues for attention.
 - C. locating the business where it will fit local values.
 - D. having lots of social events.
- 6.9 Theories of leadership are culturally specific because:
 - A. they are constructed in a specific cultural setting.
 - B. they are incapable of being interpreted or transferred.
 - C. they cannot be tested outside their origins.
 - D. the language used is culturally embedded.

- 6.10 Leadership is a universal competence that can be exercised in any domain or organisation or in any sector because:
- A. all effective leader behaviours are similar.
 - B. basically leaders have to choose direction but do not need to understand the core of the organisations work.
 - C. all people respond well to any clear leadership.
 - D. leadership is a universal capability.

Case Study 6.1: Sierra Television

Case A: Sierra makes a splash

The creation in the UK of television funded by advertising happened some 40 years ago. While maintaining the BBC as a publicly funded broadcaster the government agreed to allow advertising-funded TV on a series of regional franchises. Bids were invited and the rights awarded on a seven-year contract or licence. Bids had to demonstrate how the companies would meet three obligations: to inform, to educate and to entertain. It was clear that franchises would be awarded on a panel judgement of overall quality of proposal.

Sierra Television, led by its entrepreneurial star, Bernie Rose, was quick to become established and gather a strong team in order to make a bid. Sierra bid for and won a large regional franchise, covering a potential audience of 15 million people. The early years were 'a licence to print money' said Fred Burns, the CEO of a rival company, for the advertisers were only too happy to spend large sums.

As a consequence, Sierra was awash with cash and able to spend it on programmes. This ensured that the terms of the franchise (inform, educate and entertain) were met, but it also had the effect of creating a culture in the company of excellent programmes. These were under the control of Bill Prosser, who later saw this as the golden age of Sierra TV. The programme-makers were rather arty people, brought up as theatre directors, and leading people in the arts world of the region and also nationally.

After seven years the franchises were up for re-bidding. There had been severe public criticism of the large profits made by the franchise holders, as well as some concern that they were ignoring the education brief and 'going easy' on the information role. This time Sierra were not so fortunate, as their region had been split into two and they lost one half but were franchised to continue in the other half. They lost about 40 per cent of their audience. They also had to sell studios and transfer staff to the new company in the subregion they had lost. But the advertising revenue remained buoyant.

Sierra programming, under Bill Prosser's leadership, entered an era of outstanding offerings. But there was concern that the programme-makers' culture was running what was supposed to be a commercial company. There were mutterings of waste and loss of profits. One programme, of eight 45-minute episodes, was often cited as a symptom of the problem. It cost over three times the initial budget. There was a major internal review and a major company row. Budgeting was tightened up, and programme-makers now had to report monthly on the progress and cost of their projects. They resisted this as much as they could, and the company seemed to be at war with itself. Happily for the programme-makers, the eight-episode programme was a smash hit with the public and even more of a hit with TV and arts critics, all of whom praised it as an example of the TV medium at its excellent best. In addition this programme was sold to over 60

countries. The revenues were about ten times the estimate and the 'financial disaster' became the best ever profit-earner of Sierra TV. The finance and commercial culture was driven back.

Case B: Sierra under pressure

The next round of bidding was based upon the same criteria as before, but it was understood that, while the downplaying of the educational role was acceptable, there was expected to be a balance between information and entertainment. In this bidding round the government left the regions as they were, but rejected the bids of two of the smallest established franchises. It was widely felt that this was a deliberate act of government to get the others to become more efficient, offer better programmes, and cut their still very large profits. Sierra won its franchise, but internally the finance director, Tom Redding, began to point out that the good times were ending and that cost control was more essential. They began to wrest control of the budgets from the programme-makers, to require proper controls, with spending authorisations required before committing additional resources, and began to appoint accountants to groups of programmes. For the first time advertising revenue growth was lagging cost growth. Then Tom Redding got board approval for a cost-cutting exercise that reduced head count by 10 per cent, cut discretionary expenditure by 15 per cent, and imposed a cash ceiling on programme groups. Programme proposals had to be fully costed, and estimates of revenues from sales overseas had to be factored in to the plan. Programme-makers were instructed to make more programmes in studios rather than on location, and to seek co-production with other TV companies. The finance director began an internal discussion about buying in programmes instead of making all of their own. The culture of the company had shifted from its arty programme nature to a balance between that and a commercial or market focus, with the culture sliding towards the market.

The next round of franchise bidding was a bit of a bombshell, as the government proposed to auction the franchises. The bids were to be delivered at midnight at an address in London. Any company could put in a bid for any franchise. At once the economics of Sierra were changed as the government sought to claim for the public benefit some of the excess profits made by the companies. As long as the bids were technically acceptable, the government was to award the franchise to the highest bidders. Some companies put together a bid for their franchise that was finely balanced to pay as little as possible and still win the franchise. In the event Sierra won its bid and continued. But an amusing side-effect was of companies preparing two bids, one at what they valued it as and the second at a low cash offer. They then turned up at the midnight rendezvous with two envelopes. If there was no other bidder at a few seconds before midnight for the franchise they wanted, they handed in the envelope with the low offer. Two franchises were gained for almost nothing.

But the effect on Sierra was sharp. The very fact of having to make a financial bid for a franchise put the finance function and Tom Phillips in the driving seat. It also added considerable influence to the commercial manager, Mary Kaldbeck. Part of the plan, but not specifically included in the bid, was a policy of shifting from a broadcaster/programme-maker to a broadcaster/publisher. This meant downsizing the capacity to make programmes, and to renting or leasing their production facilities to any company that needed them. Another aspect of the plan was to commission most programmes from independent companies and buy in more programmes from English-speaking countries, mainly the USA. After the franchise was won, Bill Prosser resigned in a blaze of publicity. Some months later an accountant was named as CEO.

Question:

- I What was the relationship of organisational culture and leadership? How did changes in Sierra's markets and mission lead to changes in the organisation and leadership?

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Gender and Leadership

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'Leadership to me means ensuring that you have a first rate chief executive. And the relationship that he has with his chairman sets the tone of the entire organisation.'
Female chairman (2005).

Learning Objectives

By the end of this module, you will be able to understand:

- the recent presence and the prior marked absence of female voices in organisational leadership;
- the research debates and findings on how men and women leaders are necessarily different;
- how these research debates and findings relate to leadership theories;
- how women cope with male organisations;
- that organisational demographics might explain gender similarities;
- the pursuit of wisdom in leadership.

7.1 Introduction

From the 18th century to the present day has been an astonishing period of scientific, technological, social and political changes. And one of the most significant changes has been the emancipation of women, first as property owners, second as voting citizens, and finally as holders of high office in voluntary, public and private organisations. Across the globe these changes have happened with varying

speeds. In some countries and cultures there has been little progress for women. But global migration and global communications mean that few people can remain untouched by these enormous changes. Perhaps it is the case that where culture is most traditional then change has been the slowest. It is also true that some women pushing at the boundaries of social order have been most cruelly treated. There are cases in the UK and other countries where a father and brothers have killed young women because the girls wanted a life and relationships that did not meet with family approval. These conflicts are the common stuff of films, books and the theatre.

Women have gained national leadership through birth (e.g. Queen Elizabeth I and II and Queen Victoria in the UK; the Empress Maria Theresa of Austria) and also by election (e.g. Mrs Bandaranaike of Ceylon, Mrs Bhutto of Pakistan, Mrs Ghandi of India and Mrs Thatcher of the UK). Women have also exercised leadership in religious organisations, especially in women's religious communities and in voluntary organisations of many kinds. Yet change in organisations has tended to lag social change. Given the late entry of women into professions and managerial occupations, it is only recently that scholars have become concerned to understand and explain the experience of women in managerial and leadership roles.

The USA is often cited as a leader in opportunity for women, but progress is slow. In 2000, women accounted for only 11.7 per cent of Fortune 500 corporate boards, and 105 companies had no women directors (Oakley, 2000). Only 4.1 per cent of top earners were women (Catalyst, 2001). Women leaders get paid less than men.

There are three arguments for changing this state of affairs. The first is utility: that is, organisations are the poorer for not having all that female talent and capability (this is a very common argument). A subversion of this is that the trend to flatter organisations and more networking means that organisations should make use of women's skills of relationship to lead effectively. The second argument is a moral (or ethical) argument from concepts of justice and equality (Oakley, 2000). This argument asserts that women are equal to men in moral worth and hence should have the opportunities to work and lead in their ways, and men should adjust to them. The third argument is that there are no essential differences between men and women in traits and behaviours, but there are important differences within any group of human beings.

Thus the question before us is: are female leaders different from male leaders?

7.2 **Voices**

It has been argued that most organisations have deeply embedded male assumptions about behaviour. The old boys' club, with its networks of contacts, power struggles and alliances just does not include women. Gilligan (1982), in her illuminating essay entitled *In a Different Voice*, wrote of the very maleness of organisation life and speech, which rendered women's voices unheard and silent. So the agenda of the organisation and its discourse were always male and hence, without any specific

local intention or action, excluded women from roles, from authority, from leadership. You may know of such organisations.

But let us first hear the voice of a woman on this:

‘When a woman undertakes a leadership role, she brings into her role her gender, the culturally defined female aspects, as an integrated part of her personal history and her profession. She becomes – in the concrete context and system in question – a female authority figure. This will – consciously or unconsciously – influence the finding, making and taking of the role and so will the expectations from other role holders within the specific system; expectations that consciously and unconsciously contain specifically gender-related ideas and fantasies that come alive and are attached to her as a female authority figure.’ (Lorenzen, 1996)

Here Lorenzen argues that a woman in a leader position cannot surrender her femaleness. She also argues that the woman as leader is in an authority position where the other men and women in the organisation have specific gender-related ideas about women that will appear in fantasy. For example, in the 1990s a woman was appointed to the leadership of a technical group in a bank. The male staff entered into a wager. The male staff member who succeeded in ‘bedding’ the female manager would be declared the winner and be awarded the stake money. Of course none of them did succeed, and it is very likely that the whole thing was a bit of male ‘fun’, albeit adolescent and offensive. But it did express something of the fantasies of males needing to put down women symbolically and sexually. Lorenzen writes:

‘From my point of view, the specific and potential elements in female leadership are potentials concerning relationship – provided that there has been a good enough childhood and adolescence without irreparable traumatic experiences. The potential can be seen to be a capacity to be and engage in relationship patterns, discern and meet needs for development, without losing authority when managing herself in role. At its optimum this can be described as a specific potential of insight.’

Lorenzen follows a traditional image of woman as being skilled in relationships and human development, but adds the important ingredient of being able to exercise authority. The question of insight was very complex for Lorenzen, as an internationally skilled organisational consultant with deep psychoanalytic knowledge. She means insight both into the workings of an organisation and its staff, and into the deeper processes that hinder working and change, a process of organisational defensive routines. Lorenzen is approaching the quality of wisdom, a topic to which we shall return later in this module. A number of studies have attempted to understand females’ perspective of the leadership experience.

Stanford *et al.* (1995) interviewed women leaders, asking them to describe their leadership approach. They found, from a content analysis, that the women’s self-descriptors were: employee-involved management style; participating in decision-making; working within teams. Further, their preferred sense of power was of reward and personal power bases (including expertise), and not position power.

Also, these women emphasised the importance of the high quality of interpersonal relationships with employees. In addition, they had a long-range view of the organisation and its work, and encouraged employees to share it. They were also effective communicators in the workplace.

Marianne Tremaine (2000) explored women mayors' experience of leadership. From her extensive interviews she concluded that these women

'would not wish to follow leadership that could be described as transactional. Their desire was to achieve betterment of their communities. However, they were very careful in their discussion of mayors to set gender to one side and point out that there were good and bad leaders among males and females. The vision of the way they lead tends to more web-like than hierarchical. They stress the need for openness, communication, for people skill. The task must be seen as more important than personal status. They were delighted to think of a time when they could go to their grandchildren's birthday parties.'

So here we have a picture of servant leadership, a picture of women skilled in relationships and leading through connectivity rather than hierarchy, with a down-playing of transactional leadership and a leaning toward transformational. These findings reflect those of Powell (1993), who considered women to be more collaborative than men, while Eagley and Johnson (1990) wrote of women being more interactive, and Rosener (1990) said that women were more participative than men.

Now you may have your own views of gender and gender stereotyping. There is the familiar idea of men being the warriors and hunters (hence aggressive and task focused) and women being the homemakers (being relational and nurturing). This kind of stereotyping exists in most countries to some degree or other. But it uses social role to define men and women, and to limit their perceived capabilities and possibilities. Researchers ask sharper questions.

Before reading on, refresh your overview of the theories of leadership in this book.

7.3 Is Women's Leadership Different From Men's Leadership? Some Arguments

Appelbaum and his colleagues (2003) asked three questions. Let us also ask them. They were:

1. Are women's leadership styles truly different from men's?
2. Are these styles less likely to be effective?
3. Is the determination of women's effectiveness as leaders fact-based or a perception that has become a reality?

These authors study led them to answer to Q1 'Yes', to Q2 'No' and to Q3 'its not fact-based, its socialisation'.

Let us then look at the issues here. Appelbaum *et al.* (2003) considered four approaches: **biology and sex**; **gender role**; **causal factors**; and **attitudinal drivers**. The argument from biology asserts that leadership is male, so the only way a woman

could become a leader is to become a man. Sex change technology does not yet manage this. But note that all embryos are female for the early period of their development, so all men start existence as females. The argument from culture and history that all leaders have been men and hence women cannot lead is just indefensible. But it is sometimes used in a confusing brew with the biological argument.

Appelbaum *et al.*, however, report that some studies (e.g. Rosener, 1990) do find that male and female leadership is different, but other studies (e.g. Oakley, 2000) find that they are very similar. This latter observation was supported by Kolb (1999), who also found that the different leadership behaviours were equally effective. So if sex does not make a difference then perhaps gender role, a social construction, might. But here we have to note that there are three gender roles: male, androgynous and female. Androgynous behaviours are a mix of male and female, with the male and female being stereotypical. It was observed that male or androgynous behaviours were more likely to be identified by people as preferred leaders than female leaders.

However,

'A double bind that is particularly troublesome for women leaders is what Jamieson (1995) calls the feminine competency bind, where acting feminine is associated with incompetence, and acting competent is associated with opposite polarity of masculine traits that when adopted by women can only lead to the conclusion that one must be un-feminine to be competent.' (Jamieson, 1995; Oakley 2000)

7.3.1 Organisational Environment

The causal factors considered by Appelbaum *et al.* (2003) were: women's attitude; self-confidence; experience; the corporate environment; and the old boys' network. It appears that women may have been socialised within their broader cultural context into believing that they are less fit to lead than men. Hence their attitude towards leadership is lower than that of men, a kind of lower class. This second-level status damages women's self-confidence, when self-confidence is a good predictor of leadership. The experience of men and women in organisations is mostly, if not totally, of male leadership, so there is no relevant benchmark for women's leadership. Hence the corporate environment provides few examples of females in leadership positions, a masculine discourse, and some resistance to women such that women leave (Maume, 1999). In line with the lottery example from the bank given earlier, the old boys' network institutionalises obstacles to women's advancement by 'fostering solidarity between men and sexualising, threatening, marginalising, controlling and dividing women' (Rigg and Sparrow, 1994; quoted by Appelbaum *et al.*, 2003). So if the developmental pathways are in the control of men, then women may be overlooked. This may be changing to some degree with legislation in some countries giving women and other groups the right to challenge decisions.

7.3.2 Organisational Patterns

The shifting patterns of organisation from hierarchic monoliths to more flexible and embedded firms operating in negotiated networks has led to the suggestion that the stereotypical female capabilities (interpersonal skills, communication, empathy, collaboration, conflict-handling and negotiation) might be of more use than the male (competitive, aggressive, strategic planning and winning) and lead to higher effectiveness.

7.3.3 Glass Ceilings?

The evidence of Appelbaum's study goes some way to explaining the perception that organisations have a glass ceiling above which women may not be appointed. If women react to this by adopting more masculine behaviours, they are likely to be seen both as unfeminine and as lacking in authenticity. Stelter (2002) argues that most current leadership research is conducted in the West with its characterisations of individualism and followers with rational thoughts dominating emotions. And here we can observe more masculinity at work.

Stelter (2002) notes that leadership has been conceptualised from theoretical models of

- organisational dynamics – structural, human resource, political and symbolic;
- the balancing of values and task behaviours;
- social role and expectations;
- attachment and relational theories.

To what extent are these evident in your organisation? To what extent do they contribute to the gender balance or imbalance in leadership positions in your organisation?

7.3.4 Culture

We have shown in Module 6 that the culture of an organisation is strongly influenced by the national or regional cultural context in which it operates. If so, then what is the impact of these national or regional cultures on the likelihood of there being many female leaders? But note that many organisations operate across many national and regional boundaries, with great problems for their leadership policies. Stelter argued that countries with more masculine characteristics would inhibit female leaders and vice versa. Gibson (1995) reported on a study with matched pairs of high masculine countries (USA and Australia) and high feminine countries (Norway and Sweden). The results were as expected, with the second pair describing leadership in terms of involvement, community, expected uncertainty, minimised inequality, employee interdependence, accessible superiors, lower aggressive behaviours. The first pair's descriptors were increased individualism, defined and separate sex roles, initiative, lower interdependence, higher individual achievement, higher planning and prediction. So as these descriptors came from organisational participants, it is reasonable to conclude that these broader national cultures have a powerful impact upon the possibilities of female and male leadership. Of course,

culture is not a permanent thing. It changes over time, not necessarily in a morally good way. But such change needs actors to effect it, and actors in organisations are in exactly that position. So multinational organisations will cause waves of disturbance wherever they go, and they will encounter resistance.

A senior manager of a Japanese company reported to one of the authors that he was responsible for the presence of a senior manager from Nepal. One day he sensed that the Nepalese man was unhappy. Upon careful enquiry he was surprised to learn of the discomfort. It was because the Nepalese manager, when papers fell to the floor, did not have anybody to pick them up. It appeared that, in Nepal, one mark of status was that senior managers did not bend to pick things up. The Japanese manager encouraged the Nepalese to adopt Japanese ways, as there were no 'pick up' staff.

7.4 How Do Women Cope With Male Organisations?

One coping strategy for women is to become like the men, but this leads to more discrimination and stress (Oakley, 2000), and the double bind. (If a woman has to become like a man, she loses her female identity; if she does not, she loses promotion opportunities.) But, conversely, Simpson (2004) reported that men in traditionally female occupations (libraries, cabin crew, nurses and primary school teachers) benefited from their minority status through assumptions of enhanced leadership, differential treatment and a more careerist attitude to work. She noted that such men tended to take steps to re-establish a masculinity that was being undermined by the feminine nature of their work. And to add insult to injury, perceptions of women in leadership are more negative than those of men. But Luthar (1996) reported that democratic leadership styles were rated more highly than autocratic styles, independently of whether the leader in question was male or female.

This leads to a further question. Is behaviour more important than gender in the perception and rating of leadership? Carless (1998) reported that this was not so for superiors, who seemed caught up in cultural assumptions, but was so for subordinates who had the direct experience of the leader. Perhaps the superiors would argue that the females and males valued by their subordinates were not being strong leaders!

But there is evidence that women managers (on average) get higher ratings than men on 360° appraisal.

7.4.1 Traits Revisited

It may be the case that the traits ascribed to gender are not very significantly different but they do reappear in research. Cames *et al.* (2001) undertook a study to see whether nationality or gender was more determining of perceptions of what constitutes a successful manager. From observations of three European banks (from high-, medium- and low-masculinity countries; Hofstede, 1998) operating in one country, they concluded that gender differences were more significant than nationality of the bank in determining perceptions of the successful. And, of course, maleness was rated as more important than femaleness, a trait that was much less

useful than androgyny and much less useful than an undifferentiated gender. Vinnicombe and Singh (2001) reported that they observed a shift in perceptions from masculinity towards androgyny, high on both instrumental and expressive traits. But this is perhaps truer of men than women, for these authors note that women were still caught up in the social construction 'think manager, think male', from which we may infer 'think leader, think male'.

7.4.2 A Matter of Style?

Eagley and Johnson (1990) found that there were some small but statistically significant differences in leadership styles between men and women. The nuances were that women were more attuned to personal relations and democratic style, men to task achievement and autocracy. These differences were supported by Carless (1998), where it was observed that women were more likely to be viewed as transformational, participative, nurturing, praising, inclusive and considerate. Men were seen as directive, task-oriented and controlling. These have been supported in general, if not in detail, by Maher (1997) and Rosenthal (2000). In contrast to these findings Anderson (2003) posited that women's leadership styles result in innovation and comprehensiveness in analysing strategic alternatives. So maybe styles are not the complete story.

7.4.3 Competitiveness

In the tradition that traits and styles are connected, Robinson and Lipman-Blumen (2003) examined whether leadership behaviour of males and females had changed over the period 1984 to 2002. It was observed that men's competitiveness scores had declined, whereas women's had stayed the same, thus decreasing the difference. Also, from a sample drawn to control the age of the subjects, men's collaborative and contributory behaviours had dropped while those of women had increased. However, these authors conclude that the purported stereotypical gender differences in collaboration and power cannot be supported, that there is some evidence of convergence of male and female behaviour, and that the fall in men's collaborativeness seems at odds with the greater emphasis on team work, but in our view may represent the impact of an increasingly competitive global economy and a more neoliberal economic policy in the West.

7.4.4 Power

You may remember the reference earlier in this module to women leaders and the use of power. Stoebert *et al.* (1998) found that gender differences were more important within cultures but not across them. Power may be an inverse correlate of leadership, (as coercive power is found to be inverse with leadership), but referent, expert, reward and legitimate power is correlated with leadership. So if men are more autocratic and directive than women, it may be tentatively argued that femaleness is the likeliest true leader, whereas maleness is a wielder of power. In their study Stoebert *et al.* found that women scored higher than men on consideration but lower than men on reward and expert power.

7.4.5 Situation

Langford *et al.* (1998) found that greater task-information sharing behaviour existed where both leaders were female, and that problem-solving effectiveness was highest when the leader used a participative style. This was surprising, as they had designed a rather structured experimental problem with somewhat constricting rules that appeared to suit a structured style. From this research it could be that leadership style behaviour may be situation based (as Fiedler, 1967, argued), and that males and females can each choose a style to suit the situation. Furthermore, other actors may prefer that process of situational choice (Kark, 2004).

7.4.6 Emotional Intelligence

Mandell and Pherwani (2003), who found that emotional intelligence was a strong predictor of the use of transformational leadership style, gave further quite surprising evidence of the relevance of traits to behaviour. But, interestingly, when controlling for emotional intelligence there was no relationship between gender and transformational leadership behaviours. It could be concluded that men and women could choose to have emotional intelligence, but it is often asserted that women are more likely to possess high levels of emotional intelligence than men. In concert with this observation, Manning (2002) noted that transformational leadership permits women to carry out both gender and leader roles. Interestingly, in this USA social services context, top managers of both sexes saw themselves as more transformational than did their subordinates. But also there was no difference in gender in preferences for transformational leadership at each managerial level.

7.5 Demographics

In an important study of two public sector organisations Kakabadse *et al.* (1998) turned their focus upon what they termed **demographics**. In this term they included aspects of organisational and job tenure, experience of senior management roles, and the age of the respondents. They were concerned with strategic behaviour, work-related values, adoption of information technology, perceived organisational morale, family/work conflict, and personal work and family satisfaction. They conceptualised leadership as the leader's attitudes, values and behaviour. Then they examined these in relation to gender. Gender was found to be a non-significant variable in the analysis: that is, men and women were found to be the same, both in the study of a UK health organisation and in the Australian public service. The power of accountability and time in job, time in organisation, experience of senior management and age were found to strongly influence leader behaviour of senior civil servants. So we can see that women are just as effective as men, when in post. Kakabadse and his colleagues (who included his daughter!) were concerned to explain why their results were so different from others. They drew attention to the difference between women getting to senior jobs and their behaviour when they got to those levels. Women face hurdles in getting to the senior levels, but once in senior jobs their behaviour was not different from that of men. For women these results are both disheartening (only a 20 per cent presence in the

studies, 145/569 and 108/405) and encouraging. But we might offer a further caveat to these studies, which is that both were conducted in the public services. Such organisations typically have overt anti-discrimination policies, but also may attract men with lower masculinity characteristics and a more androgynous gender orientation. If so, the evidenced differences between men and women would be unlikely to be present. The small proportion of women might also have skewed the statistics.

7.6 Do Women Make Better Leaders Than Men?

Pounder and Coleman (2003) answered this question as depending upon:

- (a) **National culture.** Leadership style may reflect the national culture within which it is enacted.
- (b) **Socialisation (society).** An individual's particular style of leadership may originate in a variety of societal experiences, including stereotyping, that have shaped that individual's values and characteristics.
- (c) **Socialisation (workplace).** An individual's leadership style may be shaped by the workplace experiences peculiar to that individual.
- (d) **Nature of the organisation.** It may be that differences in organisational type give rise to differences in leadership style.
- (e) **Organisational demographics.** Factors such as tenure in the organisation and in the job, experience of senior management responsibilities, and the composition of the managerial peer group may all contribute to the enactment of a particular style of leadership.

7.6.1 Emergence

There is a recent literature that argues for a new approach to leadership to match the new and more complex forms of economic and social organisation. This is considered further in Module 13 on strategic leadership. This is labelled as **emergent theory**. Leader emergence is very likely to fit the cultural context in which it emerges, but it is the nature of emergence to consider the issues of change, instability and perhaps chaos. Neubert and Taggar (2004) found that the emergence of informal leaders in mixed-gender manufacturing teams was different for men and women. For women, informal leader emergence was associated with high mental ability. For men, informal leader emergence was associated with conscientiousness, emotional stability and having a central position in the team network.

7.6.2 New Needs

The new organisational needs identified by Eagley and Carli (2003a) are argued to provide female advantages and disadvantages in leadership. They claim to show, in contrast to Vecchio (2002), that women have some advantages in typical leadership style but suffer from prejudicial evaluations of their competence as leaders, especially in masculine contexts. They observe that women's attitudes and behaviours are not static but are changing, that leadership roles have changed in ways that welcome women's competences, and that the cultural context has changed in that many more women are entering leader positions. But, as Vecchio (2003) responded, the studies

conducted and compared were not very extensive, were not to a common design, and the difference reported in most studies were not large. Eagley and Carli (2003b) replied that (while some of the research method criticisms might be helpful and others were wrong) it was the case that the differences that women exhibited as better than men were associated with enhanced effectiveness, but the reverse was not the case.

7.6.3 Emotional Stability

The demand for emotional stability seems important, but what might it mean? There is much insight and scholarship on the significance of feelings in organisations, how they are manifest, where they arise, and what they mean about the work and relationships both inside and between organisations. Of course they arise in people, sometimes in just one person, sometimes in a group and sometimes in everybody. Yet it is easy to dismiss them as the human bits the organisations do not need to consider. However, workplace counselling and consulting show that attending to feelings can have both economic and human benefits. But if understanding stops with the person, then the role of a leader as container for difficult feelings is not seen. As Lorenzen (1996) argued, organisations are theatres of both conscious and unconscious processes, and it is the latter that surface in difficult feelings. It is a role of the leader to provide a safe place where these difficult feelings can be surfaced, worked with and understood. These problems are often given to consultants to handle, sometimes because the leaders are too deeply enmeshed in them to help others. In our experience women may be more readily in touch with how they feel but men can also be as in touch if they choose to learn. The task here is not to become 'touchy-feely' but to be able to understand both how the unconscious defensive routines are inhibiting work and how to work upon defences. You will not be surprised to know that a frontal assault just stiffens them or displaces them to some inaccessible place. Leaders need to be able to provide (or work with others') interpretations of the state of the organisations in order to unravel repeating cycles of unhelpful behaviour. It is, for example, unhelpful to men and women in a work team if the men do not have or do not acknowledge feelings while the women do both of those things. This produces masculine parodies of strong men and emotional women, a state of barely managed antagonism where the women come to see the men as mere children playing with boys' toys. Real and useful emotional intelligence is more demanding than merely being in touch with feelings.

Perhaps these issues are very complex indeed and we are scrambling for insight into ill-understood changes such as the rise of the global economy with its immense global corporations, the shifting distribution of goods, wealth and power, and the rapid process of migration and movements of people, caused by political oppression and by voluntarism, towards a new life. The demands of religions, of black and brown people to be acknowledged as equals, together with the demands of women to be similarly acknowledged, are changing the public and private faces of societies and organisations. These changes are accompanied by social earthquakes, civil wars, new oppressions and greater freedoms, and by the now ever-present instantaneous news media, bringing a rolling flow of data and information that can hardly be

digested. Leaders live now in an age when they are pressed for ‘a response or for an answer’ before either they or their interlocutors know what the problems are. It is an age that has much knowledge, and too many data, but which has too little time or chooses to have too little time to work at understanding.

Yet it is possible to argue that this has always been the case, and that we are in the process of discovering the limits of a managerial leadership that is predicated upon competition in markets, strategies and so on. Perhaps we are in need of understanding again that judgement is more important than decision, and that good judgement comes from that strange human quality, wisdom.

7.7 Wisdom in Leadership

This idea of wisdom is not merely that of the wise person who knows herself – not just the quality of knowing everything deep inside your soul about the human foulness in yourself. It *is* that, but it is also knowledge of the grace in yourself as well as the muddle and confusion; but, more, it is for leaders the quality of systemic wisdom that looks across the social systems and finds a route to understanding. Of course this is the role of the leader as policy-maker. The question arises: if wisdom is a developed human quality, then are male and female characteristics equally likely to lead to its nurturing? Or are men more likely than women to become systemically wise?

Now we must be careful, for, if we reflect upon wise people that we have known or know of, we perforce need to consider wisdom in all human affairs. This is found in religious bodies, in philosophy, in political leaders, in proper study of our physical and human world, and in great and serious arts of all kinds. For us the great canon of Western music speaks across one and a half thousand years of human life, strife and love in a more penetrating way than theatre, painting more than words. But we live in different places and times, so you will have different histories and meanings. Set against this the leadership of a great national and global corporation, a ministry of health or education, and ask yourself whether competitive leadership or indeed the ideas of transformational leadership are enough.

We argue here that neither of the gender-stereotypical male and female leadership patterns is adequate, for neither engages with the scale or depth of the problem of systemic wisdom. For men, task focus, competition and aggression are not enough. For the female, collaboration, nurturing and the rest are not enough, because of the political dimensions of organisations. The much-considered androgynous leadership is a better place to begin. Servant leadership has some advantages here, for it releases the ego into a focus upon values and meanings as well as the work to be done, and it frees us to consider moral and ethical issues outside our own narrow economic considerations. And this is the challenge of systemic wisdom – to think about the whole system. It is here that ecological leadership resides. We can have little patience with cognitive biologists or scientists who claim to be able to explain everything either now or at some time in the future or who from their own naïve understanding of human knowledge (science) discount art, philosophy and religion

as meaningless. These are the squabbles of those who have not considered the sum of human ignorance, pain and tragedy, and who lack compassion.

We think that Joyce Fletcher (2004) was addressing similar issues when she wrote of the idea of post-heroic leadership. She notes that, in these new theories, leadership is presented in its functional mode as social processes dependent on social networks of influence with assumptions of gender and power neutrality. She argues that leadership concepts have gender and power assumptions running right through them. She reflects the need to emancipate these theories as we assume she seeks human emancipation or the possibilities for humans to work together for emancipation. This is a very radical challenge to most of the utilitarian theories of leadership. It is the challenge to develop an approach to wisdom in leadership that adds systemic understanding and moral or ethical considerations to androgynous leadership. Of course, we are here arguing for an approach that works with varied human capabilities but which transcends the functional to engage with the wider issues.

So our answer to our question is that men and woman as moral and ethical actors can learn from each other, be complementary, and pursue economic, social and moral goals with equal facility if each puts himself or herself to the trouble of so doing. We do not accept that either male or female has the key to this task, but we humans do.

What would be the attributes of an organisation that enabled men and women to become wise leaders?

In this module we have not considered the burgeoning feminist literatures that engage with leadership and see great possibilities in transformational leadership (Kark, 2004). But we cannot conclude without some acknowledgement of feminist writers such as Mary Wolstencroft, Simone de Beauvoir, Germaine Greer and Lucy Irigaray, who have opened men's eyes to their inner ignorance and arrogant assumptions. We have little patience with the 'Iron John' redefinition of masculinity, because it seems to be a step backwards from the need to engage more fruitfully with both the self and the other.

Consider a biography (or biographies) of a male leader you have read. How would you characterise his leadership?

Consider the biography (or biographies) of a female leader you have read. How would you characterise her leadership?

What were your feelings as you read and considered the arguments in this module? Were you angry, indifferent or moved to tears? What does your response mean to you? What do you think it would mean to a colleague of the opposite sex in your organisation?

Do you agree that your organisation is limited because of its gender domination?

Do you agree with the drift of research findings that leadership should be androgynous and situational?

Learning Summary

- The increase in the number of women in leadership positions has been a relatively recent phenomenon. However, the position and rate of change of position of women varies widely across the countries of the world.
- The voices of women differ from those of men but also differ between women from different countries and backgrounds.
- There is a difference to be observed between sex and gender roles; sex roles are biological and gender roles are socially and culturally determined.
- The masculine culture of organisation creates a double bind for women; behave like men in order to succeed and if you do you surrender the female gender role.
- There is evidence that country culture shapes how leadership is understood; masculine cultures stressing such items as individualism, independence, and defined and separate sex roles. Feminine cultures had definitions including: involvement, community, and lower aggressive behaviours. Nevertheless, note that the culture descriptors are gender-related.
- Men superiors have a different view of 'glass ceiling' than female subordinates. If male superiors are not aware of the differences in leader behaviour of women then they will define leaders in masculine terms and hence exclude women.
- There is evidence that women's leadership styles are different from those of men. Women are likely to have higher emotional intelligence and a greater likelihood of using transformational leadership styles. However, this evidence is contested in a number of studies.
- There is evidence that societal and organisational demographics are strong determinants of both men or women leader behaviours and that men and women leader behaviours are very similar.
- It is argued that, because of culture, and hence expectations, men will be viewed in many masculine countries and organisations as better leaders than women will. However, it is not universally true.
- The rapidly emerging change in the complexity and instability of markets and organisations driven by ICT and globalisation makes new and more difficult demands on leaders. It is argued that neither men nor women have a monopoly of wisdom, a leader quality needed in the new circumstances. Perhaps the observed androgynous leadership is better equipped to flourish in this new world.

Review Questions

True/False Questions

- 7.1 Women's leadership is always different from that of men. T or F?
- 7.2 Women's leadership is less effective than that of men. T or F?
- 7.3 The glass ceiling is a figment of women's imagination. T or F?

- 7.4 Women are better at emotional intelligence than men. T or F?
- 7.5 Men have higher potential than women to be wise. T or F?

Multiple-Choice Questions

- 7.6 Are women better than men at managing relationships?
- A. Yes, because men are not interested in or skilled at relationships.
 - B. Yes, because women are more interested in others.
 - C. No, because women are socialised into a collaborative or supportive role.
 - D. Yes, because women can be mothers.
- 7.7 Are women more likely than men to do transformational leadership?
- A. Yes, because women are more attuned to a democratic style.
 - B. Yes, because men are more attuned to task achievement and autocracy.
 - C. No, because both men and women can be transformational leaders.
 - D. Yes, because women are more likely to nurture others.
- 7.8 Appelbaum *et al.* conclude that
- A. women's leadership styles are the same as men's.
 - B. men's leadership styles are more likely to be effective.
 - C. socialisation does not affect common perceptions of male or female leaders.
 - D. women's leadership styles are more likely to be effective.
 - E. None of the above.
- 7.9 Are women better equipped to lead in the new situations of instability, flexibility, change?
- A. Yes, because they have higher emotional stability.
 - B. Yes, because they can work with low power distances.
 - C. No, because the situation demands transformational leadership.
 - D. No, because these new situations require strong leadership.
- 7.10 Could women solve their problems of organisational leadership by copying men?
- A. Yes, as this would result in women being recognised as leaders.
 - B. No, as this would deskill women leaders.
 - C. No, as this would ensure that the women were not recognised as leaders.
 - D. Yes, as this would ensure harmony.

Case Study 7.1: Cathy Campbell

Cathy Campbell, at 43 years of age, was a successful director of films that were made for specific clients. These films were designed to showcase a wide variety of aspects of the clients, from technical details of production processes and products to service provision, company history and sometimes for staff training.

The work of getting a film made was described as episodes of calm interspersed with moments of apparent chaos and panic. Once the client had agreed a specification, a contract and a price, Cathy and her team would get stuck into planning and resourcing. First she had to get an agreed script, which might be contracted out. The script editor

had to have a fantastic eye for detail and timing. Once a film could be envisaged, Cathy moved on to detailed planning and budgeting. At this point her assistant manager took on the budgeting and her personal assistant took on the scheduling and chasing, leaving Cathy with the task of negotiating internally and externally for a film crew, power, lighting, sound, cameras (usually digital TV), mobile studio facilities and other equipment, which might include mobile feeding systems, transport and communications.

Cathy's most complex task was managing the relationship with the client. Sometimes the client had one leader who decided everything. Cathy said that her experience of that style was that when the work became difficult and sometimes more time consuming other managers in the client organisation would become discontented and ask why they were doing this very expensive work. Where the client decided everything by committee, all decisions were clear and committed but took for ever to arrive. So Cathy had learned to negotiate with the client decision-makers to meet all the staff who would be involved in the actual film production.

On the film location there could be over 40 people and a large amount of very expensive film technology. So it was imperative that the schedule was maintained. But lots of things could disturb the plans, including the weather, or the client not having the plant, products, processes or staff available for enough of the time. Technical problems with equipment were rare, but happened. Of course the film was shot using specific locations, so the film was shot out of its script sequence. The whole process looked chaotic and sometimes was, with different people dropping in and out of the process. And after the film or video was 'in the can' there was the task of ensuring that the final film editing produced a film to the satisfaction of the client. Sometimes the film was live, in that it was being transmitted in real time across an international organisation. These films were the most anxiety strewn, because it all had to work, or be made to work in real time. This usually required a lot of back-up staff and equipment, increasing the cost.

Cathy's leadership style was to gather everybody to work together. She took time to brief each new arrival into the process, and to debrief as they left. She was quick and perceptive about people. She was, she said, good at human jigsaws, fitting people into their roles in order that the film could be made as good as it could be. But, as she said, on the last project she had a trainee personal assistant but Cathy did not have time to do the training or a proper debrief.

Questions:

- 1 What leadership processes are evident in this case?
- 2 What difference does it make that Cathy is female?

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Module 8

Developing Ethical Behaviour in Our Leaders

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Learning Objectives

By the end of this module, you will be able to:

- define the term 'ethics' in relationship to a leadership context;
- differentiate between ethical behaviour and legal behaviour;
- describe an ethical dilemma;
- identify a number of ethical dilemmas that typically confront today's organisations;
- decide how ethics should impact on the profit motive in organisations;
- understand the role of ethical statements, values statements, whistle-blower policy and leadership in supporting ethical behaviour;
- define the difference between negative, congruent and positive ethical gaps in organisational philosophies;
- describe the difference between ethical road maps based on principles, on outcomes and on moral virtues;
- describe how ethical behaviours impact on effective leadership.

What is ethics?

Of what relevance is ethics in the day-to-day leadership of organisations?

8.1 Understanding Ethics

Imagine that a man has spent his life trying to be a good person, doing what he thought best for his fellow man. Regardless of his efforts, some of his fellow citizens, people of influence, have not appreciated his efforts, even claiming that such efforts are a danger to society. Imagine furthermore that this man has been legally indicted, convicted and condemned to death by a jury of his peers, all in a manner that is quite unjust. Finally, imagine that the man's friends have arranged for him to escape the country, thus saving his life. Should he take advantage of this opportunity for freedom?

Many would say 'yes', and without further consideration. However, the man in question chose not to escape. Rather, he declined the opportunity to regain his freedom because he judged such an act to be unethical. By living in that country, he reasoned, he had agreed to abide by its rules. To flee would be to break the rules of the country and would be wrong, even if the conviction was unjust. Therefore, it was right that he remain and face the unjust penalty.

8.1.1 Ethical Dilemmas as a Conflict of Duties

You may have identified this situation as that of the famed Greek philosopher and teacher Socrates as described in Plato's dialogue, the *Crito*. It is evident, because of his choices, that Socrates felt we must be bound by morality, what is right or wrong, and we must not be influenced by our emotions or what might happen to us.

Socrates' scenario is an example of the type of dilemma that is at the heart of ethics. For most ethical problems arise from a 'conflict of duties' – that is, when two moral constructs are in conflict and indeed may both appear to be wrong. Then we must decide which takes precedence. In this case, Socrates reasoned that his obedience to the laws of the land should take precedence over the counter-arguments that pointed out the obvious advantages of escaping, such as saving his life, being able to continue to teach in another country, saving his family and friends from anguish, outwitting an unjust conviction and so on.

Ethics, or the study of moral philosophy, has had a great impact on Western thought since early times. It deals with abstract concepts such as good, truth, justice, love, virtue, compassion and, ultimately, what is right and what is wrong, all topics of great interest to those managing organisations within an ever-changing environment.

Ethics and Leadership

Ethics, the study of moral philosophy, helps us deal with abstract concepts such as good, truth, justice, love, virtue, compassion and, ultimately, what is right and what is wrong.

8.2 Ethics and Laws

What is the relationship between legal behaviour and ethical behaviour?
Are they the same?

We should begin our discussion of ethics by pointing out that morality is a social construct, an instrument of society that exists before its individuals and organisations come into existence. It is clear that what is moral evolves over time, as exemplified by such societal changes as the abolition of slavery and child labour, the protected legal status of labour unions, the proliferation of women in the workforce, the writing of laws to prevent employment discrimination, and so on. Of course, in our multinational business worlds, it is also clear that ethically accepted practices may vary across cultures. For instance, pay differentials between the top and the bottom of organisations are very great in the UK, a practice that is unacceptable in Scandinavia. The acceptance of ‘gifts’ during business transactions is much more acceptable in the south of Europe than in the north. Some cultures frown on the hiring of friends and relatives, whereas in others it is the norm.

8.2.1 The Difference Between Ethical Behaviour and Legal Behaviour

Ethics are similar to laws in that they are both moral conventions. But ethics are also different in that they are not legislated or decreed like laws, and ethical transgressions are not punished as lawbreakers. One of the most infamous examples of this difference was a tragedy that occurred in New York City in 1911, the Triangle Shirtwaist factory fire (Pence *et al.*, 2003). The clothing factory employed primarily young, poorly educated immigrant women, working long hours and six-day weeks. The factory was situated in the eighth, ninth and tenth floors of a skyscraper, a common practice among such manufacturers, because it not only offered more light but also gave time to put things in order if inspectors were to visit.

A fire broke out, and in the ensuing 18 minutes 146 young people died, many by jumping to their deaths before horrified onlookers. Although fireproof, the facility was overcrowded, and cluttered with closely situated equipment. Doors were inwardly opening, staircases were narrow, and fire escapes were substandard. An exit door was locked as well, ostensibly to prevent theft but, as employees were searched each day as they left work, the locked door was more likely to keep out union organisers. Compounding the situation was the fact that ladder trucks from the New York Fire Department could not reach above the sixth floor. Horrible as the fire was, within three days the owners advertised the opening of their new premises, which turned out to be even more crowded than the fire-ravaged facility. Manslaughter charges were brought against the owners, and at their trial their lawyer lost no time in dehumanising the young immigrant workers as ‘nobodies’ and placing much of the blame for their deaths on the workers themselves. After less than two hours’ deliberation a jury of their peers found the owners not guilty. Unethical though they may have been, all practices by the owners were within legal guidelines, save one: the locked exit door.

Fortunately, good came from the tragedy in that public outrage was such that a significant period of new factory legislation began which vastly improved working

conditions for workers, a movement that might not have happened if the owners had been punished and justice had been seen to be served. But the incident starkly exemplifies the fact that a company that was largely within the letter of the law was, nevertheless, hugely unethical in its treatment of its employees. We cannot assume that being law-abiding is also being ethical. Indeed, many civil protests have been because laws were seen to be *un*ethical.

8.3 Contemporary Ethical Behaviours in Business

As we become more sophisticated, and public accountability is ever increasing, do you feel businesses are becoming more ethical?

Nearly 100 years after the Triangle Shirtwaist fire, ethical problems in the world of business behaviours have evidently not reduced but continue unabated. The charges that Tyco executives defrauded the company, the collapse of Enron (the seventh largest corporation in the US) and the largest bankruptcy ever at (WorldCom) point to the continuation of what were certainly unethical as well as alleged illegal actions on the part of well-known business leaders. And they occurred in the United States, a relatively heavily regulated business environment. Of course, the problems are not confined to America. Robert Maxwell's illegal use of his employees' pension funds in the UK and the scandal-ridden collapse of Parmalat in Italy readily attest to the breadth of the problem. Even Scandinavia, which has long prided itself on its high levels of corporate conduct, was rocked in 2003 when executives of insurance giant Skandia were accused of spending nearly \$1 million of company money to renovate luxury apartments (Wallace, 2004). And the failure to pursue copyright and patent infringements in developing countries is also widely acknowledged as unethical.

Of course, corporate scandals and patent infringements can be addressed through legislation and the courts, but usually in an expensive, time-consuming and less than satisfactory manner. Nevertheless, such legislation makes it clear that fraud, insider trading, cartels, misleading advertising, mistreatment of workers and so on are outside the boundaries of acceptable business behaviour. Yet many other issues continue to be troublesome, precisely because they encompass grey areas where no legal guidelines can be brought to bear. These are ethical issues: issues such as appropriate levels of executive compensation and privilege; moving jobs offshore; paying a fair share of taxes; medical experimentation in countries with fewer restrictions; treatment of customer complaints; animal experimentation; racial/gender/age/ethnic bias; operating in countries where ethics may be different; bioethics; environmental damage; the independence of company directors; the objectivity of auditors that also sell consultancy services; and much more. Leaders in contemporary organisations will undoubtedly be confronted regularly with decisions that have ethical considerations.

8.4 Ethics as the Challenge to ‘Do What’s Right’

How do you decide ‘what is right’?

How would you define your ethical stance: that is, which business behaviours do you define as ethical and which as unethical?

When ethical issues come to the fore, the public outcry often demands further laws to deal with apparent wrongdoing. And yet Warren Buffet (2002) stated: ‘To clean up their act, CEOs don’t need independent directors, oversight committees or auditors absolutely free of conflicts of interest, but simply need to do what’s right.’

8.4.1 Finding What is Right and Doing What is Right

And that is the crux of the issue: ‘to do what’s right’. But what is right may not always be self-evident. In fact, most ethical dilemmas are because of two competing ethical concerns and the judgement required to sacrifice one for the greater good of the other. Jackson (1996: 8) points out that there are actually *two* difficulties in ethical business behaviours, ‘...difficulties in identification – of what is your duty in a particular situation: and difficulties of compliance – of doing your duty once you know what it is’. So even when we have undergone the analysis required to make an ethical decision, we still must face the challenges of putting that decision into practice.

It would, of course, be helpful if there were clear ethical guidelines to help us make such judgements. However, guidelines are generally negative, specific, conservative, not creative or affirmative, and not particularly adaptable to new situations. Guidelines are, by nature, based on past experience, and consequently may be of limited use for us in a fast-changing world. For the ethical dilemmas thrown up by the rapid advance of science and technology are among the most profound of examples of how innovation has outpaced ethical considerations. It may soon be technically possible for any of us to clone ourselves but, as a society, we are nowhere near any ethical agreement on whether or not we should be permitted actually to do so.

8.4.2 Codes of Ethics in Business

In an attempt to promote ethical behaviours in business life, a number of firms have drawn up corporate codes of ethics. The existence of such codes varies widely throughout the world. For instance, the majority of Fortune 500 firms in the US appear to have either a published code of ethics or, in many instances, a statement of organisational values that is designed to promote ethical behaviour. There is not as much enthusiasm for the practice in the UK and even less so in continental Europe while in Australia, the code of ethics is the exception (Farrel *et al.*, 2002).

Such codes of ethics are very often written as prescriptive practices that imitate criminal law by providing rules that prohibit or prescribe certain behaviours in areas such as financial accountability, the protection of trade secrets, the treatment of customers, the protection of whistle-blowers and so on. They are also likely to be internally focused, an attempt to protect the host organisation. Less often are they

likely to be inspirational, or to provide broader guidelines for what constitutes ethical behaviour among employees. If so, they are more likely to be written as value statements, very often as a part of the exercise that also produces the company vision or mission statement.

Sadly, there is no evidence that the existence of a code of ethics has any particular relationship to an organisation's actual practice of ethical behaviours. One of the starkest examples of the disconnect between the written word and executive behaviour is Enron (2000), which had a well-written code of ethics, a code that was evidently of little meaning to the executives who led the company into bankruptcy. It is obvious that businesses are ethical only when the business leaders themselves act ethically.

8.4.3 Ethics and the Profit Motive in Business

Do you think businesses that are considered to be ethical tend to prosper?
Or is ethical behaviour irrelevant, or possibly even a self-imposed disadvantage?

When, as organisational leaders, we make ethical decisions, we are required to make them in the light of our corporate environment. For years, the interaction between business and society has been defined through neoclassical economic theory: the firm's obligation is to provide profit for the shareholder, and concerns outside this obligation may be dismissed. Indeed, to address such outside concerns may actually interfere with our obligation to shareholders: ethical behaviours should be of concern only in as much as they may affect profits. In fact, it could be argued that addressing concerns outside the primary concern for profit is to neglect the fiduciary responsibilities of management!

8.4.4 Moving Beyond Profits

However, Stormer (2003) argues persuasively that times have changed, that the neoclassical economic definition of business no longer prevails, and that the world has simply become too complex and interrelated. She states: 'Profits, while necessary, are no longer sufficient, and there is a growing recognition that in many cases, corporate power is eclipsing the power of nations.' Therefore it is logical to accept that business must now consider the worker, the consumer and even the general public as well as the shareholder. To focus solely on the shareholder is likely to be short-sighted. To further the argument, business ethicist De George (1995) has proposed a new and much wider definition of business: 'Business is an activity in which human beings associate with one another to exchange goods and services for their mutual advantage. It is not an end in itself. It is a means by which people endeavour to attain a good life for themselves and their loved ones.'

If, as we enter the 21st century, we are to accept these new, wider, and more complex definitions of business as having a mandate that also must consider a variety of stakeholders and business ends, it follows that business ethics will have an increasingly important role in successful business conduct as well.

Table 8.1 Three propositions regarding ethical considerations in business

- Proposition 1: Ethical considerations are not of concern (as long as we are lawful) since they may actually interfere with profitability, and our first consideration needs to be to the shareholder.
- Proposition 2: Business is much more than a profit-making enterprise; it is a *means* for improving the lives of its stakeholders, therefore ethical considerations are paramount.
- Proposition 3: Ethical behaviour is a long-term business advantage: therefore, morality aside, good ethics is good business.

8.5 The Business Ethics Gap

What influences are placed on your ethical stance by national culture, organisational culture, the culture of the industry, historical influences and economic influences?

How can an organisation best deal with environmental influences which have a different viewpoint from their own?

Are ethics important in times of crisis?

As business ethics are also largely a function of society, and change over time, any individual company's ethical stance can be examined in terms of how congruent it is within the societal setting (Svensson and Wood, 2003). Therefore a company may have a negative business ethics gap that lags behind the expectations of society. Of course a business may also choose to adopt an ethical position that largely reflects current societal norms and therefore is in congruence with the host culture, having no gap at all. Interestingly, an organisation may even adopt a *positive* ethics gap, an ethical position that is actually a step ahead of the expectations of society. It is instructive to examine several case studies to contrast how different companies have handled some ethical dilemmas based on their predetermined ethical stance in relationship to societal expectations.

8.5.1 The Negative Ethics Gap

A well cited example of a negative business ethics gap is Ford, which chose to stand in defence of its ill-designed Pinto gas tank, a design defect that caused this particular model of car to be extraordinarily susceptible to fires, especially when involved in a rear-end collision. Because of this defect, in 1979 Ford Motor Company was the first US corporation indicted on charges of criminal homicide. Even though Ford knew of the problems during the pre-production phase, and had patented a safer gas tank, it was rejected for design and space reasons. Over time, Ford's culpability became increasingly evident. In fact, the company had even conducted a cost-benefit analysis on causing death and injury to its customers against the cost of a recall. A recall was found to be more expensive! Additionally, Ford had provided a Canadian-made Pinto for government testing (a model with a slightly better gas tank than the US-produced models), and it had successfully lobbied against federal regulations that would have prevented the problems earlier. Ford believed that a jury would be sympathetic, but

when it was found to be guilty, it then elected a relatively aggressive strategy of settling claims only when it could not prove driver negligence (Dowie, 1977).

The result of its strategy was that the company was subjected to public vilification as its apparently unrepentant attitude was widely reported in the media. And, over the years, Ford has continued to maintain a negative ethics gap in how it has dealt with safety problems. 'It has fought each charge as it has arisen in a manner reminiscent of staging a "litigious" heavyweight fight where the plaintiffs are fighting out of their "economic class", but invariably obtaining at worst a "points decision" in the courts' (Svensson and Wood, 2003). However, lest we assume that a negative ethics gap will necessarily be deleterious to business success, it must be remembered that Ford has continued to sell large quantities of cars and retains a position among the world's top car manufacturers.

8.5.2 Ethical Congruence

The food industry illustrates how numbers of companies are attempting to maintain a congruent ethics gap, one that reflects contemporary societal views about food safety. Such concerns, albeit still subject to considerable debate, have been widely publicised and debated in the popular press. As a result, grocery chains have responded with produce that is organically grown and, more recently, devoid of genetically modified (GM) products. Although such product selections are usually a limited part of a store's produce section and usually sell at a premium, they are clearly a response to the public debate.

A second issue affecting the food industry is reflected in the growing problems inherent in adult and even childhood obesity. Consequently, governments are increasingly asking firms to support healthier eating practices, such as reducing the levels of salt in canned goods, offering healthier alternatives, and even modifying their approach to advertising. In response, commercial food vendors are struggling to come to grips with the problem at the same time as they keep a careful eye on their bottom line. Oft-criticised McDonald's, the world's largest fast-food company, responded by announcing that it would eliminate Supersize French fries and soft drinks (Woolf, 2004). However, Kraft foods have not been so forthcoming. When one of the lawyers who successfully challenged Big Tobacco challenged Kraft to alter food labels on products so that they showed minimum nutritional requirements for children as well as for adults, a Kraft spokesperson responded that such labelling would be 'impractical and lead to certain confusion' (Gogoi and Sager, 2003).

By the same token, Coca-Cola responded to growing criticism of product marketing in schools and announced it would cover company logos on its 100 000 school vending machines as a first concession to activists who want schools to be free of such advertising. 'Coke also announced it would load the machines with more juices and water and urge its bottlers to end exclusivity contracts that pay schools for the right to be the sole vendor' (McCarthy, 2002).

In such cases, many food vendors have not resisted societal pressures, but rather have tried to show some level of responsiveness to such requirements, thus at least maintaining the appearance of being ethically congruent with changing cultural perspectives.

8.5.3 The Positive Ethics Gap

Finally, there is the occasional example of a company engaging in positive ethics, the stance whereby they attempt to exceed and even influence societal norms. A leading example (in stark contrast to Ford) is Volvo, and its emphasis on the safety of its product. Founded in 1927, Volvo developed a tradition of emphasising a safe product. As its founders stated many years later:

‘Cars are driven by people. The guiding principle behind everything we make at Volvo, therefore, is – and must remain – safety ...’ (Volvo, 2001)

Toward that end, Volvo’s safety philosophy has evolved to address three major areas of safety: avoiding accidents while driving, avoiding injury when accidents occur, and protection from car thefts (Volvo, 2002). In order to pursue this philosophy, extensive resources for testing and design are required, even pursuing safety issues before they are palatable with competitors. And Volvo has over time, influenced public opinion with its positive ethics gap. For example, Volvo introduced safety belts in 1959, and they were eventually legally mandated in Sweden in 1975. But it appears that many consumers value automobiles made by a firm that is a world leader in safety, and this has resulted in a loyal customer following (Eisenstein, 1999).

Table 8.2 Ethical stances in business

The ethical position of the business	Example
Negative ethical gap: The organisation positions itself so that its ethical practices lag behind societal expectations and actively resists pressures, particularly as they effect profitability.	The Ford Pinto: Ford Motor Company chose to aggressively contest all lawsuits and legislation brought against it for culpability in the design and manufacture of gas tanks in its Pinto automobiles, which were prone to catch fire in rear-end collisions.
Ethical congruence: The organisation identifies changing societal expectations and positions its products or service to meet those expectations.	The retail food industry: As concerns grew about our food supply (preferring organic, avoiding genetically modified, being unhealthy in other ways) food producers developed product lines in response to those concerns. Such products often command a premium price.
Positive ethical gap: The organisation positions itself so that its ethical practices exceed societal expectations, actively setting a standard and perhaps providing leadership in the development of ethical practices.	Volvo and safe cars: Volvo adopted safety as its ethos, in its products as well as all of its processes. It began making its cars safer long before safety standards were legislated by governing bodies. For example, seat belts were introduced in 1959 but were not required in Sweden until 1975.

Cynics may argue that the commitment to safety was a commercially defensible position to take in the market. But for Volvo it seems to be much more than a commercial strategy, as it permeates all parts of their business. The firm has thrived within an ethos that values the lives of others. Of course the irony is readily apparent in that Ford purchased Volvo in 1999. Since that time ‘...Ford has used the Volvo connection as springboard to raise its safety profile in the industry’ (Memmer, 2001).

8.5.4 The Brent Spar: When Two Views Collide

However, to develop a positive ethics gap is not easy and may not be commercially viable. Consider the experience of oil production giant Shell. In 1995 the *Brent Spar*, a giant North Sea oil platform owned by Shell, was coming to the end of its useful working life. It was only the first of some 75 of such large platforms owned by various companies that will eventually need to be disposed of in some manner. A preferred option by Shell was to dump the platform at sea, which, it initially estimated would save anywhere from 5 per cent to 40 per cent of the millions of dollars that would be required if they were to tow it to land to be dismantled (*The Economist*, 1996).

Predictably, Greenpeace viewed such action as large-scale pollution, and threatened an angry response if the platform was sunk. Greenpeace activists then took a very high-profile action and occupied the abandoned platform in April 1995, sparking angry environmental protests across Europe.

As Shell examined its options, cost was not the sole consideration. There was considerable evidence to suggest that the safest and greenest option would be to dispose of such platforms at sea rather than tow them to land to be dismantled. There is always considerable risk when moving such structures, and there was a view that the damage caused by a platform accidentally breaking up while being towed to shore could be considerably greater than if the platform was sunk far out at sea. Other experts felt that sinking such a structure, properly cleaned, would not only cause limited environmental damage but might actually provide additional habitat for marine life.

Shell was then faced with an ethical dilemma: should it pursue the sea disposal of the *Brent Spar*, if it was convinced that sea disposal was the better choice, even in the face of public outrage? To support such an option, Shell and other oil firms tried to avoid the dilemma by changing public opinion. They held consultations and workshops with anyone interested in the subject of decommissioning. And they launched a *Brent Spar* site on the Internet to encourage people to debate the issue.

Greenpeace called for a total ban on dumping obsolete petroleum equipment at sea. Shell executives refused. But public opinion could not be changed. In the end, Shell decided to tow the *Brent Spar* to Norway, where it was dismantled and portions used to build a pier. The cost was estimated to be twice what it would have been to dump the platform at sea (*Wall Street Journal*, 1998).

In this case, Shell may have well preferred a positive ethical gap from that of society as a whole. But within a climate of green activism throughout Europe, as

well as the poor publicity earned by oil companies in terms of environmental damage over the years, Shell decided on ethical congruence as the best approach.

To muddy the waters further, as the debate developed, it turned out, to the considerable embarrassment of Greenpeace, that the amount of petroleum waste products initially estimated to be in the platform by its own activists was false, a gross overstatement of fact. The reputation of ethical behaviour so carefully developed by Greenpeace over the years had been very badly tarnished.

In the *Brent Spar* case study, who was right and who was wrong? Do you feel Greenpeace or Shell was acting more ethically?

Could there be any 'win-win' outcome in the *Brent Spar* case, or is it an example of an ethical dilemma where one point of view must lose? Why?

What would you have done if you were Shell? If you were Greenpeace?

8.5.5 The Ethical Stance in Times of Crisis

A predetermined ethical stance will probably affect an organisation's decision process in times of crisis. Over the years, Johnson and Johnson has developed a reputation as a highly ethical manufacturer of health-care-related products. J&J was confronted with a dramatic crisis in 1982, and one that was almost completely unpredictable at the time. And yet its ability to respond ethically to the crisis, although very costly, helped it respond effectively and retain the long-term viability not only of its company, but also of the product in question. The crisis occurred when, in September 1982, seven people died from taking a popular off-the-shelf pain reliever, Tylenol, which had been spiked with cyanide by an unknown member of the public. As soon as the crisis occurred, J&J recalled its entire supply of product. At a cost of some \$100 million, the company later reintroduced the product in a new triple-seal package and decided to support the image of the product with an extensive trust-building advertising campaign, introduced in the two months following. Within 6 months Tylenol had regained 65 per cent of its sales, and ensured that the company's strong reputation remained intact (Fannin, 1983).

By way of contrast, we can learn from other crises that were unethically managed and which resulted in considerable financial damage to the respective companies (Siomkos, 1992). The first instance was yet another problem with the Ford Pinto. In this case, the automatic transmission would slip from park into reverse. From 1973 to 1979, some 23 000 complaints were received, and 98 fatalities were attributed to the defect. As with the fuel tank, Ford initially denied responsibility, even though it previously knew of the defect. However, by 1980 it was faced with a massive recall of some 16 million Pintos, at an estimated cost of \$200 million.

A second situation was the Love Canal in Niagara Falls, New York. Toxic chemicals had begun seeping into the basements of homes that were constructed on the site of an abandoned chemical waste dump owned by Hooker Chemical. The Love Canal waste dump had met governmental regulations at a time when the residual effects of such wastes were little known. In time, owing to the variety of health-related problems, the area was declared to be unsafe, and in 1978 239 families were evacuated from their homes. Not until six years later did Hooker agree to pay some

\$20 million in claims, with more to follow. The company was passive in responding to the crisis, and no systematic plan was developed to handle it, resulting in a drastic decline in the company's performance.

On 26 August 1982 Johns Manville Company, along with 20 of its then subsidiaries, filed separate petitions for bankruptcy owing to litigation that was pending on behalf of approximately 16 500 persons seeking damages alleged to have come from exposure to asbestos. The complainants had been exposed to products manufactured or sold by the company containing asbestos. And there was some knowledge of the potential damage of asbestos within the company that was not acted upon. Costs of settling such claims were thought to be nearly \$2 billion. Manville responded by filing liability suits against the US government, claiming that damages paid to workers were the government's responsibility. Additionally, Manville budgeted millions of dollars to advertising to attempt to restore its image, while at the same time implementing a cost-cutting programme. With this cost-cutting it planned to dispose of some of its assets and focus on more promising businesses while immediately paying \$800 million to asbestos victims. The plan did not receive the support of shareholders and creditors, and the share price declined in subsequent years as the company struggled to reorganise and stay afloat.

Siomkos (1972) pointed out that the unsuccessful handling of crises by these companies tended to show several, if not all, of the following characteristics in common:

1. The companies recalled or stopped production of the product or process only after they were ordered to do so by the courts.
2. There was either a total lack or only an inefficient use of public relations or advertising campaigns.
3. The companies tended to restructure the organisation, focusing on cost-cutting, downsizing and disposal.
4. Government was often deemed responsible for the crisis.

It may also be said that the companies' decisions on how to handle their respective crises were due to a narrow short-term focus on the bottom line, at the expense of the wider ethical considerations involving other stakeholders. However, in the long-term, all three firms suffered financially as well.

8.6 A Roadmap for Ethical Decisions

What principles might leaders follow to determine ethical behaviour?

Do leaders have to be more ethical than their organisation's members?

And if, as leaders, we support an ethical stance, how do we ensure ethical behaviour in our organisation's followers?

Nearly any 'should' question is likely to have ethical implications in business. What should we charge for our products? How many new people should we hire? Should we begin moving our manufacturing to offshore firms? Where should we invest our profits? If we *are* to make ethical decisions for our businesses, surely we must be able to rely on principles and guidelines, or even a road map, to make such deci-

sions. If so, what are those guidelines? In short, as a business manager, how do we decide what is the ethical or 'right' thing to do?

8.6.1 The Deontological or Contractarian Approach

One view is that ethical behaviour is indeed based on principles – relatively unchanging principles which set out our rights, our duties and rules. Ethicists often refer to this viewpoint as **deontological** or **contractarian theory**. The German philosopher Immanuel Kant (1724–1804) was very influential in proposing the view that ethical behaviour can be determined by universal rules or principles. These would include principles such as showing people respect, not using others as a means to our own ends, not making deceitful promises, helping others who are in trouble, not wasting our natural talents, and so on (Kant, 1959).

For an organisation to develop and universally act on such principles appears, at first blush, to be a logical approach to guiding ethical behaviour. Given such universal principals or rules, it should be apparent that the best policy is to be honest with our employees, customers and suppliers. By the same token, our company should also not do business in a country that exploits its citizens.

However, the contractarian theory comes under criticism because it tends to avoid taking outcomes into account. In order to do 'right', we follow the principles. However, what if such an action leads to a 'lesser good', or even harm? Or what if, by violating one of the principles, we achieve greater good than by following it? We value truth, openness and honesty. Yet withholding information may well be to our advantage or even to the advantage of others. For to be completely transparent and open with all company information could well provide undue advantage to suppliers, labour unions and others, not to mention our competitors. And what if doing business in the repressive country provided badly needed jobs for its citizens and supported an opening-up of the country to outside influences? Could we ethically justify *not* doing business in the country? In short, contractarian theory would dismiss any consequential damage of our ethical choices as long as the choice was consistent with agreed principles. Unfortunately, such consequences may well be morally unacceptable. It is unrealistic to attempt to justify standing by our principles, regardless of the outcomes.

8.6.2 The Utilitarian Approach

A counter viewpoint to the contractarian approach is called **utilitarianism** or 'outcome morality'. This viewpoint proposes that any decision about the 'right' course of action should take into account the likely outcomes and select a course of action that provides the greatest good. The utilitarian business person might well argue that to do business with the repressive country would not only provide jobs there, but also additional profits for company shareholders. And after all, if this company doesn't become involved, someone else certainly will.

However, utilitarianism soon runs into difficulties. For example, by what manner do we decide what is 'good'? Is it personal happiness, the welfare of the many, having individual freedom of choice, pleasure, or some combination of factors? And

often there are competing definitions of what is good, put forth by competing stakeholders. What is 'good' for one group may not seem so for others. The *Brent Spar* case discussed above is a good example of competing interests. Additionally, if ethical decisions are made by judging probable outcomes, it implies that there are no principles as to 'how' we reach our outcomes. Yet few of us would argue that any means justifies the end. In other words, few would suggest that we should be indifferent to any claims and concerns except to the extent that they may impact on the outcome of our decision.

8.6.3 Moral Virtues

Obviously both the contractarian and utilitarian theories have drawbacks. However, the prominent business ethicist Jennifer Jackson (1996: 53–78) suggests that rather than relying on external guidelines, the focus needs to be on the individual: the business leaders must develop 'moral virtues'. These moral virtues then allow them to make ethical decisions that support 'a life worth living'. Therefore, if you are honest, you act honestly. Such virtues equip us to make decisions so that we prosper, at least as far as external circumstances permit.

Exercising such virtues requires the application of emotion and judgement, but not at the expense of either. That is, emotions do not cloud our judgement. But neither does judgement overrule our emotions. Therefore we must be able to feel appropriately as well as act appropriately, based on our developed virtues. And central to the whole process is the understanding of moral character, the kind of person one is. By the same token one must also be aware of vices in character and avoid them, because they diminish our chances of leading a life worth living.

Jackson suggests that there are two dimensions to living well, the social and the aspirational. These two dimensions lead to the identification of character traits or virtues. The **social** dimension is based on the fact that we need to live in a community. In order to live well in a community we need to be able to live in peace with each other and uphold each other's rights. Character traits required for the social dimension will, therefore, include loyalty, honesty, fairness, compassion, generosity and friendliness. In summary, the virtues of the social dimension promote peace in the community.

By contrast, the **aspirational** virtues promote *inner* peace. They are what help differentiate humans from other community-dwelling creatures, for they give us the sense that we have space to accomplish something, to find a purpose for our lives, to develop a sense of personal fulfilment. Although we value the peace provided by a well-ordered community, we also desire fulfilling relationships, self-respect, mental stimulation, independence and a sense of significance. The virtues associated with the aspirational dimension include prudence or sensibility, ambition, enthusiasm, modesty and self-knowledge. The importance of such character traits is that they will serve the individual well, regardless of their area of endeavour or field of practice.

Table 8.3 Three alternative roadmaps for ethical decisions

Type of ethical roadmap	Advantages	Disadvantages
Deontological: Ethical decisions are made against relatively unchanging principles that set out our rights, roles and duties.	Such principles can be well understood and interpreted, and what is 'right' can be clearly defined.	Outcomes are not considered: adherence to principles could lead to a lesser good.
Utilitarian: Ethical decisions are made based on outcomes, the path which will likely lead to the greatest good.	Flexibility in ethical decision-making will lead to the best outcome.	The processes are not considered, so even unethical or unlawful means of achieving the best outcome can be employed.
Moral judgement: Ethical decisions are made based on internal moral virtues that support a life worth living.	Ethical decisions rest on internal strength of character traits and morality, and balance emotion and judgement.	Methods to assess and develop internal virtues are not well established and decisions must still be made within an external context.

It is apparent that there are no ready-made answers as to what constitutes ethical behaviour in organisations, but rather that the moral character of our organisations' leaders is the driving force behind ethical behaviour. Therefore we can logically decide that ethical behaviour in organisations cannot be legislated. Neither can it be guided through written principles or codes, nor can it be judged solely on the likely outcome of our decisions. Rather, it emanates from the moral character of the leaders we develop within our organisations.

8.7 Leadership and Ethical Behaviours

Do leaders have to be more ethical than their organisations' members?

And if, as leaders, we support an ethical stance, how do we ensure ethical behaviour in our organisations' followers?

Management counts. It is very clear that the actions of organisational leaders impact on the resultant behaviours of their employees. For it is the leaders who have the ability to establish and communicate organisational values and then ensure compliance through the imposition of rewards and sanctions. Additionally, social learning theory suggests that employees learn through observing and imitating others (Bandura, 1986). Therefore, if leaders wish to ensure that their organisations act in an ethical manner, they must not only model ethical behaviours themselves, but also ensure that their subordinates model those behaviours as well. In effect, ethical behaviour must become a part of the day-to-day fabric or culture of the organisation.

Individuals who have a strong belief in universal moral rules are more likely to act ethically than those without such beliefs. However, it is clear that when a leader is perceived to have a high level of integrity, the ethical intentions of his or her subordinates, whether they have strong moral beliefs or not, will be higher (Peterson, 2004). By the same token, it is also important for leaders to deal with unethical behaviour, for *not* to deal with the behaviour will clearly leave an unwanted message. One study of the effect of punishment on the ethical behaviour of salespeople showed that dealing severely with unethical behaviours of individuals had a strong influence on the ethical behaviours of the salesforce in general.

8.7.1 Advising and Judging as Ethical Requirements of Leadership

Advising and judging are an important part of morality and implicit in the role of organisational leadership. Assuming that, as an organisational leader, we have developed the moral character to deal with ethical decisions, it is clear that we may, nevertheless, be biased in our judgements. For example, Bisking *et al.* (2003) found that gender influences our decision-making when applying discipline. Although the gender of the leader was not found to make a difference, in scenarios where discipline was to be applied, women were disciplined more severely in cases involving drugs and theft. Only in cases of sexual harassment were they treated more leniently. Similarly, it has been shown that we may well be unconsciously influenced to make unethical decisions by implicit forms of prejudice, bias that favours one's own group, conflict of interest and a tendency to over-claim credit (Banaji *et al.*, 2003). Because these prejudices are unconscious, they are particularly difficult to counter; the faith in our own objectivity may not be well placed, requiring external input and feedback.

By its very nature, ethical behaviour is difficult to define, as most dilemmas are the result of two competing ethical considerations: both outcomes are preferable but not possible. Additionally, there are broad differences among cultures. For example, showing preferences for dealing with family members and friends may be the way business is conducted in some countries; in others, such practices would clearly be considered unethical. Nevertheless, we can begin to decide whether a course of action is ethical or not by asking a few basic questions. If the answer to any of the following questions is 'yes', then it would, in our view, clearly be a sign that the behaviour should be examined as to whether or not it is ethical.

- Is the practice harmful to people? This question applies not only to our employees but also to the organisation's shareholders and stakeholders.
- Does the practice impinge on human dignity? The fair and considerate treatment of our fellow humans is undoubtedly a key consideration in choosing ethical behaviours.
- Is the practice harmful to the environment? Given the considered view of many that an environmental crisis looms, this question can only be of increasing importance.
- Does the practice provide gains to individuals at the expense of the organisation? Just as the organisation must show concern for individuals, so must individuals respect the organisation.

- Is the practice such that it is hidden so as not to arouse criticism? As soon as it is felt that a behaviour must be hidden from others within the organisation, it is clearly open to ethical scrutiny.

We believe that ethics will likely become an increasingly important aspect of your decision-making process as a leader in your organisations. Although we can ask questions such as those above, we also readily acknowledge that there are, unfortunately, no easy guidelines or roadmaps as to precisely what constitutes ethical behaviour. Nevertheless, leaders' actions, or lack of action, will profoundly affect the ethical stance of their organisations. And the ethical stance chosen will certainly affect shareholders and stakeholders alike. There appears to be little doubt that good ethics is good business.

Discussion questions

- What are the ethical dilemmas within your own organisation or industry? Is the ethical stance of your organisation behind that of society in general (a negative gap), congruent or positive?
- What moral virtues would you consider important for the leaders of your organisation? Consider both the social and aspirational dimensions.
- A city government is attempting to deal with late-night antisocial behaviour in its city centre, an area with a concentration of clubs and bars catering to young people. What is the responsibility of the alcohol industry in cooperating with the government?
- A chemical manufacturer of plastics components has an opportunity to supply to a company that manufactures landmines. The majority of the landmines are known to end up in third world countries. The owner of the company is basically against the manufacture of land mines but also knows that the contract will provide badly needed work for his employees. What ethical stance should the owner take?

Learning Summary

- Ethics is a branch of moral philosophy that can assist us, as organisational leaders, in making decisions about what is right and what is wrong.
- Behaviour considered unethical, may not, however, necessarily be unlawful.
- Ethical behaviour has two components: finding what is right, and then doing what is right.
- Mechanisms such as ethical codes of conduct and whistle-blower policies do not appear to ensure ethical behaviour; the actions of top executives, however, are effective.
- There is some support for the view that good ethics is a good long-term business strategy.
- Organisations may adopt an ethical stance that lags societal expectations, is congruent with expectations, or actually leads and perhaps influences expectations.
- A company with a strong ethical culture will probably find it to be an asset in coping with crises.

- Ethical decisions may be defined through three roadmaps: in congruence with established principles (deontological), in view of the outcome that is likely to be best (utilitarian) or through the character of the individual (moral judgement).
- Advising and judging are ethical requirements of the leadership function.
- Asking basic questions about whether an action harms people or the environment, affronts human dignity, provides personal gain or needs to be hidden will help us understand whether or not the action is ethical.

Review Questions

True/False Questions

- 8.1 Ethical behaviour is almost always lawful behaviour, but lawful behaviour may not be ethical behaviour. T or F?
- 8.2 There is little evidence that ethical behaviour affects profitability one way or the other. T or F?
- 8.3 Highly ethical organisations will probably find their ethical stance to be an asset in dealing with crises. T or F?
- 8.4 Ethical behaviour has a twofold challenge: finding what is right and then convincing others it is right. T or F?
- 8.5 Even though a leader is perceived to have a high level of integrity, the ethical intentions of his or her subordinates will not necessarily be higher. T or F?

Multiple-Choice Questions

- 8.6 Which of the following is correct? An ethical dilemma may best be defined as:
 - A. a conflict between two moral constructs.
 - B. a choice between what is right and what is wrong.
 - C. a decision made without clear guidelines.
 - D. a dilemma occurring when strong leadership is not available.
- 8.7 Which of the following is most likely to ensure ethical behaviour within an organisation?
 - A. A well-established and legally valid whistler-blower policy.
 - B. A published code of ethics or organisational values.
 - C. An individual or department established to monitor and address ethical concerns.
 - D. Top leadership's support of ethical behaviour through its actions.

- 8.8 Which of the following is correct? It is unlikely that organisations will adopt ethical stances that:
- A. exceed societal expectations.
 - B. attempt to be responsive to what society expects.
 - C. remain below societal expectations.
 - D. are indifferent to societal expectations.
- 8.9 Which of the following roadmaps will not be likely to provide a guide for making ethical decisions?
- A. A view that balances long-term outcomes with the wishes of those affected by the decision.
 - B. A reliance on consistency in our decisions based on relatively unchanging principles.
 - C. A decision-making process that attempts to select the decision that is likely to produce the best overall outcome.
 - D. A reliance upon the internal moral virtues of the individual making the decision rather than on external guidelines.
- 8.10 Which of the following is correct? Unconscious prejudices that may affect our ethical objectivity do *not* include a tendency to:
- A. favour our own group.
 - B. favour the 'underdog'.
 - C. rationalise conflicts of interest.
 - D. over-claim credit.

Case Study 8.1: The Divisional Managers

Leanne Jones had worked for two successful and effective divisional managers in the same publishing company. The first one, Phillip Dasler, was very helpful to her, responding to her ambition and providing opportunities for her both to move on to the second division and to get a good promotion as well.

Phillip, divisional head of Southern Region, was a plump, rather plain man just under two metres tall with dark hair and quick brown eyes. A little overweight, he had a rumbling laugh – a laugh that was much in evidence around the office. He was an amusing companion; people could laugh with him and at him. He was seen as a star performer. Approaching his 40th birthday, Phillip was seen as having leadership potential for higher management. Phillip was very intelligent, but he covered this with a somewhat bumbling air and some personal eccentricities about how problems could be resolved. He was also clever and self-confident in that he could comfortably outmanoeuvre most people. His planning was good, his staff were happy and constructive, he met deadlines and was rarely under pressure. He had a policy of letting his employees get on with their work, considering that if they needed to talk to him they could and did walk through the open door. He set out to help others fulfil their potential, and the staff trusted him as a very capable and fair man. He had great listening ability, and always had time for others.

Leanne was well aware that it was almost entirely due to Phillip's integrity and good will that he was willing to support her move out of Southern Region into the promotion working for Paul Jones, divisional head of Eastern Region.

Leanne found Paul Johns to be quite different from Phillip. Paul was of middle height, with blonde hair and blue eyes, and had been privately educated. His boss was very happy with his good performance. He had a somewhat blotchy complexion, a product of a variety of indulgences. He had a liking for female company, but kept this out of the office. Leanne noted that he had a rather dainty way with his fingers, and that he was a bit precious. Paul did not trust his staff and they, in return, did not trust him. He was a clever, shrewd, but rather anxious man, to the point of being slightly paranoid. He often seemed to be saying one thing and then doing something just a little different. As Leanne observed, you soon learned to relate to him by taking one step back and another to the side.

In time, it came to Leanne's attention that Paul was ripping off the expense system in a consistent and undetected way. And there was more. He occasionally disappeared after a good lunch, and had been observed on one of these afternoons going into a massage parlour. One day Leanne was called in to discuss an expense claim for her first business trip to London. It soon appeared that Paul was unhappy with the level of the expenses claimed. He said that they were too low, and her expense claims had to be increased. He produced a bundle of blank receipts and said that she could use some of these, or she could take her family out to lunch and claim that. Leanne did as she was asked, and kept her own counsel. But she was so unhappy with the behaviour that she decided that she would have to leave. In three months she had found another job.

Questions:

- 1 Paul's behaviour was clearly unethical if not actually unlawful. In response, do you feel that Leanne's behaviour was ethical? Why or why not?
- 2 Realistically, what other options might Leanne have exercised?
- 3 If the organisation was to try ensure a high level of ethical behaviour and to minimise behaviours such as those exhibited by Paul, what steps might it take to ensure such an outcome?

Case Study 8.2: The Nurse and the Sales Rep

Eileen Dunphy was ecstatic. She had just been promoted from technical support specialist to sales representative at Burman-Hillar, a manufacturer of specialty interiors for health care facilities. Coming from a nursing background, Eileen's highly professional approach to work, striking blond hair and blue eyes, along with a strong work ethic, had brought her to the attention of Burman-Hillar representatives who were involved with a building project at Good Samaritan Health Service, where Eileen was a nursing manager.

Eileen had worked with the Burman-Hillar representatives in planning the specifications for the company products that would be required for the renovation and refitting of her specialised nursing unit. Eileen quickly understood the variety of furniture, cabinetry, supply carts and other products that would be supplied by Burman-Hillar and how best to configure them for the benefit of health care staff and patients alike. At the

same time Burman-Hillar was expanding and needed additional technical support specialists to work with customers to ensure that the installations and configuration of product were optimised and accepted by the staff working in the areas.

Lawrence Gillosky, Western Division Sales Director, immediately thought of Eileen when he obtained sign-off for the new technical support specialist position. With the incentive of a hefty increase in salary, the opportunity to travel and the ability to work with a wide variety of different medical facilities throughout the western region, Eileen accepted the position.

Her industrious and professional approach to her new job continued unabated. Working closely with sales representatives, Eileen would help with the initial specification of projects but would spend the majority of her time with the customers after the products had arrived, helping with configuration and training the medical staff on how best to use the product. She soon found herself caught up in the new culture, a culture of business and enterprise that offered professional challenges but, more significantly, financial rewards she could have never dreamed of had she stayed in her nursing role.

Within two years a sales representative position came open, and Lawrence encouraged Eileen to apply for it. She needed little encouragement, and sailed through the interview and selection process. Lawrence worked closely with Eileen for the first month or so, teaching her selling techniques, making sales calls and so on. As the fiscal year came to a close, Lawrence sat with Eileen and set sales targets for the following year, complete with a bonus scheme that Eileen saw to be lucrative indeed.

Although she did not meet her sales targets for the first two quarters, Lawrence was not particularly concerned, knowing it was Eileen's first sales position. However, when it became evident that she would not meet her third quarter target, Lawrence called her into the regional office for a problem-solving meeting. 'As I look at your sales records, Eileen, you are certainly able to close a deal. The percentage of customers who sign a contract with you is actually above what most sales representatives achieve. I think that your problem is the actual *amount* of product you sell to each client. For example, look at this order from Whistler Medical for their new treatment rooms. You specified the four-shelf wall storage units when I am sure they would have bought the eight-shelf ceiling-to-floor units. And look here. You specified four of the economy treatment carts while most sales people would have recommended six of the deluxe treatment carts.'

'But they didn't need floor storage units. Or that many treatment carts. What I specified was perfectly acceptable for their needs, and they can save that money for other areas of patient care. Because of my nursing background, I know as well as anybody what is needed to deliver quality patient care.'

'Your job isn't to save money for the customer, Eileen. That is their job. Your job is to sell product for Burman-Hillar. You are not a professional nurse any more. You are a professional sales representative,' responded Lawrence. 'That's why I pay your salary and offer you a bonus; now you need to start hitting your sales targets.'

'But how can I ethically sell them product they don't need?' countered Eileen with some indignation.

Questions:

- 1 Is there an ethical dilemma here? If so, what is it?
- 2 Is it unethical to try to sell products to customers that they don't need? Or is that judgement solely in the hands of the customer?
- 3 Could it be that Eileen, although believing she is acting ethically, is really acting unethically since she has agreed to take on the sales representative job and leave her nursing job?
- 4 How might Lawrence resolve this situation to the benefit of all parties?

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Module 9

Leading Individuals and Teams: Two Distinct Roles

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Learning Objectives

By the end of this module, you will be able to:

- identify the different leadership concerns in leading an individual, in leading a team, and in providing leadership across a larger organisation;
- describe the components of the underpinning leadership behaviours involved in self-leadership and transcendent leadership;
- differentiate task-oriented leadership behaviours from people-oriented behaviours;
- identify the developmental level of employees for specific tasks based on the situational leadership model;
- choose the appropriate leadership style to match the follower's development level;
- describe behaviours included in each of the four leadership styles: directing, coaching, supporting and delegating;
- state the advantages and disadvantages of over-leading and under-leading;
- list Tuckman's four team development stages;
- choose the appropriate leadership behaviours required to address each team development stage;
- describe the relationship between team development stages and the employee developmental levels of situational leadership.

Consider how you would conduct a problem-solving meeting with one of your employees.

If you were to discuss the same issue with the whole team, would your approach differ? If so, why would it differ?

How would your leadership behaviours vary?

9.1 The Varying Roles of the Leaders

As we have discussed leadership throughout this book, it is increasingly obvious that leadership is a complex, multi-faceted and messy business, to say the least. Leadership behaviours are strongly influenced by the individual leader's innate characteristics, experience and values. And leadership success is every bit as dependent upon the follower as upon the leader (*see* Module 5). The same leader may be successful in one situation, but not in another. Behaviours that work for one leader may well be less successful when employed by another. Further, the same leader with the same team may be successful today, but not tomorrow.

To add to the complexity, the leader will also find that different approaches are required of him or her within the same leadership position. Take a very real example of Laura, a manufacturing quality control manager, who may begin the day with a short meeting to discuss filling a job vacancy with Luis, one of her team leaders. Later in the morning, Laura will hold a staff meeting of all 15 members of the quality team to review departmental progress and set new priorities. After the meeting is over, she will need to grapple with how best to gain support throughout the manufacturing site to address a sticky quality issue that has occurred with the introduction of a new product line. To provide leadership to each entity, individual – team – the organisation, substantially different leadership skills are required of Laura.

9.1.1 Individual Leadership

Laura's discussion with Luis is likely to be relatively brief and be focused within a fairly limited timeframe. The success of the interaction relies heavily on the psychological interaction between Laura and Luis. **Individual leadership** encompasses the behaviours we choose to use when we want to help (or lead) a person who is focused on a particular task and who needs some type of leadership support in order to be able to do the task effectively. It does not mean 'micro-management', which implies over-managing the details of Luis's job, not allowing him to manage his own work. Rather, Laura's issue in the leadership of this individual is: 'What does Luis need in order to do this one task, and how can I provide what is needed to help him succeed at the task?' Therefore Laura will consider Luis's skills, experience and level of confidence as she agrees what support is needed in order for him to select the best candidate for the job vacancy.

9.1.2 Team Leadership

The quality department team meeting, however, will be more time consuming and complex for Laura as she pursues her leadership role. Different followers and subgroups may well have different agendas, problems, goals and skill levels. The timeframe for the team's task achievements is likely to be longer than for an individual, and Laura will need to take team and interpersonal dynamics into account when making any decisions. Laura will also bear in mind the team's development level: are they a new team, just learning their skills and how to work with each other? Or are they well seasoned, or a mix of 'old timers' and newer people? In short, **team leadership** refers to behaviours we choose to use when we're working with a group of people who are jointly accountable for a number of tasks. In this situation, the nature of the tasks, the distribution of competencies to perform the tasks and the quality of relationships among people in the group all impact on the effectiveness of Laura's team. Possessing individual leadership skills may support some aspects of team leadership, but there are other aspects of groups in addition to the one-to-one aspects, and therefore, additional leadership skills are required. Helping groups succeed is the purpose of team leadership, just as helping individuals succeed is the purpose of individual leadership.

9.1.3 Organisational Leadership and Influence

However, trying to gain the support of the whole organisation will be more complex by far for Laura. In order to address the quality problem, she may well need to gain the support not only of her own team but also of other teams such as production, sales, customer service, finance, procurement, personnel and the executive team. The timeframe will almost certainly be considerably longer, and problem-solving will need to take into account the overall purpose of the organisation as well as the component parts, the priorities and problems of other departments within the organisation. A number of different agendas will need to be considered, and Laura will probably resolve problems through a series of individual meetings with other department heads, as well as through emails, large and small group meetings, phone conversations and so on.

Organisational leadership behaviours are those involved in providing leadership throughout the organisation or at least to a number of units within the organisation. So Laura will find that, as she pursues the quality issues affecting the new product line, her organisational leadership is focused on supporting the overall mission of the organisation rather than on only one or even a handful of tasks. She may need to be cognisant of strategy, with how her organisation postures itself relative to other organisations and various external forces in its environment. Laura will need to consider vision, values, and aspirations and long timeframes. In order to provide leadership across the organisation, Laura will need to influence individuals and teams situated in parts of the organisation not within her direct control but whose cooperation is nevertheless required. Again, some aspects of individual and team leadership skills will help to address situations involving these macro-level issues; but even more leadership behaviours must be applied for effective organisational leadership. Unless Laura is the chief executive, command and control

methods are certainly not available to command support; rather, influencing skills must be employed. Organisational leadership skills are addressed in Module 10, but for now we shall turn our attention to individual and team leadership skills.

Table 9.1 Three differing leadership requirements

Individual leadership	Team leadership	Organisational leadership
<ul style="list-style-type: none"> • One task • One person • One situation • Immediate timeframe • Leader focuses on follower task accomplishment • Psychological in nature 	<ul style="list-style-type: none"> • Multiple tasks • Team or group • Several simultaneous situations • Intermediate timeframe • Leader focuses on success of the team • Is social, psychological and involves group dynamics 	<ul style="list-style-type: none"> • Mission, purpose, vision, strategy • Organisation or community • Many simultaneous situations • Long timeframe • Leader focuses on survival and success of the organisation • Political, historical, sociological in nature

Table 9.1 summarises the key differences that Laura will need to consider when dealing with the three different leadership challenges. Interestingly, she may find that she is not equally adept in all three situations. For we have known leaders who are very able in dealing with individuals or small groups but are limited in their ability to deal with the wider organisation. Conversely, we know an entrepreneur who has built a multimillion pound enterprise and yet is reluctant to confront directly, one-to-one, difficult performance issues with his some of his direct reports.

We find the **continuum of leadership** (Kur and Bunning, 2002–3) illustrated in Figure 9.1 useful to describe the range of leadership circumstances and choices. Leading effectively involves the entire continuum from individual to organisation. As a continuum, the figure illustrates that the three circumstances are not independent and discrete but often overlap, requiring skills that may be the same or vary only by degree. On the other hand, some leadership behaviours *will* be discrete, applying mainly to the individual circumstance. We have seen above that when Laura held the one-to-one problem-solving meeting with her team leader (individual leadership) in the comfort of her office, it required substantially different skills from those required in making a convincing presentation to an audience of representatives from throughout the organisation on how to address the new product line's quality problems (organisational leadership).

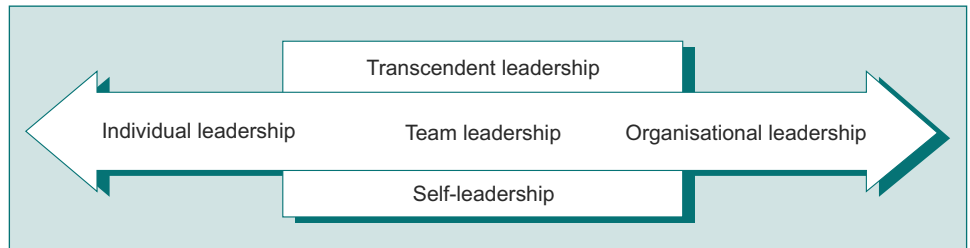


Figure 9.1 A continuum of leadership choices

What is the difference between the leader who is reluctant to act in difficult situations and the leader who ‘grasps the nettle’ and moves ahead?

How would your workplace change if everyone always kept his or her word?

Recall a situation when management was untruthful with the workforce. What was the long-term consequence?

9.2 Underpinning Leadership Behaviours

As you study the continuum of leadership in Figure 9.1, you will note that two other areas of leadership behaviours are included: **self-leadership** and **transcendent leadership**. They are positioned in the figure to illustrate that they *underpin* the continuum of leadership and *are fundamental to all three areas of leadership behaviour*. Table 9.2 summarises these two additional areas of leadership.

Table 9.2 Underpinning leadership behaviours

Self-leadership	Transcendent leadership
<ul style="list-style-type: none"> Any situation in which action is needed, the desired action is uncertain, by another person is unavailable Leader focuses on determining what to do and needs to muster the energy, spirit, strength, courage, drive and time to do it Is psychological, spiritual, physiological in nature 	<ul style="list-style-type: none"> Every interaction with every person, group, organisation or community Every timeframe from immediate to for ever Leader focuses on internal congruence/ integration Espoused and operating values, behaviours, statements, etc. Leader focuses on external congruence/ integration Shared visions, ideals, aspirations, values and joint action Is psychological, sociological, group, spiritual, physiological in nature

9.2.1 Self-Leadership

Self-leadership is, literally, leading oneself. It becomes especially apparent on those challenging (even frightening) occasions on which a person might need or wish for someone else to provide leadership. It requires the skill and self-confidence to recognise that action must be taken and then to commit to a course of action even

when a person is not certain of the ‘right’ direction. It also includes psychological resilience to muster the motivation, drive, energy and even courage needed to proceed, even when the natural inclination might be to avoid the situation or simply give up.

Many influences on self-leadership are discussed elsewhere in this book – personality traits, values, developmental experiences, ethics and so on. But at its most basic level, self-leadership is having the self-knowledge and self-discipline to select appropriate leadership behaviours even in the midst of pressures, crises and internal inclinations to do otherwise. In the example above with Laura, she may find she needs to confront Ed, the production manager, about his department’s role in the quality issue. Laura has previously had difficult relations with Ed, but also knows he has other priorities and that he also has the ear of the executive team. To be effective, Laura must consider a complex range of issues and approaches in order to drive for a ‘win-win’ outcome with Ed and, in turn, for the organisation as a whole. And to do so, she must not only know herself, but also muster the courage and control to enter into what may well be a difficult interaction.

9.2.2 Transcendent Leadership

Transcendent leadership involves behaviours, skills and perspectives that are appropriate across all situations. Transcendent leadership applies whether a person is leading another individual on a single task, a team or a whole corporation on a complex strategic design or implementation. Of course, ethical behaviour is the core of this area of leadership behaviour, as discussed in detail in Module 8. But the most important of these transcendent leadership behaviours, skills and perspectives is *integrity*. For acting with integrity almost universally increases the probability that others will consistently choose to follow that leader.

Integrity is the key transcendent leadership quality. Absolute, uncompromising integrity is the unifying factor across the continuum of leadership. For some, integrity may be a complicated, abstract concept that is difficult to define, let alone put into practice. For us, integrity means simply to use two straightforward behaviours:

- tell the truth;
- do what you say you’re going to do.

The word ‘integrity’ is based on the word ‘integer’, which stands for one, for unity, for singularity. We say a person has integrity when the person’s words, deeds, thoughts, actions, values, and personality match – all these things are ‘as one’. They are congruent. They ‘fit’. How a person with integrity behaves matches what the person describes as his or her own philosophy or personal values.

Telling the truth and doing what you say you’re going to do are at the core of leadership across the continuum – whether the situation involves individual, team, organisational or self-leadership – integrity is a fundamental requirement for leadership. The reasons for this are not only ideological, that we aspire to honesty; the reasons are also practical. Here’s why. Leadership has not occurred until someone chooses to follow. From both experience and research, we know people are most likely to choose to follow those they see as credible. When people demon-

strate integrity, at *each* point and at *every* point along the continuum, others see them as credible and therefore as worthy of following. As one department head said to us, 'I have to be bone honest with my people. There is no way that I can outsmart the collective wisdom of my people. I may get by with it on occasion, but it is doomed to fail as a long-term approach.'

9.3 Leading the Individual

Understanding the continuum of leadership is important as a concept, but as leaders we must also understand specific behaviours and be able to apply them skilfully and consistently. We shall now turn our attention to some models of leadership behaviours that have stood the test of time. We have organised them within our three areas: individual and teams in this module and organisational influence in the next. As with the continuum itself, the models are overlapping and have implications across the spectrum of leadership challenges.

9.3.1 Taskmaster or Consideration for the Person?

We shall recall from Module 3 that the research by Lewin *et al.* (1939) points out the importance of two independent factors in one-to-one and small group settings: consideration for the person, and task initiative. Consideration is sometimes called the **people factor** and task initiative is sometimes called the **work factor**. Each of these two factors is a group of related behaviours and concerns. Behaviours high on the people factor include support, encouragement, showing warmth, cooperation and caring. Behaviours high on the work factor include giving directions, following up to be sure the work is completed, planning the work for someone, and assigning work roles and responsibilities.

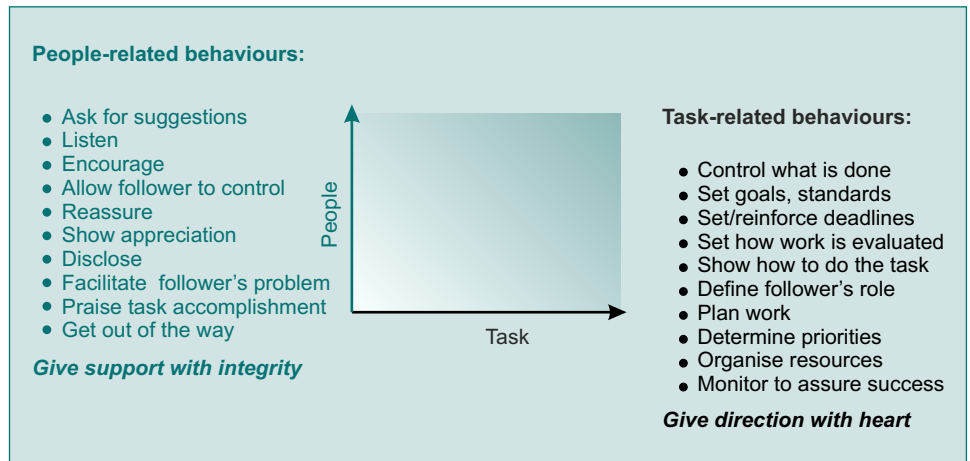


Figure 9.2 People-task leadership behaviours

However, we also recall that a leader does not have to choose one factor or the other, for the two factors are totally independent. A leader's behaviour and concerns may be high on one factor and low on the other, high on both factors, or low on both factors.

9.4 Situational Leadership

In an attempt to present a practical approach to selecting the best behaviours to lead individuals, it is appropriate to take a deeper look at Paul Hersey and Ken Blanchard's (1996) variation of the two-factor leadership model introduced in Module 3. Their **situational leadership** (SL) model better fits our experience in helping leaders to learn specific behaviours they can select to deal with employees. We have adapted the model so that it is particularly relevant when managers consider the behavioural choices available when dealing with individuals and, to some extent, with teams. In addition to our own experiences, many other leadership development programmes also use the SL model or (as in this case) variations of it, because thousands of supervisors, team leaders, managers, students in professional and graduate programmes, and others report that it makes sense, and that it is a useful tool in today's workplace.

We recall that the SL model recasts the two people–task factors as **support** and **direction**. Support is the people factor, defined as encouraging people, praising their good work, thanking them, helping them to solve their own problems, and so on. Its purpose is to build confidence, self-esteem and commitment. Direction, in line with the task orientation of the two-factor model, includes telling and showing people how to do a task, being precise about outcomes, deadlines, procedures and standards, evaluating how followers do it, and monitoring their work. The purpose of the direction factor is to ensure compliance with appropriate methods and standards of working, and to build job-related skills.

Consider that, as a leader, you are providing a service rather than a product. Who is the key recipient of that service?

In other words, who is the 'customer' for your leadership?

Similar to servant leadership (*see* Module 5), we might well view the SL approach as **customer–follower leadership**. If we think of leadership as a service, the 'customer' for our leadership service is the follower. And to be most effective, just as in the wider business, if we are to be successful, we must meet the needs of the 'customer'. Our leadership service is to help the 'customer' succeed at a given task. It follows that, in order to meet the needs of the customer/follower, a leader must necessarily find how much support and how much direction a person requires to do a specific task effectively, and then provide what's needed. In order to know what leadership actions to take, the leader must first diagnose the follower's level of development for the particular task under consideration.

Let us recall the example earlier in the module where Laura was meeting with Luis, her team leader, to fill a job vacancy. Luis may be well experienced as a technical quality control person but be quite *inexperienced* in the hiring process. Luis will need considerably more direction from Laura for the hiring task at the same time as he requires little or no direction on most technical tasks. Therefore Laura will need to approach each situation by considering the individual *and* the specific task.

9.4.1 Choosing the Most Effective Leadership Behaviours

In situational leadership we match leadership style to the development level of the follower on the specific task. This is a path that people would typically follow when learning and then mastering a particular task. It is presented in Figure 9.3 under the development level labels:

- D1: Enthusiastic/unenthusiastic beginner
- D2: Disillusioned learner
- D3: Regular contributor
- D4: Peak performer.

In order to make this diagnosis, we must consider three aspects of the follower's likely relationship to the particular task at hand: his or her **competence** in the particular task, how **committed** the person is to the task, and how **confident** he or she may feel about being able to be successful at the task. As we make our diagnosis, there may be some overlap between development levels. Nevertheless, it will provide us with the approach that is most effective as we decide which leadership approach to take.

Laura will need to prepare for her meeting with Luis by considering his development level for the particular task. She will ask herself these questions:

- How competent is he on *this* task?
- How committed is he to *this* task?
- How confident is he about *this* task?


Development level	D4 Peak performer	D3 Regular contributor	D2 Disillusioned learner	D1 Enthusiastic/ unenthusiastic beginner
Development direction				
Competence on this task	<i>High</i> Can do the task masterfully	<i>Sufficient</i> Can normally do the task	<i>Marginal</i> Cannot do the task entirely adequately	<i>Low</i> Cannot do much or any of the task
Commitment to this task	<i>High</i> Wants to do the task perfectly	<i>Varies</i> May or may not be fully committed	<i>Varies</i> Commitment may have declined	<i>High to Low</i> Wants to learn to resists learning the task
Confidence on this task	<i>High</i> Fully confident in own abilities	<i>Varies</i> Fair confidence to apprehensive on the task	<i>Low</i> Learning but still insecure about doing the task correctly	<i>Low</i> Insecure about doing the task

Figure 9.3 Diagnosis of the follower's development level

Source: Adapted from Hersey and Blanchard, 1996.

Figure 9.3 illustrates the process a leader can use to choose the best way to behave in order to help someone succeed at a task. Laura knows that Luis has never participated in the hiring process before. Therefore his competence *on this specific task* is low. On the other hand, Luis is a willing and capable employee in other tasks, and there is no doubt that he wants to be successful at this task as well. His commitment is high, and he may be quite excited about learning this new skill. But because he has never completed the process before, Laura will understand that Luis is insecure about doing this task on his own; he will need direction, training, follow-up and so on if Laura is to ensure that he is successful.

Luis' development level is, consequently, a D1, Beginner. It takes little thought to realise that the leadership interaction required for Luis on this occasion should be considerably different than if Luis had been diagnosed as having a D4, Peak performer development level (as he may well be on other, more familiar tasks). Therefore, as the follower's development level varies, so must the leader's leadership behaviours. How Laura leads depends on each situation: thus effective leadership is *situational*.

Table 9.3 Matching follower development with leadership style

Follower's development level		Leadership style
D1 – Enthusiastic/unenthusiastic beginner	requires	S1 – Directing Control with heart
D2 – Disillusioned learner	requires	S2 – Coaching Ask, encourage, control
D3 – Regular contributor	requires	S3 – Supporting Ask, encourage, allow
D4 – Peak performer	requires	S4 – Delegating Delegate with presence

Situational leadership has developed four styles of leadership, each of which generally falls in one quadrant of our two-factor leadership model illustrated in Figure 9.2. It is apparent that each style involves a relatively high or relatively low amount of direction and support. These four situational leadership styles are labelled as:

- S1: Directing
- S2: Coaching
- S3: Supporting
- S4: Delegating.

These styles describe the amount of support and direction someone gives to someone else on a *specific task*. Therefore any given follower will require a different leadership style, depending on the person's ability to accomplish that particular task. Each style is a 'good' style under some circumstances and a 'bad' style under other circumstances. Effective leadership starts with people who are able to use all of these styles and who choose to use the right style for *each* situation. Each style is given greater definition in Table 9.4.

Table 9.4 Situational leadership behaviours

Leadership style	Behaviours associated with that style
<i>S1/Directing</i>	
<ul style="list-style-type: none"> • Leader has more control • Support not required beyond common courtesy 	<ul style="list-style-type: none"> • Control with heart • Give direction • Tell follower what to do, when to do it and how to do it • Monitor follower's work closely and constantly • Set targets and deadlines • Make decisions • Identify problems, control problem-solving and identify solutions • Define roles
<i>S2/Coaching</i>	
<ul style="list-style-type: none"> • Leader has more control • Support beyond common courtesy required 	<ul style="list-style-type: none"> • Ask, encourage, control • Make decisions and set plans with input from follower • Explain decisions to follower • Solicit follower's ideas • Support and praise follower's initiative • Evaluate follower's work • Set goals and deadlines • Direct follower's work • Identify problems
<i>S3/Supporting</i>	
<ul style="list-style-type: none"> • Follower has more control • Support beyond common courtesy required 	<ul style="list-style-type: none"> • Ask, encourage, allow • Join follower in problem-solving when requested • Provide ideas and/or resources when requested • Listen to follower's ideas • Assure follower of his or her competence • Facilitate follower's problem-solving • Ask follower to define how task should be done • Help follower evaluate his or her own work
<i>S4/Delegating</i>	
<ul style="list-style-type: none"> • Follower has more control • Support not required beyond common courtesy 	<ul style="list-style-type: none"> • Delegate with presence • Allow follower to set plans, solve problems, make decisions • Have follower evaluate his or her own work • Allow follower to take credit • Define problems with follower • Set goals together • Monitor follower's performance periodically or infrequently at most • Be available to follower

9.4.2 Developmental Level 1, Leadership Style 1: Directing

An inexperienced person typically begins a new task at D1 or development level 1. Here the follower usually approaches the new task as an enthusiastic beginner, unable to do the task but motivated to learn. As we decide that the employee is D1, he or she will need a considerable amount of control, but little support, beyond common courtesy. Therefore we can best help this individual succeed by being very clear and thorough by providing them with clear directions and control for the task (see Table 9.4). The S1 directive leader, with common courtesy, would be clear about standards, targets and procedures while closely monitoring results and providing additional input. As problems arise, the leader would act to address them. This approach is what the 'customer' most needs to be successful. It would be far less effective to approach this follower with S3 or S4 behaviours.

Occasionally, we may find that the follower is, in fact, *un*enthusiastic or even resistant to the new task. Again, what is needed is the S1 emphasis on task and direction, possibly with some indication of consequences if attitude is found to be an issue.

Think of giving a typical work assignment to one of your more able employees. Using the SL model in Figure 9.3, diagnose the employee's development level to find which SL behaviours you should employ.

Complete the same exercise, except this time imagine you are assigning a task that is totally new to this employee. How should your leadership style change?

9.4.3 Developmental Level 2, Leadership Style 2: Coaching

As the follower begins to learn to do some of the task properly (moves to D2), or to do the whole task properly but only some of the time, he or she may become somewhat disillusioned. The employee may have begun the task with enthusiasm but then found that success has not yet been achieved, especially if it appears that mastery is further away than at first expected. The follower may find that problems that were initially resolved reoccur. Or continued mistakes may have impacted on self-confidence. Our follower has become a disillusioned learner and now requires equal measures of support and control. Therefore the leadership behaviours required are S2. This is a coaching style, continuing to give plenty of direction and control but also spending time to provide support to build self-esteem and confidence. S2 may well be the most time-consuming style, as the leader will now also spend time reassuring and praising efforts as well as successes. Decisions may now be taken with input from the follower and his or her ideas may well be solicited to tackle problems. While there is a continued focus on the task, the leader also tries to make the follower feel valued and to understand that mistakes are a normal and accepted part of the learning process. If the leader is successful at this stage of the employee's development, the employee will gain sufficiency of task achievement.

9.4.4 Developmental Level 3, Leadership Style 3: Supporting

In time, in our experience, most employees will attain at least development level 3, where they are normally able to complete the tasks adequately but require support from time to time. At this point the follower is able to do the task just about right just about every time but sometimes needs just a little help in the form of a ‘thank you’ or a willingness to take the time to listen to a complaint or two about the task. In short, the follower still needs reassurance and support but very little direction. Indeed, to continue to provide fairly intensive direction at this level would be counterproductive, perhaps causing the employee to lose initiative and become dependent upon the leader for direction.

The S3: Supportive style is required in this case where the purpose is to provide the follower with reassurance that work is up to standard and that the person is appreciated and valued. This may be relatively informal, as exemplified by the occasional ‘pat on the back’ or more formal through such mechanisms as the performance review process. Suffice it to say that, although this process takes relatively little effort on the part of managers, most employee attitude surveys reveal that employees feel they don’t get enough recognition for their efforts. It has also been our experience, as well as those of managers with whom we have worked, that many employees may not move beyond developmental level 3: even though they can consistently demonstrate the ability to do the task, they continue to require some reassurance or support from their leader.

9.4.5 Developmental Level 4, Leadership Style 4: Delegating

Finally, in some cases, individuals achieve peak performance (D4) – they develop high mastery coupled with high commitment and confidence in doing the task. At this level, they are peak performers (at *this* task), doing it with the flair of a true master and requiring very little from the leader in terms of either direction or support. This is the master craftsman, highly competent, and committed to the point where they will pick up an assignment of their own volition or perhaps delegated only in general terms, and follow it through to completion. Our only requirement as a leader is to delegate the task to the individual and then leave that individual to get on with the work. Indeed, any of the other approaches would be inappropriate and risk actually interfering with this highly accomplished individual’s effectiveness.

Most employees should be able to discharge at least some of their tasks at the D4 level, but occasionally we are fortunate enough to find employees who complete almost every task at this level. These individuals, often labelled **star performers**, are a most valuable part of any work team.

Think about your typical style of leadership. Which SL level best describes it?

As you consider your own style of management, do you find that you tend to prefer one of the SL styles above others?

In turn, think of each of the employees who work with you and their typical development level at this time. Is your preferred style appropriate for the needs of your 'customer/followers'?

What are the implications for improving your selection of leadership behaviours?

9.4.6 When Leadership Styles Do Not Match Developmental Levels

Over-leading and under-leading are terms used to describe a mismatch between the leadership style a follower needs to be successful and the style a potential leader actually chooses. Over-leading refers to the use of a lower style than is needed; under-leading refers to the use of a higher style than is needed. Over-leading and under-leading are depicted in Figure 9.4. In each case, the 'target' represents the amount of support and direction needed. Providing a combination of support and direction that is clockwise from the target is over-leading. Providing amounts of support and direction counter-clockwise from the target would be under-leading.

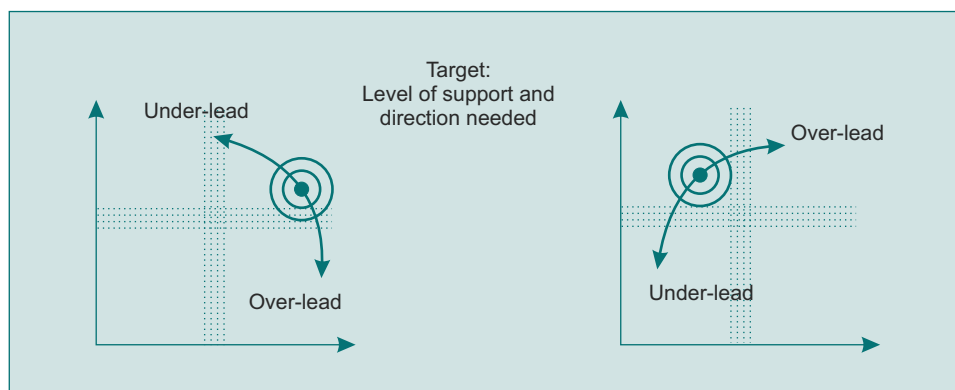


Figure 9.4 Over-leading and under-leading

Few leaders hit the target every time. Most tend to over-lead or under-lead somewhat, while others may tend to rely primarily on only one style that they may have learned or with which they are most comfortable. Small, random mismatches are usually not much of a problem. But a consistent mismatch in either direction, or large mismatches in either direction, are cause for concern.

Could there be situations when it might be appropriate to over-lead? What might be the consequences, positive and negative, of over-leading?

Likewise, could there be situations when it might be appropriate to under-lead? What might be the consequences, positive and negative, of under-leading?

9.4.7 Consequences of Over-leading and Under-leading

Although the situational leadership model provides an approach to leadership behaviours predicated on follower needs, an understanding of the consequences of over-leading and under-leading is also important. This is not only to be aware of the effects of consistently selecting ineffective leadership behaviours, but also because there may actually be situations in which the leader may find it advantageous to over-lead or under-lead.

The negative consequences of over-leading may be readily apparent. As over-leading would most often entail giving more control or support than is required by the individual, the follower may well perceive such behaviour as showing the leader's lack of trust in his or her competence, as being a 'control freak' limiting the individual's growth and development or even as being condescending. Few would argue that competent individuals would thrive in an environment where they feel 'micro-managed'! However, there appear to be situations where over-leading may be appropriate, even required, particularly in the short-term. Such situations may occur in times of crisis or urgency, where the leader may need to have strict control until the situation is resolved. Additionally, in new assignments it can be seen that a new manager will, for an initial period of time, over-lead until he or she can evaluate the abilities of the staff and the situation is understood.

Under-leading also has its consequences or even dangers. The follower given too little control or support may well become discouraged, lose heart and ultimately fail in task responsibilities. This is certainly ineffective leadership if we accept that the leader's purpose is to ensure that the follower is successful in task accomplishment. However, under-leading, at least for some employees, can be a tremendous learning experience. As we speak with managers about their most important professional learning experiences, we are struck by how often they have cited situations where they stepped up into a bigger job, were 'thrown in at the deep end', confronted a crisis or were involved in a start-up operation with little or no guidance. All of these situations were times when the managers felt they were under-led and had to quickly undergo a very steep learning curve. Although the learning can be tremendous for an individual with a high level of initiative, ability and self-confidence, the damaging results of an unsupported failure could be profound for the less able individual.

9.5 Leading a Team

Hersey and Blanchard's situational leadership model has considerable application for teams as well as individuals. However, we have also seen that additional complexities emerge as we consider team leadership skills. There are likely to be varieties of tasks involved with longer timelines, with various individual skills and personalities to consider as well as group dynamics. The individuals in the team require more than task skills; they also need to develop teamwork skills and learn team procedures.

9.5.1 Team Development Stages

Some years ago, Tuckman (1965) noticed a predictable developmental sequence with small psychotherapy groups with which he worked. **Tuckman's Model** of group development has been adapted to describe the developmental sequences of workplace teams. For example, Charrier (1974) wrote of a five-stage process through which work teams develop (assuming that the individuals have all come together at the same time to form the new group): Polite, Why We're Here, Bid for Power, Constructive, Esprit. These stages can be condensed into the four stages illustrated in Table 9.5 – forming, storming, norming and performing – a model widely used today in leadership training programmes.

Table 9.5 Stages of team development

Team stage	Group member behaviours
<i>Forming</i>	<ul style="list-style-type: none"> • Group members show courtesy towards each other and 'getting to know you' behaviours • Individuals share information and form initial stereotypes of each other • Individuals unclear on group goals; pursue 'why we are here' discussions • No conflict, but little productivity • Little trust or commitment to the group • Group norms and individual roles not established
<i>Storming</i>	<ul style="list-style-type: none"> • Individuals push for influence • Cliques form, splinter, reform • Goals are set, changed, questioned, reset • Agendas are hidden • Some individuals unusually aggressive or passive • Conflict, even personal attacks • Problem-solving ineffective • Group accomplishments quite limited
<i>Norming</i>	<ul style="list-style-type: none"> • Roles, hierarchy and norms established • Start to view the group as a team; team identity established • Steady cliques have formed; members identify with the team • Creativity emerges • Team achievement is evident • Limited disagreement, 'groupthink' a danger, members don't confront to avoid 'rocking the boat' • New member entry is difficult

Team stage	Group member behaviours
	<ul style="list-style-type: none"> • Team members very motivated; morale and team pride are very high • High trust, intense loyalty, self-sacrifice for team good • No cliques
<i>Performing</i>	<ul style="list-style-type: none"> • Individuals request feedback; no surprises • Confrontation seen as positive • All members accepted and valued • Superb goal attainment • New member entry may cause regression to a previous stage

When individuals come together in a group, they will necessarily move through these stages as they strive to become an effective team. As individuals begin interacting and getting to know each other in the **forming** stage, their first priority is to begin to feel comfortable and establish their own place in the group while at the same time trying to understand more specifically the group's purposes and objectives.

As the group members spend time and start to grapple with these issues, a certain amount of conflict is inevitable: a competing of ideas about what to do and how to go about it. This second **storming** stage is not comfortable for team members so it is helpful for them to understand that it is a normal part of group development, a process that will help them to move into the next stage.

In time, group aims and processes will be adopted, a 'pecking order' will have been established, and the group will for the first time start to think of itself as a team, a team that feels a certain amount of loyalty to other team members and which is productive. When this has been achieved, the team has entered the **norming** stage of team development. All work groups must get to the norming stage if they are to be productive and successful. Within organisations, if a group is unable to move beyond the storming stage, it will almost certainly be changed in some manner – broken up, team members reassigned, team leader replaced – for effective organisations cannot long tolerate a dysfunctional team.

A team can quite happily function and maintain its place within its host organisation by staying in the norming stage. In fact, in our experience, most teams do not progress to the **performing** stage, at least for any extended period of time. The drawback of the norming stage is that it can become a stage of comfort, a stage that may lead to teams getting in a rut and becoming complacent about results. For the norming stage will have developed group norms that suggest that it is unacceptable to upset the status quo. Individual performance issues tend to be glossed over, conflict is avoided, and change is viewed with concern because it may cause instability and interfere with team member comfort levels. These norms serve the very real purpose of preventing the team from reverting to the discomfort of the storming stage.

On the other hand, the step to the performing stage seems to be a large one indeed. It has to be taken with thoughtfulness and purpose, and with able leadership. Each follower has to have enough self-confidence and integrity to subordinate individual needs to the success of the group. Such team members would probably function primarily at a D4 development level under the SL model. Conflict is valued and invited in the performing stage, and there tends to be a substantial amount of requested criticism that, albeit not always comfortable, is valued as being constructive and necessary. Of course the payoff is that the team results are outstanding indeed, with team members feeling an intense level of personal fulfilment and pride at being a part of the team.

Both the norming and performing stages may regress, and in reality most teams experience up and down cycles over time that constantly require the attention of the team leader. A team that would normally be seen as in the norming stage may find it has drifted back into the storming stage, perhaps as the result of a production crisis or a major organisational change. Similarly, a performing team, when confronted with situations such as new team members or a series of failures, may find that it has regressed and will need to rebuild.

Just as in situational leadership, where the leader is required to diagnose the development level of the individual, a leader will need to be aware of the development level of his or her team and take steps to lead it to the next stage of performance.

9.5.2 Moving from Forming to Storming

With Tuckman's model, we recall that the forming stage of group development occurs when a group of individuals come together for the first time to pursue a course of action as a group. It is not hard to imagine that these individuals will have a number of concerns: Who am I in this group? Who are the others, and will they accept me? What will be my role, the tasks I will need to perform, and will I be capable of those tasks? Who is the leader? Is he or she competent? How will he or she treat me?

Let us continue with the example of Laura, cited above. This time, however, rather than dealing with Luis about filling the job vacancy, she will be meeting with her team to assess progress and set goals. Laura moved into her position and formed her quality department team over a year ago.

When Laura's team first formed, she found that the members of this new group allocated status to each other through roles identified outside the current group, such as engineer, mother of twins or former social worker. She also noticed that most comments were directed to her as the leader, and that members did not listen well, resulting in non-sequitur statements; when issues were discussed, it was at a superficial and ambiguous level. These are behaviours that are quite typical of a group in the forming stage.

In order to address these issues and move the team forward as quickly as possible, it became apparent to Laura that she should direct her efforts toward helping the group develop and understand the mission and goals of the group and to help define their roles. She needed to provide structure and be more directive, asserting more power than she might do in later stages. Regular meetings and sharing of

information were important for the group to move beyond the forming stage. Time was also devoted to facilitating learning about one another, encouraging participation by each group member, ensuring that no one dominated, and ensuring that each individual wanted to be on the team. In short, at this early stage of group formation, Laura found that the majority of her time was spent in ensuring that team members felt comfortable in the group and started to buy into its purposes. The action steps that Laura needed to take while her group was in the forming stage (as well as the other stages) of Tuckman's model are displayed in Table 9.6.

Table 9.6 Action steps and leader actions to support team development

Team stage	Action steps to move ahead	Leader's actions
<i>Forming</i>	<ul style="list-style-type: none"> • Set a mission • Set goals • Establish roles • Recognise need to move out of 'forming' stage • Identify the team, its tools and resources • Leader must be directive • Figure ways to build trust • Define a reward structure • Take risks • Bring group together periodically to work on common tasks • Assert power • Decide once and for all to be on the team 	<ul style="list-style-type: none"> • Provide structure • Hold regular meetings • Clarify tasks and roles • Encourage participation by all, domination by none • Facilitate learning about one another's areas of expertise and preferred working modes • Share all relevant information • Encourage members to ask questions of you and one another
<i>Storming</i>	<ul style="list-style-type: none"> • Team leader should actively support and reinforce team behaviour, facilitate the group, for wins create positive environment • Leader must ask for and expect results • Recognise, publicise team wins • Agree on individuals' role and responsibilities • Buy into objectives and activities • Listen to each other • Set and take team time together • Everyone works actively to set a supportive environment • Have the vision 'We can succeed' 	<ul style="list-style-type: none"> • Use joint problem-solving, have members explain why idea is useful and how to improve it • Establish norm supporting expression of different viewpoints • Discuss group's decision-making process and share decision-making responsibility • Encourage members to state how they feel as well as what they think about an issue • Give members the resources needed to do their jobs to the extent possible

Team stage	Action steps to move ahead	Leader's actions
	<ul style="list-style-type: none"> Request and accept feedback Build trust by honouring commitments 	(when not, explain)
Norming	<ul style="list-style-type: none"> Keep up the team wins Maintain traditions Praise and flatter each other Self-evaluate without fuss Recognise and reinforce 'synergy' team behaviour Share leadership role in team, based on who does what the best Share reward for successes Communicate all the time Share responsibility Delegate freely within team Keep raising the bar/new, higher goals Be selective of new team members; select and train to maintain the team spirit 	<ul style="list-style-type: none"> Talk openly about your own issues and concerns Have group members manage agenda items, particularly those in which you have a high stake Give and request both positive and constructive negative feedback in the group Assign challenging problems for consensus decisions Delegate as much as the members are capable of handling; help them as necessary
Performing	<ul style="list-style-type: none"> Maintain efforts that brought the team to this stage 	<ul style="list-style-type: none"> Jointly set challenging goals Look for new opportunities to increase the group's scope Question assumptions and traditional way of behaving Develop mechanism for ongoing self-assessment by the group Appreciate each member's contribution Develop members to their fullest potential through task assignments and feedback

9.5.3 Moving from Storming to Norming

After her efforts to move the team forward from the forming stage, the inexperienced leader might be dismayed to find that it resulted in the group entering a time of disagreement and conflict. Because Laura was familiar with the processes of team development, she first of all knew it was important to acknowledge that this stage is

normal and even necessary if the group is to gel into a team and move into the norming stage. For after group individuals have begun to understand the group goals and the others in the team they will begin to introduce personal issues about their role in the team: 'How much influence will I have on the group? Will my ideas and concerns have merit with this group? Where is my place in the pecking order? Who do I like and who likes me? Will I have my needs met?'

Because of those concerns, Laura observed that anxiety was evident and that individuals pushed for position and influence with each other and with her as the leader, perhaps being motivated by hidden agendas. Some people challenged each other and her, even to the point of mounting personal attacks when frustrations ran high. Group goals were formulated, only to be challenged and changed. It is normal for subgroups to form, then splinter and re-form, and Laura noted this as well: one group of three members formed a close group for a couple of weeks, only to drift apart and become a part of other small groups or cliques. New ideas were tried but were shot down by others, causing some members to withdraw from active participation while others began to over-participate. Because this stage tends to be relatively uncomfortable for most people, blaming is a common outcome, and Laura realised that if she did not take effective action, she was likely to be the focal point for much of that blame.

Laura's actions obviously needed to be focused on alleviating the group members' concerns in order to move forward as quickly as possible. Therefore she created the opportunity for some early wins and, publicised and praised these early wins, while also supporting teamwork behaviours when she observed them. Laura felt that a more facilitative approach was usually warranted at this stage to encourage individual input and set a climate that valued the expression of different viewpoints. Laura asked for and expected results in order to develop the idea within the group that 'we are a team, we can succeed'. Building trust was a big agenda item for the group at this stage, so commitments needed to be scrupulously honoured, both by Laura herself and by the team members. At this stage Laura also began discussing the group's processes with team members, inviting feedback on meeting effectiveness, problem-solving procedures and so on. In other words, Laura devoted time to discussing *how* the group was doing things as well as *what* the group was doing. Through these leadership actions, Laura was able to facilitate the group's movement through the storming stage, into the norming stage.

9.5.4 Moving from Norming to Performing

As the group's goals, roles, relationships and procedures begin to crystallise, it moved into the norming stage and, for the first time, Laura's department members started to think of themselves as a team. The team's purposes were well understood, and any hidden agendas by individuals were evident and dealt with by this time. Laura was pleased to find that the members had gained confidence, had shown creativity in solving problems, and had begun to laugh and have fun with each other. Group norms began to evolve. Some were informal, such as going out together after work at the end of the week, celebrating birthdays or contributing each payday towards a team effort to win the lottery. Although team members' job-

related roles were defined by the organisation and the structure of the tasks at hand, informal roles began to emerge as well. One person was acknowledged as the group comic, another coordinated the group's social events, while yet other individuals became the most adept at repairing certain equipment or handling difficult customers. As team solidarity and identity formed, the team began to distance itself from other groups and considered itself to be superior. In response, Laura took time to remind the team of its role in the overall organisation, the 'team of teams', and to require cooperation and respect for other groups. By this time as well, Laura had ensured that resources were well established, and a steady group output became apparent. In terms of social relationships, small groups or cliques formed: for example, Laura noticed that the same three women normally went to lunch together and sat together during group meetings. By the same token, when a new person entered the group, he found it more difficult to 'break in' to the group, as the group hierarchy had been well established. Consequently, Laura took special care to ensure that the new man met people, worked on joint assignments and so on in order to speed his acceptance into her team.

Although Laura's team has developed far enough to produce steady results, she still has concerns at this norming stage. Norms have developed that have prevented the group from capitalising on its potential. One of the key characteristics is an attitude among team members that 'we have worked hard to get this far so don't rock the boat'. As problems occur or individuals make the inevitable errors, such issues are typically handled so as to minimise individual distress. Therefore, Laura is concerned that her people do not challenge each other on difficult issues; concerns are often expressed behind people's backs or not at all. Performance feedback is seen as Laura's job exclusively. And change is seen as a threat, because it may cause the group to revert to the storming stage.

In order to help the team capitalise on its potential and move into the performing stage, Laura has begun to focus on ensuring that team wins continue and that individuals continue to grow and develop. Goals are set higher, and Laura has begun to talk openly about her own issues and concerns. A clear priority is to develop an air of openness and feedback, valuing criticism, from whatever the source, as a key method of performance improvement and setting the example in that regard. Toward that end, Laura is striving to set a standard of feedback that is candid, constructive and current. As individuals express concerns about performance issues, Laura encourages them to talk directly with those involved. Delegation of meaningful and challenging assignments is increasingly important at this point in order to develop shared leadership responsibilities within the group, so Laura devotes energy to understanding each person's abilities and aspirations in order to be able to make such assignments. The concept of 'synergy' or team effectiveness is openly discussed, recognised and rewarded. When possible, Laura bases rewards on team outputs rather than on individual rewards. When new members are brought into the team, Laura is increasingly selective, basing much of her decision on the candidate's ability to add to the team's success.

9.5.5 Maintaining High Performance

Laura's team is at the norming stage, and she is hoping to develop it so that it can become a high-performing team. If Laura and her team are successful at moving into the performing stage, she will want to maintain that position. As the performing stage is reached, individual concerns will have been largely resolved. Therefore individuals will find themselves committed to the team and its success. A high level of individual confidence and maturity will be required, as individuals will be expected to engage in a substantial amount of feedback with their peers.

At the performing stage roles will be clear, with each team member's contribution distinctive. Creativity will be valued and apparent; change seen as an opportunity rather than a threat. Open discussion and acceptance of differences will be standard practice, and the cliques apparent in the norming stage will have faded. High levels of trust, pride, openness, support and empathy will, unsurprisingly, result in superior team performance. The need to distance the team from other groups, the sense of superiority will be far less apparent and, indeed, other teams will value working with Laura's performing team. 'The best team I have ever worked with', is a common evaluation by individual members.

Laura must bear in mind that the performing team is not without its vulnerabilities, however. Prime among them is the need to rebuild whenever new team members come on board. Naturally the new member needs to learn and accept this very challenging way of working, and any team member has the ability to damage the team's performance. By the same token, a series of crises or failures can cause the team to question itself, as much of its culture is based on success, resulting in regression to earlier stages of team development.

The challenge for Laura as the leader of the performing team is to maintain the level of performance. Her leadership behaviours will need to be more shared and participative. Goals and procedure will be set jointly, individuals developed in new and more challenging areas; perhaps selection of new team members will be done by the team rather than by Laura. She will find that facilitation and coaching skills are her primary modes of operating. There is little doubt that it will require a superior level of self-confidence and maturity on the part of Laura and each follower to maintain such a high level of team effectiveness.

Think of the characteristics of your current work team. Which of Tuckman's stages does it most resemble?

Given this view of your work team, what are the leadership behaviours that are now required to move the team forward?

We may also see that there is considerable overlap between the situational leadership model and Tuckman's model of group development. It can be argued that a team in the forming stage requires Style 1, directing leadership while requiring Style 2 coaching as it moves through the storming stage. Of course Style 3, supporting, will be an appropriate style to support a team in the norming stage, and delegation is the best approach to dealing with a high-performing team.

9.6 Looking Ahead to the Leadership of the Larger Organisation

Mastery of the skills of managing the individual and of leading teams is invaluable to any leader. Considerable effort is required to apply such skills consistently and in a highly effective manner. Practice and feedback, along with thoughtful introspection and self-management, will no doubt help any leader hone these skills.

But what skills are required to influence individuals and teams across the larger organisation, where people are most often not within the leader's direct control? Are the individual and team leadership skills enough? Or is more required? Module 10 addresses that question.

Learning Summary

- Leading the individual is primarily psychological in nature, focusing on one task or situation at a time.
- Team leadership involves many tasks at the same time, and considers social, psychological and team dynamics.
- Organisational leadership is 'big picture' focused, uses influencing skills, and considers political, historical and sociological factors.
- In all leadership behaviours, there are two additional, underpinning leadership realms: leadership of self (managing personal energy and courage) and transcendent leadership (the key component being integrity).
- Leading an individual involves some level of both task focus and relationship focus.
- Situational leadership provides a model for selecting an effective leadership approach based on the development level of the individual.
- Individual development levels may be diagnosed by understanding the follower's competence, commitment and confidence for one particular task.
- As the development level is identified, the leader will then choose to use a corresponding leadership style: directing, coaching, supporting or delegating, depending on the follower's needs.
- Under-leading or over-leading an individual can have both positive and negative effects.
- Teams go through predictable development stages: forming, storming, norming, performing.
- The leader, as in situational leadership, can diagnose the team's development level and then choose leadership actions that will facilitate the team's growth to the next stage.
- There is considerable similarity between the team development stages and the individual development levels of situational leadership.
- Although the skills needed to lead individuals and teams are invaluable, additional skills will be needed in order to influence the wider organisation.

Review Questions

True/False Questions

- 9.1 Most employees require a substantial leadership focus on task accomplishment as well as feeling supported and appreciated, regardless of the task. T or F?
- 9.2 Self leadership is most likely to be needed in times of challenge and hardship or even crisis. T or F?
- 9.3 The key transcendent leadership component is spirituality. T or F?
- 9.4 The consequences of over-leading are substantially less than those of under-leading. T or F?
- 9.5 Once high performance is achieved, it will likely remain there unless the organisation and/or the team changes. T or F?

Multiple-Choice Questions

- 9.6 You have asked a new employee to write a report to buy new equipment for the division. She needs to learn more about this equipment to make a sound decision about options and costs. She feels this assignment will stretch her already full schedule. You would:
 - A. tell her you want the report. Explain what you want in the report. Outline the steps she should take to become knowledgeable about the new equipment. Set weekly meetings with her to track progress.
 - B. ask her to produce the report. Discuss its importance. Ask her for a deadline for completion. Give her resources she thinks she needs. Periodically check with her to track progress.
 - C. tell her you want the report and discuss its importance. Explain what you want in the report. Outline steps she should take to learn more about the equipment. Listen to her concerns and use her ideas when possible. Plan weekly meetings to track her progress.
 - D. ask her to produce the report. Discuss its importance. Explore the barriers she feels must be removed and the strategies for removing them. Ask her to set a deadline for completion and periodically check with her to track progress.

- 9.7 Your taskforce has been working hard to complete its division-wide report. A new member has joined the group. He must present cost figures at the end of next week, but he knows nothing about the report requirements and format. He is excited about learning more about his role in the group. You would:
- A. tell him exactly what is needed. Specify the format and requirements. Introduce him to other task-force members. Check with him frequently during the week to monitor progress and to specify any corrections.
 - B. ask him if there is anything you can do to help. Introduce him to other task-force members. Explore with him what he thinks he needs to get 'up to speed' with the report. Check with him frequently during the week to see how he is doing.
 - C. specify the report format and information needed, and solicit his ideas. Introduce him to each task-force member. Check with him frequently during the week to see how the report is progressing and to help with modifications.
 - D. welcome him and introduce him to members of the taskforce who could help him. Check with him during the week to see how he is doing.
- 9.8 Your work group's composition has changed because of company restructuring. Performance levels have dropped. Deadlines are being missed and your boss is concerned. Group members want to improve their performance but need more knowledge and skills. You would:
- A. ask them to develop their own plan for improving performance. Be available to help them, if asked. Ask them what training they think they need to improve performance, and give them the resources they need. Continue to track performance.
 - B. discuss your plan to solve this problem. Ask for their input and include their ideas in your plan, if possible. Explain the rationale for your plan. Track performance to see how it is carried out.
 - C. outline the specific steps you want them to follow to solve this problem. Be specific about the time needed and the skills you want them to learn. Continue to track performance.
 - D. help them determine a plan, and encourage them to be creative. Support their plan as you continue to track performance.
- 9.9 You have recently noticed a performance problem with one of your people. He seems to show a 'don't care' attitude. Only your constant prodding has brought about task completion. You suspect he may not have enough expertise to complete the high-priority task you have given him. You would:
- A. specify the steps he needs to take and the outcomes you want. Clarify timelines and paperwork requirements. Frequently check to see if the task is progressing as it should.
 - B. specify the steps he needs to take and the outcomes you want. Ask for his ideas and incorporate them as appropriate. Ask him to share his feelings about this task assignment. Frequently check to see the task is progressing as it should.
 - C. involve him in problem-solving for this task. Offer your help and encourage him to use his ideas to complete the project. Ask him to share his feelings about the assignment. Frequently check to see that the task is progressing as it should.
 - D. let him know how important this task is. Ask him to outline his plan for completion and to send you a copy. Frequently check to see if the task is progressing as it should.

- 9.10 Your team is very competent, and followers work well on their own. Their enthusiasm is high because of a recent success. Their performance as a group is outstanding. Now, you must set unit goals for next year. In a group meeting, you would:
- A. praise them for last year's results. Involve the group in problem-solving and goal-setting for next year. Encourage them to be creative, and help them explore alternatives. Track the implementation of their plan.
 - B. praise them for last year's results. Challenge them by setting the goals for next year. Outline the action steps necessary to accomplish these goals. Track the implementation of your plan.
 - C. praise them for last year's results. Ask them to set the goals for next year, and define the action plan needed to accomplish these goals. Be available to contribute when asked. Track the implementation of their plan.
 - D. praise them for last year's results. Set the goals for next year and outline the action steps necessary to accomplish these goals. Solicit their ideas and suggestions and incorporate them if possible. Track the implementation of your plan.

Case Study 9.1: What Should I Do With a Team Like This?

Aruna was happy, nervous, apprehensive and filled with pride, all at the same time. She had received an offer from Riverton Social Services to take over as the supervisor of the Department of Child Protective Services. As a qualified social worker with a master's degree and 12 years of experience, the promotion was an obvious opportunity for her to progress her career. And the increase in salary would also be a big help for her family, especially with two teenaged children!

Aruna knew that the Child Protective Service department comprised nine social workers and a half-time administrative support person. By all accounts, the department was very competent, had high morale, and did an exemplary job. This success was in spite of its many and difficult challenges in working with the extremely sensitive work such as investigating child abuse allegations, dealing with abandoned infants, finding care for children whose parents were no longer able to provide care for any number of reasons, and so on. Not only were social workers required to be objective and sensitive in dealing with families, but they also needed to work effectively with the court system, with a variety of medical specialists, with other departments within Riverton Social Services, the community at large and more.

The previous supervisor who had been in post for some eight years, Jose Pirella, had taken a promotion to the Adult Services Division, and Aruna had responded to the job advertisement from her position as assistant team leader with the social services function at nearby Wellingsborough. She knew that two of the candidates for her new job were from within the department, whereas all other applicants were external. Upon entering her job, Aruna took special care to sit with each of the unsuccessful applicants in her team and discuss the situation openly and frankly.

Jose had taken a few days to help Aruna get situated, discussing each team member, introducing her to others within Riverton Social Services, orienting her to the community, its neighborhoods and the various community resources and contacts within Riverton. 'This has been a great team,' Jose assured Aruna. 'I'm really going to miss them. They are all more than competent and they pull together to get the job done.'

Heartened by Jose's view of the team and filled with enthusiasm, Aruna had hit the ground running. She took on a partial case load herself, something that Jose had avoided doing, while taking time to meet with each team member about their goals and aspirations. She began meeting monthly for a 'one on one' with each individual and instituted a one-hour staff meeting each Monday morning to help the group organise the week.

In spite of Jose's assurance about the team's high level of productivity, Aruna noticed a few things that tended to bother her. Although there was no doubt that the work usually got done, and at a relatively high level, Aruna noticed that things did slip through the net occasionally, primarily because of a lack of internal communication. Rather than a team, she began to feel that her new department really consisted of two mini-teams and several individuals. Four of the social workers, a man and three of the younger women, had arranged their desks so that they were adjacent within the open plan office, and they spent more time with each other than with any other team members. They ate lunch together, shared problem cases with each other, and provided moral support when needed. Another group of three caseworkers also formed a small tight group, even a clique. They were two 'old timers' and a third woman, in post for just a year, who had been taken into the group. They too, as with the first group, spent most time and emotional energy within their small group. Two other individuals did not particularly get involved with either group but pursued their caseloads with quiet determination. Most troubling to Aruna was that the two mini-teams tended to pass judgement on each other. She had learned that the larger group was called the Gang of Four, and the smaller group in turn was labelled the Tubby Trio. In Aruna's one-on-ones, it was common for a member of one group to point out perceived shortcomings in others not a part of his or her group. By the same token, the mini-teams would readily cover workloads for members within their own group, but were far less enthusiastic about helping other department members.

Aruna had talked with the group about some development possibilities that would institute a new system of job rotation so that individuals could work in new parts of the community or, for example, gain experience in working with the courts if they did not have that experience, and so on. Surprisingly, she found resistance to the idea. 'I think we learn a lot like we are now,' had responded a member of one of the mini-teams. 'If things are working well now, why change them?'

It became increasingly evident to Aruna that her department was not functioning as well as it could when she received a complaint one morning from a court-appointed attorney representing a child who was a part of the department's case load. 'We had a court hearing this morning and you were supposed to have a caseworker there to give a background report. No one showed up and we have had to postpone the hearing. You have cost me money and wasted the court's time. And the kid is still in limbo. What kind of place are you running?' the lawyer had angrily asked before slamming down the phone.

Upon closer examination, Aruna found that the caseworker who was to have been at the hearing was a member of the Tubby Trio. Vera, a member of the Gang of Four received the phone message regarding the court hearing late in the day. She then duly left the message on the administrative assistant's desk. 'But I don't even come in until 11 am, so it was too late by then,' wailed the administrative assistant with obvious distress. 'They are always dumping everything on my desk, and it's just not fair.'

Vera also took little responsibility. 'It's just poor communication around here. It's always been a problem, always will be,' said Vera, nodding her head wisely. 'We always

leave messages on the administrative assistant's desk and are supposed to check them when we come in each morning. And the Tubby Trio are the worst of the bunch in keeping everyone informed, so they should be the last ones to complain!

Driving home that evening, Aruna knew that the honeymoon period for her new job was over. She had to do something, but what? 'What should I do with a team like this?' she asked herself.

Questions:

- 1 What stage would you say Aruna's team has reached, referring to Tuckman's team development model? Why did you choose that stage?
- 2 Imagine that you are Aruna's mentor and she has come to you with this problem. What is your advice to her? What specific things should Aruna do as a leader to support her team's development?

Case Study 9.2: The New Supervisor

The Hail Britannia Corporation, a worldwide printer of magazines, established the Hucklesbury plant some ten years ago. As operations began, Wendell Collins was hired to perform the maintenance on the new printing machines. Initially, because the equipment was new and there was only one print line, Wendell's job was primarily one of preventive and routine maintenance. Having considerable experience, Wendell was ideally suited for the job at Hucklesbury 'A real star', his boss said.

As the plant became successful and it took on more work, a second and then a third print line was established. A young man was hired to help Wendell. He had little experience and mostly assisted Wendell with his work, fetching parts and tools, making tea and so on. The new assistant clearly had little of Wendell's ability.

In time, as growth continued and the print lines began to be used on virtually a 24-hour basis, it became apparent to Wendell's boss, Burton Sykes, that more maintenance men would be needed. He knew from other plants where he had worked that it was not uncommon to have two maintenance men for each print line. In addition, some of the machinery had begun to age, so breakdowns were somewhat more common, with major overhauls of some of the equipment beginning to be required.

As always, Wendell's abilities and knowledge were unquestioned. If it could be repaired, Wendell could do it. The problem, Burton noticed, was that complaints were becoming more frequent about the time lag for repairs. He also noticed that the preventive maintenance programme was running behind schedule, or in some instances was simply not completed at all. 'Yes, yes, I'll get around to it,' Wendell would say when reminded, 'but I've got to replace those bearings for the roller feed on Line 2, like ASAP!'

The next Monday morning Burton had decided on a course of action. 'Wendell, you are terrific. We could hardly do without you. But the fact is, you only have two hands and we can't have you working 24 hours a day. We just aren't keeping up like we used to, given the additional demands on our production capabilities. So I've obtained approval for some additional positions in maintenance, and I would like you to consider accepting an upgrade of your job to maintenance supervisory. What do you think?'

'Why sure, Mr Sykes. That would be terrific. My father was a foreman at his work, and he always did well at it, and I had always thought I might like to give it a go as well.' Burton and Wendell both left the meeting, pleased at the outcome.

Three additional men were duly hired, but Burton soon noticed that Wendell preferred to jump in and do things himself, particularly jobs that posed any particular difficulties. In addition, Wendell tried to be available to assist the other men with any problems, but was as apt to tackle one of their problems himself as to give them directions or training. Very often Burton would see the other maintenance men standing around watching Wendell and handing him tools. In the meantime, complaints from production continued to grow.

'Look, Wendell, you've got to start being a supervisor.' Burton had called Wendell into his office. 'You are still too much hands-on. You need to delegate. You need to set standards and ensure the other four men adhere to them. If they can't do the work, give them the training or coaching. But you can't continue doing it all yourself. As the supervisor, you should reinstate the preventive maintenance programme, make sure you've got a capable staff, make sure that the production people have equipment that is available for use all of the time. And you've got to do that through your people. So just get out there and make sure your men do the work. Do you understand?'

'Why I guess so, Mr Sykes. But it's such a complicated plant, and I feel responsible. I mean if things go wrong, it will come back on me, won't it? However, I'll do my best. You know that!'

'Good man,' replied Burton enthusiastically. 'If you need anything at all, just let me know!'

In the following weeks, Burton was disappointed to learn that Wendell was still a supervisor in title only. Sales complained that they were missing commitments to their customers because of repeated equipment breakdowns, missed deadlines, bottlenecks in getting maintenance schedules set up, and quality problems. The production manager reported that Wendell's staff often could not complete their work without calling Wendell personally. Although Wendell's staff wanted to suggest some alternatives to deal with the problems they faced, Wendell didn't seem to want to listen. He wanted to keep a close watch on everything, check everyone's work, give input on everyone's projects, and make all the key decisions. Rather than select, train and rely on competent people, Wendell seemed to prefer to work long hours so he could keep his hand in everything, often leaving late and then returning to the plant in the early hours of the morning.

Then one of Wendell's staff, Colin, came into Burton's office to express his frustration. Colin wanted to tackle the repairs on a particular piece of equipment that had been manufactured by the company he used to work for. Colin, in fact, had developed some of the technical specs on the equipment when it first came out. He could troubleshoot this machine in his sleep. He had practically worked seven days a week on the team that designed it. Colin reasoned that if he tackled these repairs, at least some departments could meet their production schedules, and the whole place wouldn't be as crazy as it was now. As it was, nothing was getting done.

However, when he was approached, Wendell told Colin that Colin didn't understand what was going on, that everything was under control, and that Wendell would take care of things as soon as he could. He told Colin to keep working on another job. 'It's really frustrating,' exclaimed Colin in Burton's office. 'Wendell doesn't recognise my

skills, and he doesn't seem to trust me. We all stand around waiting for Wendell to figure out what to do next, and Wendell just seems to be overwhelmed by the amount of work there is to be done.'

Burton realised that some action needed to be taken. He also recognised that Wendell was a valuable staff member and had devoted ten years to the company. He had always been willing to do what it took to get the job done. To discharge or demote such a man would be a poor way to compensate him for his loyalty.

Questions:

- 1 Describe Wendell's various development levels during his time working at the Hucklesbury plant, and the situational leadership styles chosen by Burton to provide leadership to Wendell.
- 2 What has gone wrong? Where has there been a failure of effective leadership?
- 3 If you were in Burton's position, how would you attempt to put the situation right so that the maintenance function began providing the required level of service?

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Leadership Across the Larger Organisation

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Learning Objectives

By the end of this module, you will be able to:

- describe the situations in which organisational leadership skills are required;
- identify the differences between organisational leadership and leadership of individuals or teams;
- list the five sources of social power and give examples of each;
- describe a scenario in which a combination of social powers would be appropriate;
- define the difference between power and influence;
- list the five leadership practices identified by Kouzes and Posner and several leadership activities that would support each practice;
- identify areas in your leadership role where you can make better use of social power and influencing skills.

10.1 When We Must Lead the Organisation

As we examined the process of leading the individual, it is apparent that our focus has been on developing the individual's skills, knowledge and attitudes about the job in order to perform it adequately. Our purpose, as the individual's boss, is to support his or her movement from one situational leadership development level to the next. Similarly, team leadership, as we have seen through Tuckman's model, is also a developmental process. But team leadership is more complex in that the team leader's emphasis also includes building acceptance and trust, providing resources,

developing team processes, managing group dynamics, ensuring agreements are kept, and so on.

10.1.1 How Leading Organisations Differs

Very often, in order to accomplish our goals, we must also gain the acceptance and cooperation of individuals and groups throughout the organisation. This point is clear if we consider individuals who take on lead roles such as chairman, managing director, president, chief executive and so on. However, there are often occasions when leaders, be they supervisors, middle managers or individual contributors, need to provide leadership to the greater organisation, even when individuals and teams are not directly accountable to them. Examples are numerous: the manufacturing director who needs to gain the support of the sales, logistics, purchasing and marketing departments in working through a production delay; the quality manager who wants to implement a quality improvement initiative across the organisation; the finance vice-president who plans to introduce a new budgeting process; the human resources specialist who needs to gain support for completion of the annual performance review process; and so on. In short, they will need to address the challenges of providing **organisational leadership**.

Table 10.1 Three differing leadership requirements

Individual leadership	Team leadership	Organisational leadership
<ul style="list-style-type: none">• One task• One person• One situation• Immediate timeframe• Leader focuses on follower task accomplishment• Psychological in nature	<ul style="list-style-type: none">• Multiple tasks• Team or group• Several simultaneous situations• Intermediate timeframe• Leader focuses on success of the team• Is social, psychological and involves group dynamics	<ul style="list-style-type: none">• Mission, purpose, vision, strategy• Organisation or community• Many simultaneous situations• Long timeframe• Leader focuses on survival and success of the organisation• Political, historical, sociological in nature

Not surprisingly, when we begin to identify effective organisational leadership behaviours, the challenges are even more daunting and complex than in leading individuals and teams. For now we must paint a vision that appeals to others and then develop the systems, structure, resources, skills and monitoring processes in order to pursue that vision. As shown in Table 10.1 and discussed in Module 9, we must consider the overall strategy of the organisation, substantially longer timeframes, organisational culture, history and politics and much more. Although we are not in direct control of others' behaviour, we must, nevertheless, somehow find how to influence their behaviour.

In order to do so, it will be helpful first to understand the ways in which power and influence may be projected within organisations.

10.2 Sources of Power

Must we have the benefit of certain sources of power in order to provide leadership across the organisation?

If so, what are your sources of power in your current situation?

Is power primarily a result of your position within the organisation, or do you have other sources of power?

How do you best use that power to gain the support of others throughout the organisation?

If a leader is to gain the support and cooperation of others in achieving desired aims, must she or he not somehow garner the power to obtain the cooperation of others? Having power over others in an organisational setting, sometimes termed **social power**, may be defined as the ability to have others modify their behaviour in a desired manner, without, in turn, having to modify your own behaviour. If that is so, then where is such power derived? One of the most cited discussions of social power was published nearly 50 years ago by French and Raven (1959), who identified five sources of social power:

- **reward**: providing something of value to an individual for responding in a desirable manner;
- **coercive**: the threat or application of punishment if the individual does not respond in a desired manner, often seen as the opposite of reward power;
- **legitimate**: the 'official' authority conferred on someone as a part of their position of responsibility within the organisation;
- **referent**: specific to the individual because they are well liked or admired (charisma and/or 'star' status are intrinsic to referent power);
- **expert**: based on specialised knowledge needed by but otherwise unavailable to others.

But are these sources of power still relevant for leaders in today's organisation? Particularly in our flatter organisations, where hierarchies have been minimised, leadership tends to be diffused, and we more and more often work in cross-functional teams. This is in contrast to the hierarchical organisation that was the norm in 1959. In essence, we might well ask whether the traditional views of power are still relevant for contemporary leaders. Therefore let us examine each of these types of power in the light of its relevance to contemporary leadership practices.

Table 10.2 Social power by type and example

Sources of social power	Examples
Reward	<ul style="list-style-type: none"> • Pay • Incentive schemes • Bonuses • Verbal praise • Gifts • Symbolic rewards such as plaques, awards, etc.
Coercive	<ul style="list-style-type: none"> • Threats of withdrawal of reward • Verbal (destructive criticism, bullying, etc.) • The disciplinary process • Ignoring, exclusion from the group • Assignment of unpleasant work • Discharge from employment
Legitimate	<ul style="list-style-type: none"> • Appointment to a management position • Active support from a senior person • Legally required such as internal auditor or safety officer • Membership of an external legal control entity
Referent	<ul style="list-style-type: none"> • Someone achieving an heroic feat • Public entertainment 'star' • A 'star' within a profession or field of endeavour • A highly charismatic individual
Expert	<ul style="list-style-type: none"> • Doctor • Research scientist • Building contractor • Engineering specialist • Pilot • Specialty consultant

10.2.1 Reward Power

Reward power may easily be seen to be nearly synonymous with money, the 'carrot' part of motivation. At first blush, money may be thought to be an obvious source of organisational power for management because employees attend their jobs and, in exchange, receive pay. However, few studies are able to find a direct relationship between pay and levels of motivation. In fact, Herzberg *et al.*'s (1959) classic study of motivation in organisations found that pay was as likely to cause *dissatisfaction* among employees as satisfaction. (An example is the employee who receives a 4 per cent pay rise, only to become upset when he finds that a peer has received a 5 per cent increase.) A paycheque is clearly a reason to continue to attend work on a regular basis, but it does not necessarily ensure high levels of enthusiastic support for desired aims. More is required.

Therefore, beyond just paying a salary, many organisations use incentives. An incentive is a contract of sorts with employees whereby if they meet or exceed certain targets, they in turn will receive pre-established rewards, usually monetary, although some organisations exhibit schemes in which employees earn gifts or extra holiday time. An incentive is a contract for performance: if you achieve this, the organisation will give you that. It is in contrast to a reward, which may or may not be expected and is given after the fact.

Sales people are commonly given monthly incentives through sales goals to spur behaviour and earn bonuses. Executives are awarded stock options, usually based on achieving a basket of corporate performance indicators. Gain-sharing is a complex method of providing incentives for teams, particularly in manufacturing, for exceeding output and efficiency goals.

Reward power is practised far beyond granting pay, however. Some organisations give each employee a gift or fund a celebration at Christmas as a token of goodwill. We have seen a variety of other creative efforts to reward employee behaviour. For example, one employer awarded catalogue gift tokens for specific behaviours; another had monthly prize draws for employees taking no sick days; yet another bought free pizzas for lunch whenever a new productivity level was achieved.

However, rewards can also be non-material, being largely symbolic with little or no monetary value. The oft-cited ‘pat on the back’ or expression of appreciation from management is an obvious symbolic reward. Other examples we have noted include certificates or letters of recognition, ‘service’ pins for years worked, free coffee machine tokens for meeting quality targets, and even the honour of no longer having to use time cards for employees with outstanding attendance.

For contemporary leaders, understanding how rewards can influence behaviour is doubtless a valuable leadership tool. But rewards are complex, subject to the individual’s perception, and not easily administered, especially over time. Otherwise, the use of incentives and rewards would be ubiquitous throughout business, industry and government. However, most employees appreciate a word of thanks, or lunch ‘on the company’ for their efforts. Therefore leaders can clearly make use of informal and nearly cost-free methods or reward such as praise, commending individuals who have been supportive to higher management, sending letters of thanks and so on. All of the ways in which a leader can make individuals feel appreciated, that their contribution was worthwhile, will be ways in which we can access reward power.

We know one leader, Audrey, who was a master at using reward power to gain support. She came to our attention as the manager of a customer service team comprising some 15 women who dealt with customer orders, primarily over the phone. Middle-aged and rather plump with a cherubic face, Audrey was consistently able to gain support and cooperation for her department, primarily through informal rewards. When the IT department was called in to work through the night in order to repair the order system, which had crashed, Audrey baked a cake and gave it to the department. Sure, it was the IT department’s job, but by prompt and diligent attention to the problem, it also saved Audrey’s department considerable work. When a new employee came into the department, not only were they formally

welcomed with a small reception, but Audrey invited the woman from the personnel department who coordinated the recruitment process. When the shipping department fell behind in filling orders, Audrey quietly asked the department manager if there was any way in which her department might lend a hand.

With the use of such rewards, Audrey not only cemented relationships between her department and others, but also knew that, when she needed help, she would receive full attention and support for her department's challenges.

10.2.2 Coercive Power

Coercive power is often seen as the opposite of reward, the second part of the 'carrot or stick' equation. Such power is displayed in most organisations through a portion of the performance management system commonly referred to as the **disciplinary process**. Through this process, if there is a continued performance deficit, the employee will be taken through a series of increasingly severe disciplinary steps that ultimately, if insufficient improvement is shown, will result in the employee's loss of employment.

Of course there are other types of coercive power that can be employed, such as the withholding or withdrawal of rewards. For instance, an employee might not receive as much annual pay increase if performance is not judged to be adequate. Or, rather than being fired, a person not performing adequately might be demoted, given a smaller job with a smaller salary. Less formally, an employee may be coerced through demeaning comments made by those in positions of authority. And lest we think that such behaviour is on the wane in our era of enlightened management, there is increasing concern about the incidence of workplace bullying, as evidenced by the media reports of many countries.

In the final analysis, the *formal* use of coercive power is usually carefully delineated and monitored in organisations and is seen as a method of last resort, i.e. the disciplinary procedure in order to improve performance. In practice, managers find administering the process distasteful, to be avoided when possible. The process is often so distasteful and laborious that dealing with substandard performance is often done indirectly by trying to move employees to other departments, or by selecting them for discharge from the organisation during times of downsizing.

Coercive power is not readily available to leaders without the authority to exercise it. Therefore we cannot, for example, invoke the disciplinary process with an employee who works for another manager. But most managers generally eschew the use of coercive methods even within their own areas of authority. For punishment has a very practical problem in its results: *it is eminently unpredictable*. With a few employees, punishment or its threat may bring enhanced performance. But many individuals, rather than being motivated, will become disillusioned, sullen, resentful or withdrawn. They may choose other responses such as:

- losing motivation, beginning to do just enough to get by or avoid punishment;
- striking back, perhaps not physically (although it occasionally happens), but indirectly through vandalism, pilferage, 'losing' things, padding time sheets and so on;

- broadcasting their treatment to others throughout the organisation and elsewhere, effecting overall motivation;
- taking extra time off work, often as stress-related illness;
- initiating time- and resource-consuming appeals or legal procedures, either through their union or the courts, for bullying, constructive dismissal and so on;
- finding employment elsewhere.

It should also be noted that the administration of coercive power is not just experienced by the individual receiving the treatment. Others in the organisation are often aware of the actions and tend to feel that, if one person is treated that way, others in the organisation may well suffer the same treatment.

In contrast to Audrey, who was shown to be a master at using reward power, we are reminded of Bernie, a vice-president of sales and marketing for the health care products division of a multinational firm. Large of stature with a booming voice and highly competitive, Bernie sought to win each point of each problem through sheer domination and coercion. The pity of Bernie's leadership style was that it interfered with his overall contribution to the company. For Bernie also had a considerable talent for creative marketing campaigns, which were widely regarded throughout the industry. By contrast, his relationships within his organisation were problematic to say the least. He was intensely disliked by his peers as, when debating a point, he would talk over them with his loud voice to the point that they would simply give up and withdraw in disgust. His employees had somewhat more appreciation for him, although they feared his unpredictable and volatile approach to issues. They often referred to him as a bully. The result was that he gained only the minimal amount of direct cooperation from the other executives, who preferred to work with Bernie's subordinates. People within his department often kept information from Bernie that they thought might upset him, and met in secrecy with other department representatives to get the work accomplished. The company president dealt with Bernie only with great difficulty, having to rely on positional power to impose decisions with which Bernie disagreed. In the end, because of his abilities (the firm did not want him to work for competitors), Bernie was 'promoted' to a position at corporate headquarters where his influence was primarily advisory and far less dysfunctional. By changing his level of legitimate power, they also somewhat curbed his coercive power.

It becomes apparent, then, that although coercion is clearly a *potential* source of power, it should be avoided when possible, and has very limited practical long-term application for most of us who require continued organisation-wide support for our aims.

10.2.3 Legitimate Power

Legitimate power has been bestowed by the organisation through the leader's placement within the organisational structure. At its most basic, legitimate power defines whom a leader can hire and fire. When an employee is hired, legitimate power also gives the leader the right to require that employee to perform certain tasks to certain standards. Of course, this legitimate power usually carries certain

responsibilities, such as providing training and directions, caring for health and safety standards, providing feedback and support, and so on. But, at the end of the day, legitimate power bestows the legal authority of one person to have control over another.

Legitimate power sounds seductive. It would, perhaps, appear to be the most effective type of power: the employee voluntarily comes to work for the organisation, the organisation bestows its legitimate power on more senior and experienced people to get the work done, and everything works out for the best! In practice, it may well be that legitimate power is not particularly effective, particularly in today's fast-changing organisations where tasks and teams are ever changing.

We often ask our leadership students to consider the differences between managing and leading. Almost without exception, these discussions lead to the conclusion that being a manager is the result of legitimate power being given to an individual through appointment to a particular position. However, having such legitimate power does not necessarily bestow leadership ability – that is much more dependent on *how* the individual projects his or her authority. It is often noted, in fact, that the person providing the most leadership in a group may not have positional or legitimate power at all.

We recall yet another senior manager, Rick, who took the position of company managing director after a successful time as director of research and development. It was felt that, because his division had been successful in developing and introducing a number of new products into the marketplace, his skills could be brought to bear to bring the company to profitability after several years of losses. Rick began his tenure by gaining board acceptance for the building of a new, state-of-the-art building, consolidating the various company departments that had been situated in leased facilities in an older industrial estate. The building immediately added considerable costs to the operation. Rick also put increased emphasis on new product development, hosting champagne celebrations with the launch of each new product. However, problems of a more immediate nature such as the need to upgrade the manufacturing process, to address cash flow problems, to replace the ageing IT system and an employee turnover rate of some 30 per cent, proved to be of less interest. He was remote and academic in his dealing with employees, and people came to have little regard for him. As the organisation continued to lose money, two of his vice-presidents met with him to forcefully voice concerns. The meeting deteriorated, and after some minutes of heated debate, Rick fired them both on the spot. Within days, Rick, suffering from nervous exhaustion, tendered his resignation.

Rick's story is not a particularly uncommon one. We can perhaps all relate stories of someone who gained legitimate status at the head of an organisation or department but did not possess the leadership skills to be successful in the role. Therefore we may conclude that legitimate authority will be at least an initial advantage in providing leadership across the organisation. Likewise, having the active support of a high-level executive for one of our tasks will provide a type of legitimate authority by proxy. But, in the end, success falls to the leadership ability of each of us as an individual leader, not to the title or organisational position of our job.

10.2.4 Referent Power

Referent power is closely related with charisma or ‘star power’. In the world of entertainment, rock stars inevitably have a following of ‘groupies’ who flock to their concerts, wear their T-shirts, collect memorabilia and focus a substantial portion of their efforts on somehow being close to their chosen subject of adoration. Such power is not exclusive to famous faces in politics and entertainment, however. Billy Graham, Pope John-Paul and the Ayatollah Khomeini are famous examples in religion, while the world of business features ‘legends’ such as Jack Welch, Bill Gates and Richard Branson.

Referent power is bestowed on such a leader by the followers because they admire the leader, find him or her captivating, and may wish to emulate the person. Occasionally, we may have experienced such a person within the work setting, a leader who was somehow able to command attention, speak convincingly to groups, and gain cooperation through the magnetism of personality. Such an individual is usually remote from most employees, perhaps a chief executive who is seldom seen in person but whose success is enough to become somewhat of a legend. Charismatic though the person may be, as we noted in Module 4, charisma often wanes as we become closer to or more familiar with the individual.

Similarly, referent power can easily decline as time passes and the era of success becomes a distant memory. There are many sad stories, such as that of Joe Louis, the heavyweight boxing legend who ended his days as a doorman at a Las Vegas casino.

If leaders are gifted with referent power, either through their deeds or through their personality, they are more fortunate than other leaders. Or are they? For it is clear that one does not necessarily need to have a charismatic personality to be effective. Indeed, the charismatic leader may have developed a personality cult, deflecting energy away from the aims of the organisation. In his very enlightening book, *Good to Great*, Jim Collins (2001) examined 11 companies that had shown exceptional and consistent growth for at least 15 years. Among his findings was a profile of the personality characteristics of chief executives of these organisations. Surprisingly, Collins discovered, ‘...an individual who blends extreme personal humility with intense professional will. We found leaders of this type at the helm of every good-to-great company during the transition era.’

Collins termed such leaders ‘level 5 executives’, people who build enduring greatness in their organisation through the paradox of extreme personal humility blended with a zealous will to make their organisation successful. None of the 11 executives was judged to be a great visionary. Rather, when taking on the chief executive role, they first gathered what they judged to be the best team together, and then *jointly* developed the vision through the team. Similarly, none was thought to be particularly charismatic. Most were self-effacing even to the point of shyness, and minimised their personal contribution. However, their pride and enthusiasm were tangible when they spoke about what the company had achieved.

Additionally, Collins speculated that leaders who relied on referent power did their organisations no long-term favours. They typically did not build the leadership

depth required for the organisation because they tended to be in the limelight, and when they left the organisation it tended to be no better off than before the leader took charge.

It would appear that referent power can be an asset. But it is unlikely that it provides long-term success or is even readily available for most of us who lead less commendable lives.

10.2.5 Expert Power

Expert power is gained because the individual has knowledge or skills not possessed by others within the organisation. Examples are abundant. In a medical emergency, the trauma surgeon is given control by staff and patient alike. The lead engineer is given the power to make decisions about a particularly vexing technical problem because of his or her acknowledged experience and training. Lawyers, accountants, research scientists, IT specialists and others all have expert power because they have knowledge unavailable to others.

However, expert power is also limited to specific settings. None of the individuals so far listed would have expert power if lost in the wilderness. In that setting a mountaineer would then be the expert and provide the key influence over the group. Of course, merely possessing the expertise is not enough. It is also how the experts project themselves in terms of their level of confidence as well as explaining their expertise so that it makes sense to the followers.

We are reminded of Werner, an engineer we knew in a heavy manufacturing plant. Werner had worked in the company for over 30 years and was widely regarded as, literally, a world-class expert in gaining optimum performance from major pieces of plant equipment. His expertise was such that he was often asked to fly to other sites around the globe to help address particularly difficult production problems. However, Werner nearly always took personal responsibility in addressing the problems: making equipment adjustments himself, suggesting revised operational settings and processes, ordering and even making repairs he considered to be appropriate, and so on. Werner was inevitably successful in resolving problems. But he rarely passed his knowledge on to others. He revelled in being a ‘firefighter’, but was reluctant to train others or even share the thinking behind his decisions. ‘I can’t really explain it,’ Werner would say, ‘but we had a similar problem at the plant in Ireland and it worked there.’ Werner clearly possessed more expert power than anyone else. But, by the same token, he unfortunately exhibited only limited leadership in spite of his vast knowledge.

Undoubtedly, given the successful application of advanced knowledge, expert power will flow to the individual. But the problem for leaders in relying too heavily on expert power is obvious: in situations where you are not the expert, you have no power. And in time, as managers rise in the organisation, they should become the *least* competent individual in their team – that is, if they are doing their job! For if success is to be long lasting, the leader will have gathered and developed a team of experts. Certainly the leader will be able speak knowledgeably about the task at hand, but it is preferable for long-term success that each follower becomes the acknowledged expert for his or her specific area. Indeed, for leaders who move

from their specialty into general management, it is certain that they will be leading individuals who have far greater levels of expert power.

Nevertheless, if you are a middle manager and need the support of others within the organisation to achieve your aims, it is likely that expert power will be quite important as a lever of influence. After all, if your purpose is to implement a quality improvement programme throughout the organisation, members of the various teams and departments will look to you as the expert who can support them in that process.

10.2.6 Employing Several Sources of Power

In practice, successful leaders will rely on a combination of the sources of power that we have discussed. Not all at once, of course, but they will draw upon each source when and where they can use it to best effect.

We were impressed with the leadership of Agata, an HR manager for the Polish division of a large trans-European logistics firm. He had agreed with his managing director and the senior management team to develop and implement a performance review system, a procedure totally new to the organisation. Agata started the project by getting positional power through the support of the managing director and the directors in the form of a formal announcement that they had tasked Agata with the project and asked the various department heads within the company to provide their support for implementing it in their respective areas. So although Agata's position was that of a middle manager, he had initially acquired substantial legitimate power.

He then spent time with each department head, explaining the process, listening to their concerns, and offering his support to them in training staff and actually implementing the process. Agata was able to make several adjustments to the process to partially address the department heads' concerns and make life a bit easier for them. By acknowledging the unique needs of each department and offering his support, Agata began building expert power. Additionally, as each department head felt unique and understood, reward power came to bear as well. For not only did the department heads feel well supported, but Agata consistently went out of his way to show appreciation when progress was made as well as provide positive reports to the senior management team about them.

There was no direct use of coercive power. However, indirectly, the department heads felt it, because Agata was very clear on the implementation date set by the executive staff and the work required to meet that deadline. The department heads knew that they, and in turn their bosses, would be subject to scrutiny if the deadline was not met.

Agata was a low-key, unassuming individual, but exuded optimism and confidence in himself and the department heads. No one would have thought of him as being charismatic, however, nor of having referent power. But neither did he need it. As the new performance review system began operating and moved seamlessly through its first cycle, it was clear that one of the firm's most able leaders was working as an HR manager in Poland.

Are you able to influence someone to support your aims, even if you do not have any particular power over them? How?

Is there a difference between influence and power? If so, what?

Assume you are responsible for developing and implementing a new system in your organisation (safety, quality, IT, purchasing, etc.). How would you go about providing leadership to the various departments so they are motivated to support this change, even though they do not report to you?

10.3 Power vs. Influence

Although it is clearly an advantage to have sources of social power as discussed above, we believe there is yet more to be considered in effective leadership than simply projecting that power in order to gain the cooperation of others. Even if a leader *does* happen to have one or more of the sources of power identified by French and Raven, it does not necessarily follow that the power will be well used. Each of us will have examples of a person in a position of authority (think of your worst boss) who used positional power inappropriately, unethically or, perhaps, not at all. Or recall how our technical engineer, Werner, protected his expert power, providing little leadership. Indeed, it appears that some actually give their power away, failing to capitalise on power that is available to them. Of course, this is an aspect of self-leadership that was discussed in Module 9.

10.3.1 Influencing Without Power

It is also evident that leadership can be exhibited, and quite effectively, by individuals who are lacking in virtually all five sources of power. This type of leader tends to serve as a catalyst and a facilitator, somehow making things happen but without needing to have a managerial job title, being charismatic or being an expert. Rather they tend to influence others by projecting a sense of **authority**, rather than by bringing a source of power to bear.

This authority may be legitimate authority, the type that a quality improvement specialist projects in leading a quality improvement programme. Followers respond to such leadership because it is sanctioned by the organisation, because it makes sense to them, and because it is the right thing to do in pursuing organisational goals. The authority may also be respected because of the leader's personal approach, experience or expertise, or because of long-standing practices. Regardless of the reasons for the authority, the differences between projecting power and having authority tend to be that those who project authority always engage in dialogue with those they lead.

Leaders such as these, who act with authority, are likely to use a coaching and consultative approach, providing equal measure of service and leadership: convincing, cajoling, praising, communicating, teaching, coaching, supporting, organising and following up. They gain the support of others. We think this skill set is more akin to influencing than to exerting power. In essence, such leadership success will

depend very heavily on influencing skills because, as we usually cannot command others, we must influence them to *want* to support our efforts.

Is influencing actually a set of behaviours? In other words, can it be learned? Let us examine the work of Kouzes and Posner to answer these questions.

10.4 Kouzes and Posner and the Leadership Challenge

Kouzes and Posner (2002) have examined the leadership process closely and provide insights that we have found to be particularly useful for leaders as they strive to influence others. The researchers began their study by surveying managers enrolled in university leadership development programmes. These managers were asked to describe their ‘personal-best’ leadership experience. We immediately see that this approach to the study of leadership varies from the process whereby ‘heroes’ are studied to see whether their leadership techniques can be identified and emulated. Kouzes and Posner reasoned that it would be more useful to identify what so-called ‘ordinary’ managers did when they were most successful, acting at their very best, and then try to draw lessons from these success stories.

Conducting their research for over 15 years, Kouzes and Posner surveyed thousands upon thousands of business and government managers, asking them to describe the specific things they did during their most successful leadership experience. The researchers were able to formulate five **key practices** of exemplary leaders from the tremendous amount of data they generated:

1. Model the way.
2. Inspire a shared vision.
3. Challenge the process.
4. Enable others to act.
5. Encourage the heart.

As with the Kouzes and Posner research, think of the time when you were most successful as a leader. Review the story, perhaps with another person.

What were the *specific* leadership actions that you chose which contributed to your success?

How closely do the practices you have identified mesh with the five key practices?

Importantly, the practices are not unique or beyond the scope of any leader. They are practices that all of us who wish to lead can incorporate into our own leadership practices. Let’s examine each of these key practices in more detail.

10.4.1 Model the Way

Set the example. Walk your talk. Be a role model. It is perhaps no coincidence that **model the way** is the key practice that Kouzes and Posner chose to place first on their list. It reinforces our view that the key transcendent leadership quality is integrity. Integrity is built by keeping our word, being straight with people, doing things the right way, and so on.

Modelling behaviour also implies that we don't ask others to do things we wouldn't do, and that the golden rule is a way of life. Values are central to the modelling process; indeed the leader's whole approach to business and people is values driven. Leaders who serve as a role model tend to engage in MBWA (management by walking around), being visible and available. Their approach to goal-setting is also notable in that they select only a very few, key priorities and then ensure that their followers can achieve a number of small wins on the way to achieving those priorities.

It is also easy and very common for leaders to forget to set the example. Many of these oversights may seem small and insignificant, but they clearly send a message. We have seen organisations where employees were required to wear name badges, but the executive staff largely ignored the requirement. During cost-cutting exercises, senior managers all too often retain their perquisites such as first-class airfares, executive dining rooms and, most damaging of all, good performance bonuses! And in the same organisation that proclaims 'Customers are our most valuable asset' we can also find managers talking disparagingly about the customers, a level of contempt for the customer that is readily picked up by employees.

It is apparent then, that modelling the way involves not only setting a good example, but also avoiding many of the small behaviours that set a *poor* example.

10.4.2 Inspire a Shared Vision

Envisioning the future is a central component of strategy development and business planning. But all too often the process becomes a paper exercise. 'Many plans end when the planning process ends and a formal written planning document is completed. The document is simply stuffed into a drawer and forgotten' (Pfeiffer, 1991). Conversely, this leadership practice demands an active, ongoing and involved process among leaders and followers.

Successful leaders not only spend time creating a vision, but they do so in conjunction with their followers, developing a vision that appeals to the aspirations of the follower. The vision is not the product of a particularly farseeing leader; rather it is a meaningful and appealing view of an alternate future that motivates those who are asked to be a part of it to *want* to be involved.

In our experience, successful leaders also place a good deal of emotion into promoting the vision. It is precisely the process of being emotional that gives the vision depth and meaning. So the leader not only possesses a wholehearted belief in the vision, but he or she also preaches the vision at every opportunity, often giving the same speech over and over again to any audience that will listen. We have often heard the story of Sam Walton, the founder of the US-based Wal-Mart chain of retail stores, who would travel from store to store and gather the employees and give them the same talk, store after store, extolling the virtues of their company and the services and products that they provided to their customers. Followers remember and are influenced by the emotion with which a message is delivered, long after the content is forgotten.

10.4.3 Challenge the Process

'If it ain't broke, don't fix it.' This traditional saying flies in the face of what Kouzes and Posner identified in the third leadership practice. Rather, they found that successful leaders consistently challenged the status quo, and nurtured the same characteristic in others. They were experimenters and risk-takers, taking time to question and explore alternatives, continually searching for ways to change and improve things. As one shopfloor manager said to his employee, 'If it ain't broke, then you haven't looked hard enough. There must be something you can fix!'

Of course, to pursue such practices and develop them in our workforce requires that the culture is one that allows mistakes – in fact encourages experimentation and the learning that comes from efforts that don't succeed. People who have ideas are asked to champion the idea and given the time and resources to experiment. Mistakes are not punished but become part of shared learning in such an environment.

Clearly innovation is increasingly important in today's highly competitive environment, and the need to develop new and more efficient methods of working has never been greater. Those leaders who have allowed a culture to develop that stifles innovation and risk-taking have minimised one of their most precious assets, the ideas and enthusiasm of their followers.

10.4.4 Enable Others to Act

Empowerment is the key to this leadership practice. For it will gain a leader little indeed if a vision is accepted but followers have little opportunity to develop their talents in pursuit of the vision. Certainly delegation is a part of this process. And we can perhaps far too often think of leaders who take most decisions, large and small. 'I feel like we are just a hired pair of hands, leaving our brains at the door,' remarked one disgruntled employee of such a manager.

So empowerment requires that our followers need to feel they have the opportunity and power to act. Leaders can instil a sense of power and control by allowing followers to make decisions. Indeed, it may well be that subordinates are *required* to make decisions. Indecisiveness is not tolerated while decisiveness is rewarded. 'The only wrong decision is indecision,' goes the old saying. Leadership is shared among the workforce, with each follower expected to provide leadership from time to time. The best-performing teams are those in which the leadership function is shared.

Table 10.3 Leadership challenges and supporting actions

Leadership practice	Supporting behaviours
<i>Challenge the process</i>	<ul style="list-style-type: none"> • Seeking opportunities that challenge and test our skills and abilities • Keeping up to date on the most recent developments in the organisation • Keeping up to date on the most recent developments in our field • Challenging the methods, processes and procedures we use at work • Looking for innovative ways to improve what we do • Asking 'what can we learn?' when things do not work out as expected • Experimenting with new approaches even if we might fail
<i>Inspire a shared vision</i>	<ul style="list-style-type: none"> • Discussing the kind of future we could create together • Appealing to one another to 'buy in' to one another's dream of the future • Communicating positive and hopeful outlooks for the future of the organisation • Showing one another how their individual future interests can be served by enlisting in a common vision • Looking ahead and forecasting the future • Sharing excitement and enthusiasm about future possibilities
<i>Enable others to act</i>	<ul style="list-style-type: none"> • Involving others in planning • Treating one another with respect and dignity • Giving people the discretion to make their own decisions and the training to make them correctly • Developing cooperative relationships with one another • Creating an atmosphere of mutual trust • Generating a sense of ownership among all of us over the work we do
<i>Model the way</i>	<ul style="list-style-type: none"> • Being clear about our philosophies of leadership, management and work • Breaking projects down into manageable chunks • Ensuring people adhere to the values and ideals to which we have agreed • Discussing our beliefs about how to run the organisation • Consistently practising the values, ideals and philosophies we espouse • Setting clear goals, plans and milestones for our work

Leadership practice	Supporting behaviours
<i>Encourage the heart</i>	<ul style="list-style-type: none"> • Celebrating our accomplishments when we reach milestones or achieve goals • Recognising people for their contributions to our success • Praising one another for a job well done • Giving one another appreciation and support for their contributions • Finding ways to celebrate our successes • Telling the rest of the organisation about the good work we do

Source: Kouzes J and Posner B, 2002

Kur (1997) cogently contrasted his experiences in having new tyres fitted on his automobile on two different occasions. At one firm, all customer contact, pricing information, discussions of product options and fitting decisions were subject to a rather lengthy process controlled exclusively by the shop manager while two shopfloor employees waited for instructions. Conversely, at the second tyre store, the young man who fitted tyres also greeted the customer, ascertained the customer's needs and preferences, agreed a price, and then proceeded with the work. There was no contact at all between the customer and the shop manager. It is this level of employee development that exemplifies the concept of empowerment and shared leadership.

In teams where employees are challenged (even expected) to grow and develop, they are given full support and recognition for their successes. Collaboration is also emphasised, within the work team and with other work teams, as it is apparent that the primary source of competition is the external business environment. We compare this collaborative approach with the manufacturing manager who deemed that the best way to improve productivity was to institute competitions among various manufacturing lines, giving awards for the 'winner' each week while subjecting 'losers' to public scrutiny.

Again, all too easily leaders can select behaviours that hinder initiative and empowerment, perhaps with the best of intentions, but nevertheless with the end result of actually dis-empowering the followers.

10.4.5 Encourage the Heart

Perhaps the most underutilised resource in today's organisations is the pride and enthusiasm of their employees. We can readily imagine a highly motivated and fulfilled employee discussing his or her day's work with family or friends. The enthusiasm is palpable. Again, Kouzes and Posner found that successful leaders spent a good deal of time with leadership practices that 'encouraged the heart'.

This did not imply a lack of high expectations. Conversely, goals and standards are clearly set at a high but achievable standard. And when those goals are met and exceeded, they are recognised and celebrated, personally and publicly. Followers of

course want to achieve and feel that their talents are being well used, but they also want to know that their efforts are appreciated by their employing organisation.

Therefore performance reward systems are established, for individuals or teams as is appropriate. We have seen such systems vary from a sophisticated 'gainsharing' pay system based on the achievement of a basket of monthly targets to a very simple system where employees were given free tokens for the coffee machine whenever productivity targets were exceeded. Regardless of the system, the need to focus on goal achievement is what is important for organisational success. It is worth pointing out that, in contrast to this wisdom, the two most formally celebrated achievements in Western organisations are years of service and retirement – neither an achievement that has a particularly direct correlation with organisational success!

Other effective leadership behaviours include giving credit to employees, particularly in front of others, as well as relating success stories to management and visitors about the team and its accomplishments. We are reminded of a manufacturing plant we once visited: above the entrance to the plant were the words, 'Through these doors walk the world's finest craftsmen!'

Consider your current leadership assignment in light of the findings of key leadership practices of Kouzes and Posner.

How might you apply them to the benefit of your work team and the organisation?

10.5 Organisational Leadership as a Required Skill Set

We believe that those working in today's organisations will be successful primarily because they make best use of the social power at their disposal as well as in conjunction with the influencing behaviours illustrated by Kouzes and Posner. Indeed, many (perhaps most) leaders will be accomplishing their work through their ability to influence rather than because of their position. This is, of course, in strong alignment with the transformational leadership theory presented in Module 4. We also believe very strongly that mastering such skills can only be of increasing importance to our organisations' leaders within 21st-century organisations.

Hopefully you will already have many of those skills. But it is unlikely that you will have all of them, or will have mastered the required influencing methods that we have identified. How to develop those abilities must necessarily be our next area of focus. And we do just that with Module 11 and Module 12, addressing the many questions and possibilities involved with the process of leadership development.

Learning Summary

- Leaders often need to provide leadership across their organisation, influencing individuals and teams from other areas, areas over which they have no formal authority.
- Organisational leadership is substantially different from individual and team leadership in that it may be required to consider organisational purpose, politics

and history within the context of the wider community while involving many simultaneous situations within a longer timeframe.

- A model of social power includes five sources of such power: reward power, coercive power, legitimate power, referent power and expert power.
- Reward, legitimate and expert power may be viewed as positive and desirable methods to support leadership aims.
- Coercive power is not likely to be as effective, because of its unpredictable outcomes, while few individuals will find referent power to be a long-term source of support within an organisation.
- Influencing skills are an additional source of leadership success in that they can be employed with little social power but also in conjunction with social power.
- Kouzes and Posner identified five leadership practices of successful leaders that any leader may successfully employ: model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart.
- Organisational leadership and its associated influencing skills will be of increasing importance to leaders in the 21st century.

Review Questions

True/False Questions

- 10.1 Social power and influence are very similar, perhaps varying only by intensity or degree. T or F?
- 10.2 We should possess several sources of social power if we are to optimise our ability to influence others. T or F?
- 10.3 Expert power is more likely to take the form of informal rewards and recognition rather than incentives for the purposes of organisational leadership. T or F?
- 10.4 Encouraging the heart is a leadership practice that draws heavily on the use of expert power. T or F?
- 10.5 The need to master the skills of organisational leadership will be just as important in the 21st century as it was in the 20th century. T or F?

Multiple-Choice Questions

- 10.6 Which of the following is correct? Organisational leadership, in contrast to individual and team leadership, will probably be dealing with:
- A. multiple tasks and longer timeframes.
 - B. the necessity to gain legitimate power.
 - C. a system that is likely in crisis.
 - D. the necessity for executive support.

- 10.7 Which of the following is *not* a characteristic of coercive power?
- A. The response of the follower is unpredictable.
 - B. It is usually formalised as a disciplinary procedure.
 - C. Observers of process assume it may also be applied to them.
 - D. It may only be used with inadequate performance.
- 10.8 Which of the following is true for a leader attempting to implement a project by gaining the support of several other departments?
- A. Referent power is generally available to most leaders.
 - B. In organisational leadership, formal rewards are available to most leaders.
 - C. Expert power is likely to be a key source of power when leading interdepartmental projects.
 - D. Positional power must be available to ensure success of projects.
- 10.9 Which of the following is correct? Kouzes and Posner identified their leadership practices by studying:
- A. the behaviours of high-level executives who had successfully changed their organisations.
 - B. the actions taken by 'ordinary' managers when they had their best leadership experience.
 - C. all leadership research that had been conducted between 1985 and 1995.
 - D. the interpersonal behaviours of nearly 900 European manufacturing managers over a six-year period of time.
- 10.10 Which of the following is correct? The leadership actions most closely associated with the leadership practice of enabling others to act are:
- A. seeking opportunities that challenge and test our skills and abilities, keeping up to date on the most recent developments in the organisation, and keeping up to date on the most recent developments in our field.
 - B. discussing the kind of future we could create together, appealing to one another to 'buy in' to one another's dream of the future, and communicating positive and hopeful outlooks for the future of the organisation.
 - C. involving others in planning, treating one another with respect and dignity, and giving people the discretion to make their own decisions and the training to make them correctly.
 - D. being clear about our philosophies of leadership, management and work, breaking projects down into manageable chunks, and ensuring people adhere to the values and ideals to which we have agreed.

Case Study 10.1: The Cell Manufacturing Project

'Okay, if we can get started please.' Rolly Walthiser, Superintendent of Manufacturing, began the meeting with his newly formed task team, a cross-section of people that included 12 key representatives from finance, facilities management, personnel, customer service, engineering, quality control, and his own area of responsibility, manufacturing. 'You well know that we have been concerned about our quality and yield in our manufacturing division here at Technico Enterprises. Frankly, I will be the first to admit that it is abysmal. However, I am here to ask for your support to redesign our manufac-

turing system. Rather than our current process, where each product passes from one section to the next, with each section adding the next component to the product, I am proposing that we reconfigure the whole system. You will have heard of manufacturing cells. That is what I propose we do here. I propose that we implement cell manufacturing so that one team of employees is responsible for manufacturing each item from start to finish. It has worked elsewhere and I am increasingly convinced that it will work here. With careful planning and preparation, and most of all your support, we shall have the system up and running in six months' time. And in 12 months, our goal is to have increased throughput by 20 per cent and reduced our quality defects by 50 per cent. Are you willing to help give it a go? Good. Now here's how I think we might begin.'

The gathered managers knew that Rolly had been brought into Technico a few months ago because of his expertise in manufacturing systems. And they were more than curious to see how he would address the long-standing issues on the shopfloor. Technico was a premium-quality, premium-price manufacturer of small kitchen appliances, and had been successful through innovative design and 'no questions asked' levels of customer service. But profits were practically non-existent because quality was, as Rolly said, 'inspected in, not built in' to the product. A rigorous quality control process tended to ensure quality while also exposing the huge amount of below-standard product created during the manufacturing process.

Peter Dirsco, Technico's managing director, had introduced Rolly to the company with considerable fanfare. By way of contrast, Rolly approached his work in a quiet but confident manner. He made no immediate changes in the manufacturing operation, but set about meeting with each section manager and their team leaders to understand the process, assess their problems and capabilities, and take their views onboard. 'Wow! He sure knows how to ask the right questions!' said one manager with enthusiasm after meeting with Rolly.

'Our goal is to make this the best manufacturing operation in the industry,' Rolly would say time after time. 'I'm convinced we have the right people; we just need to figure out the right processes.' Just as Rolly spent time with his own people, he also met with each of the key managers from the other departments, gaining their views, getting their support, and asking how the manufacturing operation might interact more efficiently with them.

Rolly also invited each individual involved in the process to consider how things might be improved. The facilities manager was asked to design a new shopfloor layout for the manufacturing cells and identify costs involved in the process. The personnel representative committed to look at new ways of designing jobs and methods of providing incentives for manufacturing teams. Engineering developed a plan to assign a designated maintenance engineer to support each cell, and the finance manager developed a reporting system that, in essence, would treat each cell as a mini-business complete with weekly management updates for the cell. Little by little excitement, and with its support, grew for the project. When someone would point out what was wrong, Rolly would inevitably ask how to put it right. A stickler for details, when Rolly agreed deadlines, he inevitably met them and required the same of his manufacturing team.

He met repeatedly with each manufacturing team, explaining how the new cells would operate and also showing how they would need to learn additional skills, but in the process be able to move up the salary scale through training as pay would soon be based on skills rather than on a job description. By the same token, he would ask groups of manufacturing employees, team leaders and managers to visit other industries where

cell manufacturing had been implemented – a day out at company expense that was thoroughly enjoyed by the employees and inevitably saw them return with enthusiasm and ideas.

Carefully developing a plan with his task team, it was agreed that one cell would be launched initially as a pilot project so that others could learn. Then other cells could be formed in measured succession. As the day approached for the launch of the first manufacturing cell, a feeling of nervous anticipation descended on those selected to be a part of the first cell as well as the task team. Peter, and other senior managers too, was constantly ringing and sending emails requesting updates. ‘With this team, how can we fail?’ Rolly would say good-naturedly to deal with doubts.

The day before the first cell was to begin operating, Rolly called a luncheon meeting jointly between the manufacturing cell team and his coordinating task team. To their delight, rather than the normal sandwiches common to such meetings, those attending the meeting were greeted with a virtual banquet table heaped high with food. ‘It’s great food for a great team,’ Rolly stated. He continued with some emotion, ‘I just want to tell you how proud I am of the work we have done. Each of you has contributed and been a key part of this project. You have done more than has been asked of you. I know that the executive team will be very interested in our results, but not as interested as each and every one of you in this room. I have no doubt that tomorrow will be the start of a completely new and successful way of manufacturing our product for our customers. I can never say thank you enough, but perhaps this is a start.’

Questions:

- 1 Reviewing the sources of social power, which types of power did Rolly have and how did he use them?
- 2 Similarly, reviewing the leadership practices, which of the practices did he employ and how?

Case Study 10.2: Mistress Mary

Mary Drayman was pleased, excited and apprehensive all at the same time. After some years as Head of Training at Pharmco’s head office in Brussels, she had taken the opportunity to accept a promotion to Director of Human Resources at the firm’s manufacturing plant of some 1200 employees near Lyon.

Mary had been successful in developing and delivering management and leadership training throughout most of Pharmco’s major European divisions as well as developing an executive leadership programme in conjunction with a well respected London university. She had been successful largely through her assertive approach to dealing with issues as well as sheer determination. An accomplished trainer herself, she ensured that high-quality training was delivered through her department. She was also very clear in her mind about what types of training were needed within the company, and therefore heavily influenced training topics and course content.

‘There is not much chance of your progressing further in HR at Pharmco unless you get some more broad-based experience,’ Serge Delfranco, Mary’s boss, had advised. ‘Taking the HR director’s job will give you generalist HR experience in labour relations,

law, salary administration, benefits and so on. Besides, you will also have the opportunity to be a part of a senior management team at the Lyon plant, and I know you will have a department of seasoned HR professionals to support you.'

Upon her arrival at Lyon, Mary was welcomed by both the executive team and her HR staff headed up by her three managers: Frank, Manager of Compensation and Benefits, Mimette, Manager of Employee Relations and Recruitment, and Ricardo, Manager of Training and Organisation Development.

Mary soon found that she had little understanding of or interest in the complexities of the legal framework controlling employee relations. The continual outpouring of EC regulations and how they interacted with French labour law was unfathomable, and she admitted to herself that she found it boring. The pay system managed by Hank was slightly more interesting, but in time she began making judgements about individuals and their pay levels, particularly in relationship to how competent she judged various individuals to be. Ricardo's area was quite familiar, but it offered little to her in the way of new challenges, although she was clear with him about areas where she felt improvements should be made.

In the meantime she set about integrating into the executive team. In the executive team meetings, Mary quickly showed her mettle by contributing to conversations of business policy, representing her department's views and questioning the inputs and assumptions of other executives. In time the directors began to be put off by Mary's inputs. Her contributions began to show that she did not well understand the business or its processes. Her questions, although quite assertive, ranged from questioning things that should have been obvious to questions that made no sense at all.

By the same token, she did not seem to understand her own department particularly well, and often committed to have one of her managers follow up on the specific question. 'I don't get involved in the detail. That's up to my manager,' Mary would say. In time, the executive team began to be demeaning of her behind her back, and someone came up with the name Mistress Mary for her. Two of the male executives went so far as to put a risqué pin-up calendar on her office wall late one night, a practice that, some days earlier, Mary had announced would not be tolerated in the organisation.

Mary also decided that her department should be reorganised, both to improve efficiency and to provide her managers with new challenges and more balanced workload. Mary had determined that the HR department had 12 major areas of responsibility, such as salary administration, the maintenance of employee records, employee activities and communications, union negotiations and so on. Therefore it made sense that each of her three managers should be assigned four of those functions to provide balance. 'But Mary,' protested Hank when his new responsibilities were assigned, 'by giving me employee records in addition to pay, benefits and the pension scheme, you have added 33 per cent to my workload with no additional resources.' Mary had little sympathy, but responded rather sharply, 'Hank, perhaps you need a time management course. Of course that assumes you want to continue to work here.'

Mimette was horrified to learn she had been assigned training. For Mimette had a deep-seated fear of speaking before groups. By the same token, recruitment, which was her area of specialisation and a major source of job satisfaction, had been transferred to Ricardo. 'Since he has never done it before, recruitment will be a developmental experience for Ricardo,' explained Mary.

Unable to reason with Mary, her trio of managers determined to meet secretly with Pierre Cherel, the Managing Director and Mary's boss, in order to voice their concerns.

After the meeting, Pierre tossed the problem around in his mind. Mary had come highly recommended, and had been successful in HR at Pharmco's head offices. Yet, upon coming on board at the Lyon plant, she had shown little insight into the business and didn't seem to be interested in learning. Her contributions to the executive staff usually ranged from the inane to being downright naïve and wasteful of time and resources. Her peers, in spite of Pierre's admonitions, had begun to ridicule her. And now, she had upset what was arguably a seasoned team of HR managers who no longer felt that they could reason with her. 'I need to speak with Mary, but what shall I say?' Pierre asked of himself.

Questions:

- 1 Reviewing the sources of social power, which types of power did Mary have and how did she use them?
- 2 Similarly, reviewing the leadership practices, which of the practices did she employ and how?
- 3 In what ways might Mary have improved her projection of power and influence as she moved into her new position and began to look at reorganising her department? In short, if you were Pierre, what would you say to Mary in order to support her being successful in the position?

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Leadership Development in a Fast-Changing World

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Learning Objectives

By the end of this module, you will be able to:

- identify the reasons why leadership development continues to be of great concern to most organisations;
- state how the focus of leadership development is moving away from developing individual leaders;
- list the six contextual changes that impact on the evolving approach to leadership development;
- describe the implication of stratified systems theory for leadership development;
- describe the implication of the theory of learning organisations for leadership development;
- explain why leadership is moving from the individual to teams;
- define a framework for developing the leadership function;
- list at least five components of the framework.

How important is leadership development to today's organisations?

Do organisations feel they have an adequate supply of leaders to meet tomorrow's needs?

What about your organisation? Is there confidence it is doing enough to develop leaders for the future?

11.1 The Search for Organisational Leadership

Not many years ago the idea of developing leaders for an organisation, **succession planning**, might well have been entitled replacement planning. It was relatively easy to look around the organisation and find likely successors for senior leaders who might be leaving in the coming years. Also, when internal candidates could not be identified, a combination of ‘head-hunters’ or executive search agencies combined with the ‘good old boy network’ of business contacts made it relatively convenient to look outside for candidates. But today, as our organisations quickly change the very nature and form of their businesses, it has become more difficult even to predict what types of jobs might be required in the future, let alone who might still be employed by the organisation when new people are needed to take on the roles of corporate leaders.

In this module we shall examine the forces changing the ways we think about finding and developing leaders for our organisations. You will see that the requirements of the leaders of tomorrow, their characteristics, attitudes and knowledge, will be quite different from the requirements we have of today’s leaders. We shall identify what those requirements are likely to be. Then, in Module 12, we shall review the tools and practices from which organisations may choose to develop leadership capability.

Programmes specifically designed to develop organisational leaders have been around for at least 30 years. But McCall (1998) observed that the *pressing* search for organisational leaders emerged in the early 1980s when organisations were first confronted with rapid, sustained and far-reaching change. McCall wrote: ‘...organisations were in the beginning stages of what was variously predicted to be “permanent white water” and the “white knuckle decade”, and as people are wont to do in times of perceived crisis, the search for heroes had begun.’ Of course it was in the 1980s when organisations came face to face with international competition, the quality revolution (at least in manufacturing), and the demand that everything be done more quickly, more efficiently, more profitably and ...with fewer people! This was also the time of the ‘hero’ business leaders who became legends, people such as Robert Townsend of Avis, Lee Iacocca of Chrysler, and Paul Harvey Jones of ICI (see the discussion of heroic leadership in Section 2.4). Time would tend to show that such charismatic (and often self-publicising) leaders failed to leave long-term success when they left. Nevertheless, any organisation, particularly an ailing organisation, could not be faulted for believing that prosperity might well lie in the hands of a new chief executive (messiah?) who could lead the organisation not only out of the wilderness but on to great success. Now, how do we find such a person?

11.1.1 The Lack of Success in Finding Leadership

Unfortunately, the evidence leads us to believe that this search for corporate leadership, heroes or not, has been largely unsuccessful. The international consulting firm McKinsey found that 75 per cent of executives they surveyed stated that their companies were short or even ‘chronically short’ of leadership talent (Chambers *et al.*, 1998). And Csoka (1998) reported that CEOs in the US, Europe and Japan felt that the competition for leadership talent was among their top five concerns. To

support these concerns, the Washington-based Corporate Leadership Council (2000) found that 76 per cent of some 252 organisations that it surveyed were not fully confident of being able to staff their leadership positions in the coming five years. And 64 per cent of those organisations' CEOs agreed that leadership was a top priority. Clearly, the need for organisations somehow to acquire and retain leadership talent is, if anything, becoming more acute.

11.2 The Need For a New Approach

If we identify high-potential leaders and ensure they have training and experience, will they meet tomorrow's needs?

New outlooks for leadership and succession planning have been well delineated. For example, Leibman (1996) and his colleagues have pointed out that executives must modify their approach to the development of tomorrow's leaders – that the most important goal of succession planning must become the **development of strong leadership teams**. He described changes needed in succession planning methods, and named the new approach **succession management**. Likewise, Caudron (1996) wrote: 'In an era of continual job hopping and constant change... successful companies don't view [succession planning] as a matter of executive replacement – it's one of *leadership development*.' He also cites a survey in which only 22 per cent of over 500 people responded favourably to the statement 'My organisation has a well-developed management succession system.' Only 30 per cent agreed with the statement 'Our succession planning process relies on the systematic development of high-potential individuals.' Leadership development evidently has a very long way to go before it becomes a central goal, at least for the organisations represented by these respondents. These statistics are alarming, as Nelton (1997) reports that in American family-owned businesses alone, over 40 per cent of 3033 businesses responding to an Arthur Anderson/Mass Mutual survey will begin to change ownership or even be sold outright within five years.

11.2.1 Focusing on the Leadership Function and Leadership Teams

It appears that the focus in organisations must shift from a narrow goal of developing *individual leaders* to that of developing the *leadership function and the team of leaders who will lead the organisation through significant change*. This shift must impact on everything from recruitment to succession planning, job placement, compensation and executive development. Viewed this way, succession management consists of two distinct but overlapping processes: **identification** and **development**. The purposes are to identify people who can *jointly* develop into better leaders *as a leadership team* and then to provide them with opportunities to develop their individual and *shared* leadership capabilities even further.

To be successful, organisations must develop a framework to support succession management and leadership development that is progressive, encompassing the total organisation. For although there are survey responses suggesting that too few organisations do enough in developing their leadership capability, there are certainly ways to address the challenge successfully. But successful leadership development

must be constructed on an integrated framework solidly based in both experience and theory, both the tested and the emerging.

11.3 The Changing Context – Why New Approaches to Leadership Development Are Needed

How has the role of today's leader changed from that of 30 years ago?

What influences can you identify as being present today that have developed since the time of the previous generation of business leaders?

A number of contextual forces are converging to set the stage for new approaches to how we design and pursue the development of our organisations' leadership. We believe there are six key forces:

1. a change in the mode of conduct required of leaders from transactional and transitional to transformational (*see* Module 4);
2. the need to change organisations, but in uncertain ways;
3. a change from heroic leadership executed almost entirely by the individual to leadership carried out by leadership teams, teams that are cohesive, that have shared visions and which develop skills to complement each other (*see* Module 2 and Module 9);
4. a change from stable individual jobs to strategic, constantly redefined tasks that are often performed by teams;
5. a change from simple, logical, bureaucratic forms of organisations to complex, global and organic forms, constantly coping with change;
6. a change in followers from industrial-era to knowledge-era mindsets (*see* Module 5).

Let us examine each of these forces in more detail.

11.3.1 From Transactional to Transformational

As discussed in Module 4, Bass (1990) and others used the terms 'transactional' and 'transformational' to describe two contrasting types of leadership. These same terms are often used today to differentiate the activities of management from the activities of leadership. Using the definitions of transformational leadership theory, management is said to deal with transactions that could be described as economic in nature – I provide a certain service and you compensate me for that service with a certain payment. In such a world, the emphasis is to make each transaction as smooth, repeatable and predictable as possible. If we employ a transactional approach to developing organisational leadership, succession planning itself becomes a transaction – find the person who best fits job X and move that person into the position as efficiently as possible.

It is apparent that knowledge workers need to be engaged – that successful organisations need commitment, not just compliance. Therefore, as proposed through transformational leadership theory, the focus of our leadership actions becomes the follower rather than the leader.

Table 11.1 Contextual changes confronting organisational leadership

Traditional organisations	'New Age' organisations
Transactional leadership	Transformational leadership
Skill workers as costs	Knowledge workers as assets
Control driven behaviour	Commitment driven behaviour
Shareholder focus	Stakeholder focus
Managing stability	Leading constant change
Local simplicity (black and white)	International complexity (shades of grey)
Leadership by heroes	Leadership by teams
Hierarchical organisation design	Organic organisation design

11.3.2 The Need to Change in Uncertain Ways

However, as we have agreed, our world is increasingly characterised by transformation rather than transactions. Therefore the organisation is constantly changing – and in unpredictable ways. No job is the same, so the requirements for the individuals who fill the jobs are also markedly different. A traditional approach to succession planning falls short of our requirements.

Kur (1998), in his organisation change work, wrote that it is useful to differentiate between two leadership worldviews:

- those in which the leaders both know they must change the organisation and have a vision of what it must be changed into; and
- those in which the leaders know they must change the organisation but have very little idea about what it must be changed into.

To exemplify this point, over a decade ago leaders throughout the US banking industry saw that banking would be radically different in the foreseeable future, but what banking would become was not so clear. The best leaders positioned their organisations for a variety of possibilities by building leadership skills, broadening the range of competencies within their banks, and deepening the financial resources of their institutions. A similar situation exists in the telecommunications industry today. The possibilities regarding how the industry will develop are numerous. It is likely that the only way to prepare an organisation in a fast-changing industry is to position it so that it will help to determine the future.

A mid-western US veterinarian pharmaceutical firm known to the authors is a specific case in point of an organisation that needed to change in uncertain ways. As a veterinary products company, it had originated as a personal interest of one member of a wealthy family of European industrialists. The firm was his hobby because of his interest in horses; he had little concern for its profitability. As times changed, along with family circumstances, the firm was forced to change. It was successful in changing into a \$600 million professionally managed, profitable enterprise. At the outset of the change process, the management team members believed that they *must* change the firm, but they were not all that clear as to what

the firm should change into. They began the change process, and the vision for the firm emerged along the way. The fundamentals of decision-making, strategy and human resource development were turned upside down in this firm.

Leadership development then logically (or illogically!) demands that the organisation somehow take on the almost impossible task of developing a range of unknown leadership skills that will serve the changing organisation well under a variety of yet unknown scenarios.

11.3.3 From Individual Hero to Team Player

We recall that, in the past, the word 'leader' conjured up visions of an almost mythical figure astride a warhorse, slaying dragons or single-handedly rallying troops to achieve victory over superior foes. Such heroes somehow projected their authority so that others would follow. They were capable of incredible feats of courage, and could do any task better than their followers. Such leaders achieved success through personal tenacity, brute strength, and physical boldness, sometimes at the cost of their own lives. It is from this perspective that Bradford and Cohen (1974) chose the term 'heroic manager' to depict the manager who can do *every* task of *every* employee reporting to him or her. As was pointed out in Module 2, much of the initial work in leadership theory revolved around the idea of identifying the traits of popular political and military heroes such as Caesar, Hannibal, Genghis Khan, Wellington, Roosevelt and McArthur. We also recall that foremost among the problems with the 'heroic leader' approach was that no congruent body of traits could be identified – that much of leadership success was evidently dependent upon the particular situation. For example, Marshall Petain, a heroic French commander in World War I, did irreparable damage to his reputation by acceding to the demands of Nazi Germany.

Nevertheless, the popular press helps us to think of the corporate leader as hero. For instance, we often read of Bill Gates or Jack Welch as if they were primarily responsible for many years of success at Microsoft and General Electric. Although both were unarguably highly effective chief executives, it is self-evident that in today's complex organisations a large number of people have to work together, day in and day out, as a leadership team with dedication, creativity and passion to build the level of corporate success achieved by these companies. Indeed, Stevens (1996) and many others praise GE for the methods it uses for developing a *cadre* of company leaders, methods that are perhaps overshadowed only by the career-long leadership development methods of the US military.

So emulating the heroic figure is not an appropriate method to develop organisational leaders today. Indeed, such an approach may even be a distraction. In the best organisations, leadership teams are nurtured over years. Thus the development of the **leadership function** and the **leadership team** must be the focus of leadership development rather than the development of individual leaders. This perspective is related to what is sometimes called **SuperLeadership** (Manz and Simms, 1990). The focus of SuperLeadership is twofold. First we must systematically identify and develop the talent that each man and woman in the organisation possesses. Then we must shape the expression of the talent within teams that synergistically pursue organisational aims.

11.3.4 From Stable Individual Jobs to Continually Changing Strategic Tasks Performed by Teams

Not so long ago, it might have been common for an employee to say, 'I can't do that. It's not in my job description.' Of course such thinking was common in large, unionised organisations where the external factors were relatively stable and predictable. However, in today's fast-changing world few managers can describe their organisation's environment as being stable, and would not anticipate stability at any time in the future.

As it is likely that *no* future job will be the same as it is today, organisation theorists and companies are seeking frameworks other than the traditional job descriptions and grading schemes for designing work and compensation for employees. The fact is, today many people who contribute to an organisation's success do so in substantially different working arrangements, such as contract or temporary labour, partnerships, part-time or flexi-working and so on. Add to that the quickly changing shapes of organisations through dispersals, acquisitions and mergers. It then becomes apparent that many of the people who, under traditional leadership development programmes, could be developed for a given job will not even be with the organisation when the time comes to fill that job. To make matters even more complex, work is now being assigned to teams because of the increasing complexity of technology, markets, and so on. We simply have lost the ability to plan effectively for individuals to fill specific future jobs.

11.3.5 From Simpler to More Complex, More Global Enterprise

We do not need to look very far to find organisational examples that demonstrate global changes. What form this change ultimately takes waits to be seen. Some see the move to globalisation as resulting in far greater organisational complexity. Conversely, another view (the flexible specialisation hypothesis) would argue that work will be simpler, but connected very carefully with other simple work processes. Take the case of many small software firms that have found success. Probably driven by the obsession of one or more founders, such organisations are small and very fluid, unlike organisations of years past. Code for the product may be written in India by contractors, while it is engineered in Ireland, manufactured in Taiwan, royalties and legal arrangements made by legal council in New York and the marketing orchestrated by a firm in London. Meanwhile, a customer service centre in Malaysia takes the product orders and ships product to customers. Unlike entrepreneurs of an earlier era, the founders work from a small facility, perhaps their garage, and master the intricacies of telephone, fax and computer communications as well as overnight delivery services, international trade, currency exchange, culture and language. And this undertaking is all done with boundless energy to bring success to this modern version of the corner business! In keeping with the theme of this module, we must now ask the question, 'How can we possibly develop leaders for such an enterprise?'

It is not just globalisation that makes identification and development of future leaders difficult. It is also the increasing level of complexity in everything people do in every kind of work. A typical consumer products manufacturing firm exemplifies

the point. In the 1970s, the company would have merely provided technical training to its manufacturing operators. In the 1980s, these operators were also trained in areas such as quality improvement, teamwork, conflict and problem resolution and interpersonal skills. In the 1990s, training was likely to have been added in how products were used and perceived by consumers, the basic design features of products, and the environmental impacts of products and the processes used to make them. If today's production operators must be knowledgeable in so many aspects of the business of their employer, it is certain that demands are increasing to an even greater extent on corporate leaders, who must understand and act on the virtual avalanche of increasingly complex information.

We also see increasing numbers of organisations that have an 'organic' design, whereby teams, multidisciplinary and fast-changing, are assigned to a specific problem, product, or customer. The team may then, just as quickly, melt away as its purpose is accomplished and individuals are assigned to other teams to work on other tasks. Of course, this organisational design is almost impossible to capture; at any one moment in time the organisation chart would resemble a grouping of teams around a core purpose, with little evidence of the 'line and staff' chart of old. In short, the ability to deal with complexity and ambiguity has become a central leadership requirement.

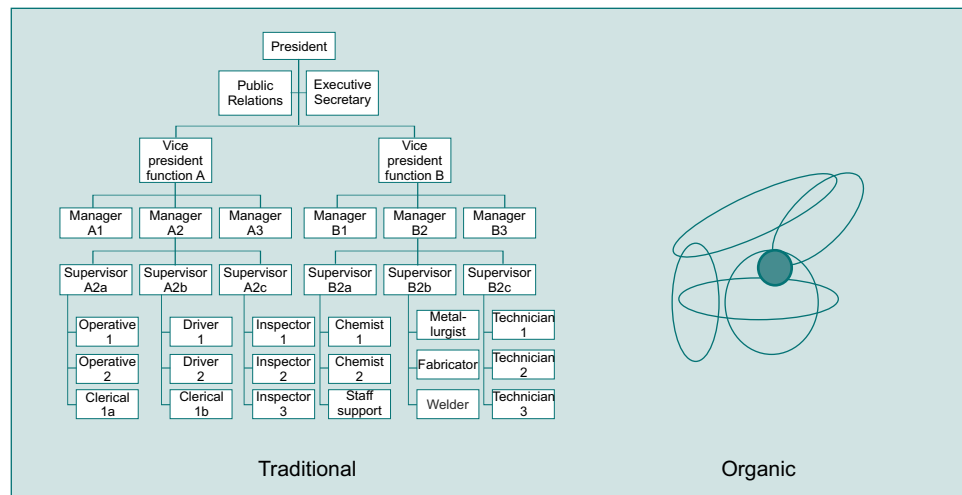


Figure 11.1 Changing organisation structures

11.3.6 A Change in the Nature of Followers

The demise of the industrial era and rise of the information era have changed the composition and nature of the workforce, placing still more new demands on leadership.

As information and knowledge moved to a central role in corporate life, the role of physical capital in determining competitive advantage declined. Simultaneously, according to Lauri Bassi (1997), Vice President for Research at the American Society for Training and Development, "The ever-declining cost of technology for infor-

mation processing has made the technology and information ubiquitous. In fact, information is a commodity that can be bought and sold. Consequently, it too has become insufficient to define competitive advantage.’

Bassi quotes Bipin Junnarkar, Monsanto’s Director of Knowledge Management, as saying that collecting knowledge is the easy part. ‘We’re not constrained by information; we are constrained by sense-making. We are not constrained by ideas but by what to do with them.’ It follows, then, that people capable of supporting the acquisition and management of information and of inculcating the development of wisdom and sense-making around that information will be best able to lead organisations. Such leaders will be markedly different from leaders of the past industrial era.

And it is equally evident that the followers, too, are different. As knowledge-based workers, their expectations are of challenge, development, a sense of growth and contribution. The employer that offers such a place of employment will be able to recruit and maintain such highly skilled employees. If not, the workers can easily market their skills elsewhere. We are struck by the findings of a long-term study involving more than one million employees conducted by Gallup over a 25-year period. It correlated positive employee attitudes (as assessed through organisational attitude surveys) with organisational success (Buckingham and Coffman, 1999)

Twelve questions were found to be highly significant, and are displayed in Table 11.2. What is evident is how many of the questions relate to followers’ need to contribute, to grow and develop, and to feel fulfilled and valued in their work. Followers clearly have high expectations of their place of work and its leaders. It follows that the challenge is placed squarely upon those leaders, as they have a major influence on at least ten of those employee attitudes.

Table 11.2 Employee attitudes that correlate with organisation success

1. I know what is expected of me at work.
2. I have the materials/equipment needed to do my work right.
3. I have the opportunity at work to do what I do best.
4. In the last seven days I have received recognition for good work.
5. My boss seems to care about me as a person.
6. Someone at work encourages my development.
7. My opinions count.
8. I feel my work is important to the purpose of the company.
9. My co-workers are committed to doing quality work.
10. I have a best friend at work.
11. I have talked with someone about my progress in the last 6 months.
12. At work, I have the opportunity to learn and grow.

11.4 The Emerging Approach to Leadership Development

So, what then is changing about the competitive advantages associated with knowledge, information and learning, and how does it affect the way we identify leaders and develop the leadership function?

Industrial-era organisations, where physical assets are central to gaining a competitive advantage, require employees who are specialised in the processes of accounting for those assets: coding, inventorying, auditing, spreadsheets and organising physical material. By way of contrast, today's organisations find knowledge central to their success. But attempting to manage information, knowledge and wisdom is a scattered and messy process. Knowledge is difficult to account for and tough to organise. The people who are employed because of their knowledge will require a different form of leadership from those who are employed for industrial-era behaviours. You have only to look at the differences between, for instance, a traditional automobile-manufacturing plant and a software development operation.

The observations above that demand a new framework for identifying leaders and developing the leadership function are supported by two widely known theories: stratified systems theory (SST) and the theory of learning organisations. It is also apparent that increasing work will be done through teams, which will also supply leadership.

11.4.1 Stratified Systems Theory

Stratified systems theory (SST) is associated principally with veteran organisation theorist Elliot Jaques. Jaques and Clement (1991) argued that, to lead an organisation effectively, individuals must have a cognitive capability that is up to the task of forming accurate intellectual maps of the organisation and its environment. The idea is that leaders and others take action based not on what *is*, but based on their perception or *map* of what is. We have already discussed how the organisational world is becoming more complex – more global, more demographically varied, messier in terms of the move from industrial to knowledge-era strategy, etc. Therefore the implication of SST is that we must find ways to increase the cognitive capability of those who aspire to lead.

Psychologists debate as to whether cognitive capability can be increased or whether it is innately fixed. Either way, given appropriate development activities, people can increase their *use* of the cognitive capability they already have. Certainly, development of the leadership function must take account of this need to increase the organisational ability to deal with the cognitive complexity of a fast-changing world.

11.4.2 Theory of Learning Organisations

Ever since Peter Senge (1990) generated new interest in this area, **learning organisations** have become one of the most widely used concepts for developing organisational excellence. This theory proposes that organisations themselves must learn. Just as the human has the central nervous system to take in and synthesise

information (the learning process), so must organisations develop a framework so that knowledge is gathered, retained and made available for later use. One principle underlying this framework is that becoming a learning organisation requires an intellectual and emotional transformation of the organisation's workforce. Experience and theory involving high-performance organisations have made methods for achieving such transformations widely understood. These methods include **double-loop** learning in the workforce. Double-loop learning is learning in which employees learn not only to behave differently, but also to think, value, and feel differently and, consequently, to predicate opinion and action on an altered set of underlying assumptions. In short, the 'whole employee' will be asked to learn about the 'whole enterprise'.

Working in a Learning Organisation

An employee in a heavy manufacturing firm told us, 'We are no longer just a hired pair of hands who hangs our head on the hat rack when we come to work. Now we are expected to solve problems, make decisions and do whatever is needed to get a superior product to our customers.' The transformation did not come easily in this heavily unionised industry. But a variety of systems were instituted to support and reward a learning culture: cross-training and job rotation, a pay system based on individual skills and knowledge rather than job descriptions, autonomous workteams, team incentives, quality involvement groups and more. 'It's a lot more challenging and demanding, and some of the lads didn't like it, so they left,' the employee continued. 'But me? Well I love it. It may be demanding, but it is much more interesting. I'm always learning something new'.

Of course leaders play a fundamentally more complex role in generating double-loop learning than they play in organisations in which learning new skills alone, without attendant changes of mind and spirit, is enough. Leaders who foster double-loop learning must find ways to connect with others at many levels – intellectually, emotionally, behaviourally, spiritually. Again, leading is becoming more complex.

11.4.3 The Move to Leadership Teams

These two notions, the need to exercise greater cognitive capability and the requirement to connect more effectively with a more diverse workforce organised into cross-functional teams, support the trend by which leadership is becoming more of a team function and less the function of heroic individuals. A team of people stands a better chance than an individual of understanding or mapping a complex, changing world and connecting to a varied organisational workforce. Therefore, a significant part of any leadership development approach must include the development both of team skills and of teams of leaders.

Jim Collins (2001) emphasises this point in his very enlightening book, *Good to Great*. Collins studied 11 American firms that had been good firms but, under new leadership, became great companies to the extent that their stock price achieved a

gain of over six times that of the market as a whole over a 15-year period. His research showed that the chief executives, ten of whom came from inside their respective organisations, did not consider themselves great visionaries. Rather, each first set about selecting his leadership team, and then the team as a whole developed a vision and strategy.

11.5 A Framework for Developing the Leadership Function of Organisations

What is the difference between developing leaders and developing the leadership function?

What systems do you find in your organisation to develop leadership?

How effective are they? Can you think of ways to improve them?

Implementing an approach to leadership development that focuses on developing the overall organisational leadership capability rather than focusing on the individual requires a major change in perspective. In addition, each organisation will develop its own approach, influenced by a wide variety of factors ranging from the type of organisation it is to its size, its culture, the type of leadership it is trying to develop, external influences and more. It would be no surprise to find considerable differences between organisations such as a multinational oil firm, a regional property development firm, and employees in national health care organisations.

Nevertheless, there are certain components of effective leadership development programmes that appear to be common across various types of organisation. Although the variations are considerable, most leadership development programmes will exhibit the following characteristics in one way or another:

1. a culture of leadership development, actively driven and supported from the top;
2. leadership development aims that are woven into and evolve with organisational strategy;
3. programme aims based on competencies thought to be specific to the organisation;
4. support of leadership development through congruent HR and performance management systems;
5. a broad interface with external resources.

Let us examine each of these components in more detail.

11.5.1 A Leadership Development Culture, Actively Driven from the Top

Indeed, as with most company initiatives, when top-level leadership exhibits a personal interest, efforts tend to bear fruit. It is no different with leadership development. Most companies will have some rhetoric in the annual plan or mission statement that states: 'Employees are our most important asset.' Where leadership development is most successful, executives take the importance of human resource development to heart, provide active and ongoing direction, and become actively involved in the development process themselves.

The process will probably start with the strategic planning process, where consideration of leadership development will be included as an enabling strategy and be a part of any SWOT analysis. The hands-on approach will also see executives involved in identifying leadership needs in the future, defining competencies, acting as sponsors and mentors, designing development programmes, managing an annual succession-planning process, and serving as an instructional resource for leadership development programmes.

Jack Welch, in his time as CEO of General Electric, was perhaps the highest-profile executive to adopt this hands-on approach. Welch used GE's Management Development Institute as a potent tool to reshape the company in the 1980s. He also took an active personal role, teaching a portion of a leadership class offered to newer managers five times a year. Additionally, he has encouraged other executives to become involved in the Institute, as well as providing coaching to students who are making presentations to the top officers of the company (Filipczak, 1996). Some 10 000 leaders receive training at the Management Development Institute each year. GE's success in developing leadership effectiveness is not without its costs, however, as other organisations often come fishing for executives in GE's pool. In fact, GE is recognised as the training ground for more chief executives than any other company in America.

11.5.2 Leadership Development Aims that are Woven into and Evolve with Organisational Strategy

Few would argue against the importance of business strategy in business success (*see* Module 13). It is perhaps less well understood that the effectiveness of the leaders who develop and implement that strategy has perhaps more to do with success than the quality of the strategy itself. Strategy and leadership development are inextricably intertwined. However, although the link between strategy and environmental considerations such as customers, competition, technology and so on is usually strong, the link between strategy and leadership development is often quite weak. There may be several reasons for this weakness:

1. It is conceptually difficult to link longer-term leadership development aims with the immediate challenges posed by the business environment. Therefore, leadership development is often focused on internal issues such as controlling costs, efficiency drives and team performance.
2. The development of pools of talent can easily be postponed in favour of more immediate and pressing business priorities. In short, firefighting is a much more exciting and visible activity than fire prevention.
3. Many of the forces described earlier in this module make it particularly difficult to bring a specific focus to the goals of leadership development when using the traditional classroom methods. In essence, the aim of leadership development is likely to be continually changing.

Nevertheless, the problem of developing leadership talent in conjunction with business strategy can be effectively addressed. Examples can be taken from the executive development efforts of two transnational organisations, 3M and Motorola (Seibert *et al.*, 1996).

3M produces everything from Post-it notes to industrial glues to heart-lung machines. A vital part of 3M's strategy is to be able to compete internationally. With approximately half of its business being generated outside the USA, the need for managers who can manage internationally is clear. In response, 3M has created a system whereby leaders being groomed for senior management posts are given three- to five-year assignments to manage an overseas subsidiary. The individuals are guaranteed a job upon their return, and resistance to such overseas postings is reported to be virtually non-existent.

Motorola is a leading producer of wireless communications devices, semiconductor-based technology and other advanced electronic products. As with 3M, Motorola has also developed a strategy to become more international. However, its approach has been somewhat different. Teams of managers for a specific geographic area are gathered together to take on action-learning assignments. The exercise is not an academic one: the participants are expected to tackle a real problem, for this group, opening an office in Hungary. The managers meet quarterly and development is assessed on the effectiveness of the plan and what the managers have learned about themselves in working in a decision-making group.

Leadership development in organisations clearly takes a variety of approaches. We list the main methods we have witnessed. Although we list them separately, organisations, of course, may well use several in various combinations.

Seibert *et al.* believe that the guiding principles for linking strategy and executive development are:

- Begin by moving out and up to business strategy. The strategic directions of the business should drive the process of executive development. The skills required to deliver the strategy should be the aim of executive development.
- Put job experiences before classroom experiences. Both the 3M and Motorola experiences featured hands-on experiences, real-life assignments selected not only to challenge and develop the people involved but also to deliver business results.
- Be opportunistic, capitalising on changes within the business environment. For example, as the European Community evolved and the single currency was adopted, action-learning projects quickly changed from being country specific to being European wide.

Models of leadership development

- **The ladder.** This is perhaps the most traditional of methods. The leader makes his or her way up the organisational ladder, one carefully defined step at a time. The only issue is how quickly the steps can be climbed.
- **The circus.** Imagine a circus with its many highly specialised skills in and above the circus rings. This development approach is one of increased specialisation with little interaction with other specialties, but all performing at the same time.

- **The jungle.** Leadership development here is based on the law of the jungle. The first goal is survival and the second is to best competitors to gain dominance. The most dominant gain promotion.
- **The N. matrix.** Under this model, moving in any direction, up, down or sideways, develops leaders. The goal is that the diversity of experiences will better prepare leaders of today for tomorrow's challenges.
- **The academy.** Based on the more formalised approach, found in academia, this process takes candidates through a series of rather formalised and lengthy learning processes, each resulting in tick marks on the CV. He or she with the most ticks is promoted.

11.5.3 Programme Aims Based on Organisational Specific Competencies

Competency-based leadership development systems have the potential to address the problem. Of course, the idea of such a system is to identify leadership competencies that will be needed in the future and then train people so these competencies are available when needed. The idea is sound, and is widely used today.

Developing leaders based on organisationally defined competencies has its problems. One concern is that most organisations begin by identifying far too many competencies, a result that makes the process practically unusable for most people. For example, one organisation began building its selection, development and compensation processes on a model of nearly 100 competencies – far more than anyone can remember, teach or master. A much more usable approach is to identify the handful of leadership competencies most likely to *differentiate* outstanding organisations and leaders from the also-rans. The organisation can then focus on developing the handful of competencies likely to make the biggest difference in the future. Identifying 'make-a-difference' competencies and developing these competencies within a team of people who collectively lead future change is far more appropriate than developing individuals for specific jobs. The issue then becomes one of identifying specific competencies that will make the biggest impact on the organisation.

Brisco (1996) identified four approaches or 'foundations' that organisations use to identify competencies. Each has its advantages as well as possible limitations:

- **Data based.** This foundation identifies competencies based on superior performers from within the company. The assumption is that what has worked well for previous leaders will continue to be important for future leaders. This foundation tends to have legitimacy within the organisation, because it is data based, and competencies can be described in terms of specific behaviours. A limitation may be that the competencies of the past may not be the ones needed in the future if the organisation is quickly changing.

- **Value based.** Value-based competencies tend to be the product of an exceptionally strong corporate culture or perhaps the vision of a specific individual such as the founder of the organisation. They are usually quite motivational and tend to build and maintain the culture. Figure 11.2, the leadership qualities of the US Marines, is an example. However, value-based competencies are effective only if they are the ones that are most important for the organisation. Additionally, they can sometimes be difficult to define in terms of specific behaviours.
- **Strategy based.** This foundation for competencies attempts to deal with the issues of identifying *future* leadership requirements. Strategy-based competencies will typically require leaders to focus on the learning of new skills, and tend to support organisational change efforts. Of course, a potential problem is that it is difficult to be certain exactly which competencies will be required in the months and years ahead. Selecting the wrong competencies may result in misdirection and wasted efforts.
- **Learning based.** Competencies with this foundation tend to be learning process based, requiring leaders to focus on developing their abilities to learn quickly and adapt to changing roles and circumstances. Such learning-based competencies tend to focus on more basic and enduring personal skills that should serve individuals well in most future situations. A potential problem with these competencies, if used exclusively, is that they may overlook established competencies also important to business success.

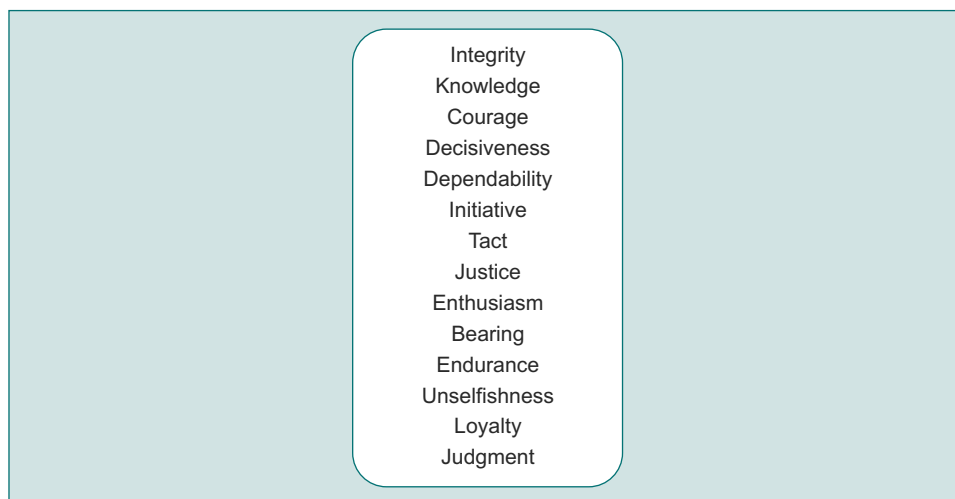


Figure 11.2 US Marine core leadership qualities

However, competency development has not been confined to organisation-based systems. For example, leadership competencies have been developed that are situational or specific to leaders involved in mergers and acquisitions (Thach and Nyman, 2001), that are relevant across an industry sector such as the food service industry (Berta, 2003), or that are thought to be relevant to all levels of people in most types of organisation (Bergmann *et al.*, 1999). Table 11.3 exhibits the leadership competencies developed by the US Coast Guard. It is notable because of its

wide scope, with competencies clustered in the areas of leading self, working with others and performance.

Whichever competencies are chosen, it is clear that they must be selected and developed with care, as they are a major factor in defining an organisation's future course of leadership.

Table 11.3 US Coast Guard leadership competencies

Area	Competency
<i>Self</i>	• Accountability and responsibility
	• Aligning values
	• Followership
	• Health and well-being
	• Personal conduct
	• Self-awareness and learning
	• Technical proficiency
<i>Working with others</i>	• Influencing others
	• Respect for others and diversity management
	• Looking out for others
	• Effective communication
	• Group dynamics
	• Leadership theory
<i>Performance</i>	• Mentoring
	• Vision development and implementation
	• Customer focus
	• Decision-making and problem-solving
	• Conflict management
	• Performance appraisal
	• Management and process improvement
	• Workforce management systems

11.5.4 Support of Leadership Development through Congruent HR and Performance Management Systems

The development of leadership capability needs to have internal resources and systems in order to support the aims of the process. A lack of such resources will make systematic leadership development difficult, if not impossible to achieve on an organisation-wide basis, and will result in an executive that has only paid lip service to the process. Therefore internal selection, management development and reward

systems should be entwined with the leadership development process both to support and to shape it.

Perhaps the most fundamental system required to support leadership development is the organisation's performance management system. Although such systems have many variations, the aims they tend to have in common are the agreement of annual work goals, feedback on performance, and the identification of development needs. Too often, development has been an 'add on' to the process, a few development goals added at the end of the interview process that are well intentioned but too often superficial and seen as optional. Seldom is a developmental goal held to be as important as a task goal. Also, the individual's manager seldom has the skills or the viewpoint to think of longer-ranging, more in-depth development options. As a result, leadership development in the performance management process is often reduced to identifying short courses that may be of interest.

As we have discussed above, meaningful development tends to be much more in-depth, experience based and of a longer duration. Therefore a variety of HR systems are typically put in place to support and interface with the performance management process. Among the most common are:

- **a job-posting system**, widely publicised, advertising jobs that are available throughout the organisation;
- **a succession planning system** whereby senior management reviews current and future leadership needs for the organisation as well as the development needed by key individuals to fill those positions;
- **in-house leadership development resources**, which may vary from a relatively formal 'corporate university' to a less formal variety of workshops and training opportunities addressing a variety of topics in addition to leadership and management;
- **systematic executive involvement** whereby the executive team itself provides learning opportunities for junior leaders through activities such as mentoring, leading training programmes, supporting secondments, facilitating the succession planning process and much more.

11.5.5 A Broad Interface with External Resources

As the leadership development function must quickly evolve if it is to support the organisation's evolving strategy, most organisations choose to make extensive use of external resources. A traditional source of external support has been the university business school. Such schools were seen as a logical resource because their faculty, being research oriented, could provide cutting-edge knowledge for organisational employees. However, Vicere (1998) reported that the growth of both internal programmes and non-university-based external programmes tended to be greater than the growth of university-based programmes. The reasons were several, including the demand for more customised programmes, which started at the top and cascaded throughout the organisation, as well as the use of training as a method of supporting organisational change. Nevertheless, many organisations continue to

see executive development programmes through academic institutions as an important resource.

BorgWarner, an American manufacturer of automobile components, chose to use a non-university provider for its leadership development programme for high-potential managers. The same provider cooperated with internal training specialists to provide simulation programmes, 360° feedback, a decision-style inventory and more. BorgWarner had developed new leadership competencies and wanted to work with a single provider to redesign its programme and certify in-house trainers to deliver the programme. Such customised and far-reaching work would probably have been beyond the reach of most universities (Anonymous, 2003).

Presumably, leadership development, if it is truly strategic in nature, can begin involving customers, suppliers and other stakeholders in the process as well. However, there is little evidence of this at present.

11.6 The Evolving Themes of Leadership Development

Clearly, leadership will be a much more challenging and changing process in the future. The fast-changing social, technical and political environment will buffet most organisations and require more and varied leadership skills than in the past. Those organisations that most effectively meet this challenge are the ones most likely to be successful in meeting the challenges of the future. Key to meeting that challenge is the identification and development of leadership.

Toward that end, as we strive to develop leadership effectiveness for our organisations, the following themes emerge:

- The majority of an organisation's leadership capability will need to be developed internally; it will not be feasible to acquire it from outside the organisation.
- The process will need to begin with developing the leadership function in total, the system by which leaders and leadership teams are developed.
- Key skills will be the leadership of change, and in an uncertain world.
- Transformational leadership approaches that develop, enable and empower followers will be key.
- The ability to make the most of teams and networks will be of considerable importance.
- Leaders will also increasingly need to learn to deal with complexity.

In Module 12 we turn our attention to the specific ways by which organisations can begin developing their leaders.

Discussion questions

- What are the leadership development needs of your own organisation or industry? Are there sufficient new leaders in the development pipeline?
- How closely do you see leadership development related to your organisation's strategy? Is there a formal ongoing interface, or should this interface be strengthened? If so, how?
- You have been asked to address your senior management team on the changing role of today's leader. What would be the key elements of your presentation?
- You have been asked to consult to a company on the efficacy of its leadership development function. You feel you initially need to conduct an audit. What will be the items that you will look for in that audit?

Learning Summary

- Programmes designed to develop leaders have been available for at least 30 years and yet most organisations report that the need to develop leaders remains an exceptionally high priority.
- The reason why the need for leaders remains such a priority appears to be that the emphasis needs to be on developing leadership teams and the total leadership function, not just individual leaders.
- There are strong contextual forces that are shaping the ways in which leaders are being required to lead:
 - a move to a transformational style of leadership;
 - a need to lead change but in uncertain directions;
 - a move to teamworking and leadership teams;
 - a need to cope with continually changing jobs and tasks;
 - the increased complexity of global enterprises;
 - a change in the expectations of followers.
- Stratified systems theory supports the view that leaders must learn to deal with an increasingly complex business environment with many shades of grey.
- Organisational learning theory supports the view that leaders must engage the 'whole person' if they are to gain commitment rather than compliance from followers.
- Leadership teams are now required of organisations, rather than the heroic leader of times past.
- A framework to develop the leadership function must be enmeshed with the fabric of the organisation, its leaders, its strategy and its HR and performance management systems.

Review Questions

True/False Questions

- 11.1 It appears that the search for corporate leadership has been largely successful. T or F?
- 11.2 Highly visible and charismatic leaders do not tend to leave longer-term success at their organisations when they leave. T or F?
- 11.3 Successful leaders will probably develop a vision after they have assembled their leadership team. T or F?
- 11.4 Leadership development will probably benefit from a broad interface with external resources. T or F?
- 11.5 Succession planning is best done as an exercise between individuals with a desire to better themselves and their manager. T or F?

Multiple-Choice Questions

- 11.6 Which of the following is correct? Today's organisations apparently must shift from a focus that develops individual leaders to a focus that:
 - A. enhances graduate intake capabilities.
 - B. develops the leadership function as a whole.
 - C. more clearly matches external candidates with organisational needs.
 - D. better manages leaders already in the organisation.
- 11.7 Which of the following is *not* a contextual force that is changing the role of the leader?
 - A. Changing expectations of a knowledge-based workforce.
 - B. The need for transactional leadership instead of transformational leadership.
 - C. The evolution of more global enterprises.
 - D. Stable jobs evolving into constantly changing jobs.
- 11.8 Which of the following is correct? The problem with the leadership of change is that leaders know that things must change but:
 - A. there is great difficulty in obtaining the support of knowledge workers.
 - B. they usually possess insufficient skills to pursue the change.
 - C. the changes are continuous, coming too quickly.
 - D. the direction of the change is uncertain as it begins.
- 11.9 Which of the following is correct? 'Double-loop' learning suggests that employees need to learn:
 - A. how to think, value and feel differently.
 - B. how to behave differently.
 - C. new skills while improving current skills.
 - D. the process of learning itself.

- 11.10 Which of the following is correct? A framework for developing the leadership function might not need to include:
- A. a broad interface with external resources.
 - B. standardised, industry-wide competencies.
 - C. a top-down approach to driving leadership development.
 - D. congruent and supportive performance management systems.

Case Study 11.1: Obermar Logistics

'I couldn't disagree more!', boomed Deric. 'We've got to get back to basics, rely on our values, remember what made this company successful! That's what our people need to know. KISS! Keep it Simple Stupid!'

Large-boned and nearly two metres tall, Deric Sorenson was involved in a typically lively debate with his close friend and long-time business partner, Klaus Johansen. The two men were joint owners of Obermar Logistic, a Scandinavian-based logistics firm. Some 20 years prior, Deric, then a sales representative for Obermar, had inherited the fledgling firm from his uncle, who had tragically died in a boating accident. Deric had an entrepreneurial spirit and thought he could see greater potential in the firm that his uncle had been happy to run on an even keel. Needing capital to expand as well as enhanced financial acumen, Deric, after pursuing a number of options and careful consideration, had finally agreed to sell half of his interest in Obermar to Klaus. Klaus's stature was shorter and slender, especially when seen standing next to Deric. He was also some seven years older and had seen early success through a number of different business enterprises: real estate, timber, construction and even a specialty clothing shop. His eye for a deal and the ability to understand and manage the financial aspects of a business were an ideal match with the sales and logistics expertise that Deric brought to the partnership.

Over the years they had done well. The business grew in tandem with business cycles, and continued to expand, providing logistics support to customers not only across Scandinavia but also in the UK and Northern Europe. The fall of the Iron Curtain and the opening of new eastern European markets, particularly the Baltic Republics, had only increased their opportunities.

However, Obermar Logistics also faced many challenges. The competition was intense as it was not difficult for someone to buy a few trucks, undercut their prices and then compete for business. Most customers continually looked for better prices and would readily consign loads to competitors if the price was right. So although a long-standing customer might continue to rely on Obermar for most of their logistics support, very often at least some of that business could well go elsewhere. Deric and Klaus had tried to gain an advantage for Obermar by emphasising reliability at a 'reasonable' cost. The reliability factors included pick-up and delivery as scheduled, as well as the delivery of goods in an undamaged condition, all factors that were key for their targeted customer base: consumer goods manufacturers. However, they were also relatively successful in acquiring a fair proportion of loads for their vehicles going in both directions, either through establishing their own offices at their primary ports of destination or through their network with other logistics schedulers. For they knew that a truck returning from a delivery empty was a cost, but a truck returning with a load was a source of profit.

The business had expanded, so that Obermar had offices and warehouses in some eight countries. They had, over the years, focused on their core manufacturing customers and their ability to meet their needs while retaining the flexibility of leasing both vehicles and facilities so that they could also pare back costs during times of business slow down.

But now, somehow, it became apparent that the growth of Obermar had for the first time reached a plateau. Indeed, although the economy had been doing well, Obermar's turnover had, in effect, been flat for the last three years. And the current year appeared to be the same, perhaps even suffering a slight downturn. That was the subject of the debate in which Deric and Klaus found themselves.

'The world is moving on and we need to as well,' countered Klaus in their debate. 'Look, when we began, we had 140 employees, now we have over 2000. We don't even know some of them. We used to have plenty of drivers, now it's hard to get good drivers. We do business in a number of countries and have to rely on our employees in any number of locations. Surely there is some talent out there that we need to develop, but instead, many of our good people go to other places after a few years' experience with us. Manufacturing is increasingly going to the Far East and Eastern Europe. The results are obvious. We should be growing but we aren't. I don't know what it is, but we have got to start doing things differently.'

Deric responded, 'Look, Klaus, our formula has proven tried and true for 20 years. We know our customers, we know the market and the industry in which we work and we know how to run an efficient business. And we have changed. We set up the office in Tallinn to serve the eastern Baltic. We set up an office in Mannheim to coordinate our central Germany operation. We have taken on new customers each year. Don't you think that if there were new opportunities out there, we would have found them? We just need to get back to basics and get our people to do what we have always done, but just do it better.'

'Deric, you and I have practically carried this place on our shoulders for the past 20 years. You have been supersalesman, and you already run the tightest operational function possible. I manage finance, customer service and the back office, and I don't see that there are large efficiency gains to be made there. I'm just saying we need to do something different. We've got a lot of people out there who probably have something to contribute and we should be using that talent, not losing it. Look at Jamie Alexander in our Northern England office, for example. He was the brightest guy we have hired in a long time, really turned that place around, then left for a better job. Why can't we keep people like him? Also, remember when Peter visited his wife's family in Holland and came back with all that information about the possibilities of developing a logistics capability in the floral and agricultural produce markets? We hardly gave him the time of day just sent him away with a pat on the head. Said it wasn't our core area of expertise. I'm afraid if we don't do something different, if we don't start growing again, we shall die.'

'Well,' responded Deric with a sigh of frustration, 'if we need to do something different, I wish someone would tell me what it is.'

Questions:

- 1 How would you describe the leadership function at Obermar Logistics? How has it developed over the years?
- 2 What changes in the context of their business environment may be impacting on Obermar's level of success?
- 3 If Obermar is to renew itself in order to be able to cope more effectively with a changing business environment, what must it do in terms of its leadership capability. How might it do that?

Case Study 11.2: Developing Departmental Leadership

Consuela Margolis was a bit apprehensive. She had been summoned into Reilly O'Connor's office and she didn't have the slightest idea why. Reilly was MD of Acme Business Services, a major player in the city market for the provision of building maintenance, security and cleaning services to office buildings. Having some 24 per cent of the market, Acme was dominant and was known for being a 'one-stop shop', in that all building services could be had through Acme. Additionally, Acme had begun to expand regionally and had opened much smaller operations in four other cities, which appeared to have good potential.

Typically a customer contract would feature the assignment of a superintendent to the building, who would then manage front office reception staff, security, cleaners, building maintenance and repairs as well as the coordination of all of the external contractors who dealt with phones, lifts, computers, heating, fire and burglar alarms and more. 'We aren't the cheapest,' Reilly would chuckle to customers, 'just the best.' With an unwavering dedication to customer satisfaction, Reilly had led Acme to considerable success.

Consuela, angular, trim and professional in appearance, had worked at Acme for some 18 months, being responsible for the induction and training of Acme's workforce. She had left her training and development job in local government for what she considered to be an obvious promotion with Acme as Training Manager. Consuela delivered some of the training herself, got a number of the Acme's managers and senior staff members involved, and used some external expertise as well. She was responsible for the induction of all new employees into Acme. In addition, she had quickly developed a rather comprehensive annual training programme that included topics such as safety, building code updates, computer skills, customer service, management skills and more. She had hardly spoken personally to Reilly but had seen him quite often, especially when he held quarterly employee meetings to update the head office employees on the firm's progress. Reilly was a larger-than-life character, had made his way up the corporate ladder, beginning as a maintenance man many years ago, and had run Acme for over 15 years. Balding and portly, he seemed to hold court rather than lead meetings. With the wisdom of the years, he never became flustered, and always had a solution for any problem. Employees seemed to love him, as much for his paternalistic style and warm approach as for their sense of security due to his business acumen.

Julia Phillips, Director of Personnel and Consuela's boss, was on annual leave, so Consuela could understand that she might have been called into Reilly's office, for she would have normally thought that any personnel-related concerns would have first gone through Julia. 'Come in, come in, Consuela,' Reilly said as she knocked at his open door. 'Here, have a seat. Coffee? Tea?' Motioning her into a comfortable chair around a low table in his comfortably appointed office, Reilly moved heavily from behind his desk and sat across from Consuela.

'Understand you've been doing a good job with our training programme, young lady.' Consuela had just passed her 39th birthday so didn't particularly consider herself a young lady, but she judged Reilly to be just a few years off retirement so took his comment with good grace.

'I hope so, Reilly. Numbers are good in most of the courses we offer, and I've got great support from all the managers. And the new customer service training programme has been exceptionally well received.' Consuela sat forward in her chair, notebook in hand, still puzzled as to her purpose in being in the Managing Director's office.

'Good, good. That's what we like to hear,' responded Reilly. 'Look, here's why I've asked you to see me. I've spoken with Julia and we've agreed to ask you to take on an additional training assignment. If she were not in the Mediterranean she would have been here. I've been thinking, we need to do some executive training. It came out of our annual strategy weekend last month. A couple of the directors mentioned that we need to start thinking about bringing some of our people along. I plan to retire in a couple of years or so. The board is aware of it, and I have agreed to give plenty of notice beforehand so they can start thinking about my replacement. And at least three other directors are within five years of retirement and that means that we shall need some new people at the top. Of course we shall always look outside, but it would also be great if some of our own people could be brought on to fill some of the positions as well.'

Julia attended the annual strategy event, and from her report Consuela knew that the weekend was the one time each year in which the company's eight directors took time to review performance thoughtfully, analyse the business environment, and agree strategic direction. Consuela had just not realised that any thought had been given to the development of the top team.

Reilly continued. 'I don't know what kind of training our directors could use. Maybe you could explore that, figure out some options, university business schools or some such. The company will support them if they put in the time. I'm not sure any of the older guys will be interested, but some of the younger people should be. And I think we should also look at that next layer of managers that report to our directors. I figure there are nearly 50 people at that level. Of course they aren't all executive potential, but some must be, so maybe we can get a picture of that group and see what potential we have there. I know a lot of training like that will cost some money, so I also need to understand the budgeting impact as well. So, Consuela, what I would like you to do is take some time to think through the issue and come back to me with some ideas and options for training our top team. What do you think?'

Consuela's mind raced, and yet she didn't know what to think. She was being asked to take on a new and particularly challenging assignment, something that seemed to be in her area but in which she had no experience. She was flattered with the trust that was being placed in her by Reilly and Julia. But where in the world should she start? Of course Julia would be of considerable help when she returned, but still, it seemed like an incredibly large and sensitive assignment.

Maintaining her composure, Consuela replied, 'To be honest, Reilly, I think it will require some consideration and time. I need to think through the process, speak with Julia and some others, get in touch with the business schools and so on. Can I have some time to work through it all and get back to you with some initial ideas?'

'How about two weeks on Friday? We might just as well get moving on this,' Reilly replied.

Questions:

- 1 Is Reilly accurate in his assessment of Acme's executive development needs and the potential to develop internal people?
- 2 Is this a training issue? Why or why not?
- 3 If you were Consuela, what would be the main elements of any report that you brought back to Reilly?

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Module 12

The Development of Leadership: Tools and Practices

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Learning Objectives

By the end of this module, you will be able to:

- make a judgement as to how much leadership ability can be influenced through a developmental process;
- describe the behavioural choice model of leadership;
- describe the main tenets of each of the six theories of learning presented in the module;
- state the role of hiring external people in the development of the leadership function;
- describe the role of universities in providing developmental support for organisational leadership;
- state several methods of leadership development by job assignment;
- state several methods of leadership development by assessment and feedback;
- state several methods of leadership development by one-to-one support;
- state several methods of leadership development by structured learning programmes;
- develop a view on the effectiveness of the leadership development processes available in your organisation.

12.1 The Development of Leadership

If organisations are in need of leadership, how can they best develop it?

How would you try to ensure there are leaders to fill current and future needs in your organisation?

Are there best practices that you have seen in other organisations? If so, could they be applied in your organisation?

As we have seen in Module 11, the development of the leadership function within organisations continues to be a priority, albeit a priority with uncertain directions and outcomes. Nevertheless, most organisations invest time and resources in a variety of methods, tools and techniques in an attempt to meet their needs for leadership. The methods include hiring leaders from outside the organisation, identifying those inside who have leadership potential and moving them into areas of need, and developing the leadership capabilities of existing and future leaders. In this module we shall focus on the third area – developing the leadership capabilities of existing employees. We shall begin by examining six key theories about how learning occurs in adults, and their implications for the development of leadership skills. We shall then turn to specific practices and tools employed in the leadership development process. In our review of contemporary practices, it is clear that there is no template or ‘one-size-fits-all’ answer. Rather there is a bewildering array of efforts that different organisations have used in varying combinations to attempt to meet their leadership development needs.

12.2 How Can Leadership Be Learned?

You will probably have come to the conclusion that, given a required core of innate abilities and the desire, a given individual can be an effective leader. Additionally, the individual can improve his or her leadership ability.

But how can this best be done? What, in your experience, are appropriate ways for leaders to enhance their effectiveness?

As we have seen in the previous modules, the body of work devoted to the study of leadership is large indeed, much of the research revolving around the question, ‘What makes an effective leader?’ A considerable portion of that research parallels the ‘nature vs. nurture’ debate within the field of psychology discussed in **Module 2**, **Module 3** and **Module 4**, where we learned of the differences between trait, behaviour and transformational theories of leadership.

To what extent is leadership influenced by innate characteristics and to what extent is it really a collection of skills that can be learned? We might also ask to what extent leadership success is shaped by the context. Not surprisingly, there is no clear answer – otherwise the debate would not continue after years of study and research. A highly defensible point of view is that there is no ‘either–or’ answer to the question; rather the answer is ‘all of the above’. Leadership success is some mixture of innate ability combined with experience that comes to the fore at a given time. Our would-be leader must have the intellectual ability to be able to understand the leadership task as well as some mixture of personal characteristics in order to interact effectively with followers.

Given those basic characteristics, as with any skill, our emerging leader would also need to have the desire to lead, the opportunity to develop those skills and then the opportunity to be in a situation to apply those leadership behaviours.

12.2.1 Behavioural Choice Model

Kur (1995) illustrates this in his well-known **behavioural choice model of leadership**. He points out that any leader has a wide repertoire of behaviours from which to choose as he or she attempts to influence potential followers to align their activities with the purposes of the leader (*see* Figure 12.1). Some behaviours cause followers to follow. Some don't. When the leader chooses appropriate behaviours, followers choose to follow. Choosing effective behaviours is a process learned through experience and feedback. Behaviours that result in followers choosing to follow are retained and honed. Behaviours that are ineffective or even counter-productive are discarded. (How many of us have at one time said to ourselves, 'I'll never make that mistake again?') From this model, we can conclude that a motivated individual with basic abilities can learn to lead.

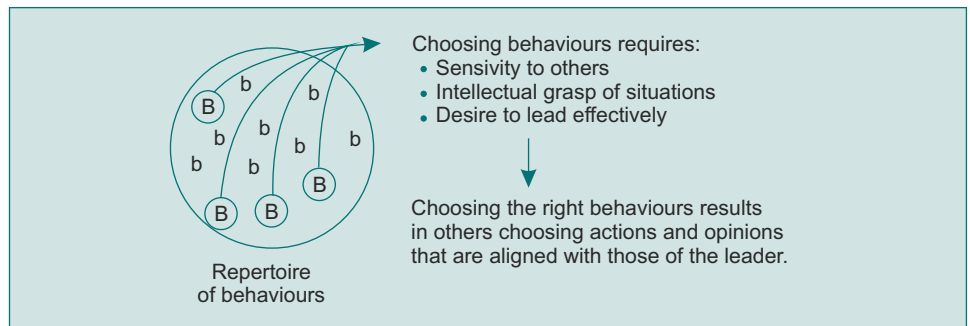


Figure 12.1 The behavioural choice model of leadership

However, the picture is more complicated than that. The leadership **situation** also has a major influence on leadership success. An historical example is that of Winston Churchill, who is generally cited as Britain's most effective leader of the 20th century. This judgement of his leadership is because of his effectiveness during the years of World War II, from 1939 to 1945. Before that he was remembered largely for Gallipoli, a military failure during World War I. Also, as soon as World War II ended, the British public voted him out of office! Out of a long life dedicated to public service, Churchill is reverentially remembered for one six-year period of leadership during a national crisis.

Not only is it apparently difficult for a leader to be consistently successful over a long period of time, it is also difficult to change arenas. We have few examples of successful business leaders being able to succeed in politics. Or vice versa. If we turn to sports, a leader's brilliance lasts only as long as his latest success. Many a trophy-winning football manager has been acclaimed for his outstanding leadership ability, only to lose that acclaim (and his job) after an unsuccessful season or two. We know, too, of successful managers who, upon changing jobs, were not able to

cope with the culture of a new company, a new industry, or another country. It becomes evident that the leader's success is also influenced by the context.

12.3 How Do We Learn?

How have you learned to lead?

What learning experiences have been most (and least) valuable to you? Why?

Are there differences among you and your colleagues in terms of how you best learn about complex areas such as leadership? If so, what are those differences?

For over 100 years research has been done on how we learn. Much of the early work was oriented toward children in an attempt to understand their developmental processes better so that learning experiences could be more effectively structured in our schools. In time, more of the research was oriented toward adults, spurred on by the advent of World War II, when there was a requirement to train huge numbers of adults quickly. A number of different theories or approaches toward learning have developed over the succeeding years, which today influence how we provide training in today's organisations. Let us take a look at some of the key theories and schools of practice.

12.3.1 Behaviourism

It is perhaps appropriate to start with B.F. Skinner (1976), the well-known and controversial¹ **behaviourist**. Skinner headed a field of theorists who were sometimes referred to as 'rat psychologists' because much of their experimental work was done, at least initially, with animals. Pavlov (1927), a Russian psychologist, had earlier conducted his famed laboratory work with dogs. Of course a hungry dog will salivate when presented with food, and Pavlov studied this response. But, over time, he noticed that his dogs had begun salivating *before* they were given food, in fact as soon as they heard the door to the laboratory opening. They had learned to associate food with the formerly neutral sound of an opening door. In further work, Pavlov found that he could 'condition' the dogs' salivation response to other stimuli, such as a ringing bell. This work was fundamental to the school of learning that came to be known as **behaviourism**.

A major step in learning theory, **operant conditioning**, was formulated by Skinner. It was seen as a very simple way to structure learning, the so-called stimulus–response approach. The learner can randomly generate behaviours or be somehow stimulated to produce a given behaviour. If the behaviour is rewarded, the learner will tend to repeat that behaviour. If the behaviour is ignored, or even punished, the behaviour will go away or become 'extinguished'. Skinner's work was important in several ways. First, it reinforced the ideas that rewarding desired behaviours with learners was motivational. It also showed that complex behaviours could be learned by 'shaping': that is, by giving rewards, little by little, as small steps are learned, until the whole task is finally learned. Examples in animal training are the exhibitions

¹ Skinner's controversy came largely through his attempts to raise his child strictly within the principles of behaviourism, a practice that many saw as inhumane.

where a dolphin leaps high into the air, over a rope. The animal was trained to do so by first being rewarded each time it randomly swam across the rope that was initially submerged on the bottom of the pool. In time, with the animal receiving constant reinforcement for swimming across the rope (food in this case), the rope was raised higher and higher in the pool, then out of the water and finally as high as the animal could consistently leap. Thus, over a number of days' time, the dolphin's behaviour was 'shaped'.

Fortunately, for adult learners, feedback alone tends to be reinforcing. Perhaps surprisingly, it was also discovered that sporadic or random rewards are more reinforcing than consistent rewards. Therefore a learner who exhibits desired levels of behaviour can be well motivated by an occasional word of praise or written comment. Behaviourists also showed that punishment was ineffective in reinforcing learning because of its inconsistency. The reasons are that punishments are difficult to arrange and the consequences are unpredictable, in that learners tend to respond in different ways to punishment: withdrawal, aggression, inability to concentrate, loss of confidence and so on.

Operant conditioning was one of the first learning theories applied directly to industrial training. Today, it is the grandfather of e-learning that uses operant conditioning principles in the programmed learning processes familiar to those who have experienced computer-based learning. The influence of behaviourism is also apparent in the importance that we place on practice, feedback and reinforcement during the learning experience. There is some agreement among instructional specialists that behaviourism's biggest influence is where the tasks or skills to be learned are clear, measurable and well defined but that it is less well suited for the teaching of complex or nebulous material. Therefore we shall also need to look to other learning theories in order to understand the complexities involved in developing leadership skills.

12.3.2 **Cognitivism**

Unlike the behaviourists, who were concerned with observable inputs and outputs in learning, cognitivists focus on what happens in between – that is, the mental processes (**cognition**) that happen during activities such as learning, problem-solving and reasoning. Often cited as its founder, Nobel prize-winning psychologist Herbert A. Simon (1916–2001) was concerned with understanding the mental processes of learners and then using what is there to create new mental structures. In short, cognitivists try to understand the ways people absorb information, sort it mentally, and are then able to apply that information in their activities.

Table 12.1 Learning theories and their implications for leadership development

Learning theory	Key points for leadership development
Behaviourism (stimulus–response)	<ul style="list-style-type: none"> The theory focuses on the impact of external events (rewards) on the learning of behaviours Rewarding behaviours reinforces those behaviours: thus learning occurs Standards and goals should be clear to the learner Feedback, clear and immediate, is key and is a type of reinforcement For complex tasks, training should be structured in small, incremental steps, leading towards mastery of the task Sporadic rewards are more reinforcing than consistent rewards Ignoring behaviours will cause them to be extinguished in time Punishment should be avoided as its impact on learning is unpredictable
Cognitivism (mental processes)	<ul style="list-style-type: none"> The theory examines the internal mental processes involved in learning People have unique mental structures and will therefore learn in different ways Learning will occur through repetition and variety Concepts should be structured to present the same skill or concept in a variety of ways – reading, discussion, practice, observing and so on The development of language is a key support for increasing cognitive complexity and therefore leadership effectiveness Addressing subtleties and ‘areas of grey’ are important for complex skills such as leadership
Social learning theory (monkey see, monkey do)	<ul style="list-style-type: none"> The theory explores how learning can occur by observing others Leadership skills may be learned by observing role models If the role model is attractive, charismatic or admired, observed skills are more likely to be learned Learning will be influenced by the treatment the role model receives for the behaviour: the more positive, the greater the learning Learning a skill does not necessarily mean an individual will use the skill Learning must include ‘cues’ of when the learner is to use the behaviour

Learning theory	Key points for leadership development
Androgogy (adults learn differently from children)	<ul style="list-style-type: none"> The theory focuses on how to make best use of the motivations of adult learners, setting the learner squarely in the centre of the process Because adults learn differently, the structure and processes of learning methods should reflect these differences Adults are most motivated to learn when there is immediate application of the skills, perhaps to solve a problem or assist with a challenge Adults should help plan their learning The teacher should be more of a facilitator, a peer assisting with the learning process Learning processes should be built on the past experiences of the learner
Learning styles (how individuals differ in learning styles)	<ul style="list-style-type: none"> Advances the work of cognitivism by proposing four main learning styles The styles interact and a person can move through a cycle incorporating all four styles In practice the individual is likely to rely on one or more styles more than others Development should be structured to allow learning to occur via each style in order to reach all learners Is a method for learners to assess and understand their own preferred learning style
Action learning (Learning by doing real projects at work)	<ul style="list-style-type: none"> Focuses on the optimum way to structure learning experiences Learning occurs best when learners combine programmed learning with the opportunity to solve real-life problems in the workplace Learning and problem-solving skills are typically enhanced through the use of learning 'sets' or small groups, which support each other in their learning and in addressing their projects Teamworking, communication and feedback are skills that are learned through the sets in addition to technical problem-solving skills, all key components of effective leadership Skills are learned by the individual, but the organisation also benefits from the resolution of issues

Learning theory	Key points for leadership development
	<ul style="list-style-type: none"> • The process of learning is generalised across the organisation through the learning of many individuals • The process is well accepted in many organisations as well as in institutions of higher education

As each individual is unique, it is supposed that each of us will learn in different ways. So any learning process should reflect these unique needs. If, for example, we are to learn the concept of 'triangle', the triangle is best presented in a variety of ways: given a verbal description, drawn on the board, displayed as a three-dimensional model, illustrated as a photo, shown in different sizes and colours, illustrated as parts of other structures and so on. Additionally, we should also be able to compare the triangle with shapes that are not triangles and be given the reasons. In this manner, each of us has the opportunity to develop our own cognitive map of a triangle based on a variety of complementary, sometimes overlapping but different inputs. It also supports the cognitivist viewpoint that learning occurs through building a variety of connections within the brain, and the more connections are made, the more profound the learning.

We have seen in the previous module that Elliot Jaques argues that effective leaders must develop **cognitive complexity** in order to cope effectively with an increasingly complex world. Cognitivism has paved the way for Jaques' thinking, because another major emphasis in cognitivism is on the process of learning as being closely related to the acquisition of language. Because language allows us to form and communicate concepts, any limitation on language will limit our ability to learn. Gross (1987), however, points out that the process is probably even more complex, as our learning processes also involve imagery, symbolism, facial expressions and other non-language learning methods. Artists, for example, famously think 'non-linguistically'. Regardless, there is considerable indication that the more advanced our language skills, the greater our ability to reason, deal with the 'shades of grey' of our world and resolve complex issues. There has been some debate on whether enhanced language skills, say increasing our vocabulary, enhances the learning process or, conversely, whether the language skills are the *result* of the learning process. Nevertheless, the importance of language and the ability to articulate complex ideas appears to be widely accepted in education and development.

Cognitivist principles widely influence our learning processes today through techniques such as the use of discussion groups, presentations, written assignments, case study analyses, reflective writing and so on. Cognitivist principles are also evident when complex concepts such as leadership are presented in a workshop format through a variety of interrelated learning experiences such as lectures, videos, readings, case study analysis, discussion groups, self-tests, skills practice with critique and so on.

Cognitivism is even evident in computer screen design with the use of logos instead of written cues and the ability to individualise our screens through programs

such as Windows®, which allow us to design our screen layout to fit our own preferences. We also see individuals who take notes and categorise data using ‘mind maps’ rather than writing the information in lists, a reflection of how different people prefer to process the same information.

12.3.3 Social Learning

With its roots in behaviourism, and sometimes referred to as the ‘monkey see – monkey do’ theory of learning, **social learning theory** proposes that we learn through observing the behaviour of others (Bandura, 1986). For instance, many aspiring leaders take cues from an admired role model and attempt to emulate that behaviour. The observer’s behaviour is inspired because of what is called **vicarious reinforcement** (or punishment); that is, the observer sees the responses to the role model’s behaviour and, in turn, attempts to incorporate that behaviour.

There are several principles of social learning theory that apply to leadership development. The first is that there is a difference between skill acquisition and behaviour. The observer may well acquire the behaviour without actually performing it (as opposed to behaviourists, who would argue that learning is a change of behaviour). It may be some time in the future before there is an opportunity to perform the behaviour. Second, if the model possesses characteristics that the observer sees as attractive – power, intelligence, attractiveness, charisma, popularity – the observer will be more likely to try to emulate the behaviour than if the role model is unattractive to the observer. Finally, the observer will be influenced by the treatment the role model receives for the behaviour: if the model is rewarded, the observer is more likely to try to simulate the behaviour; if the model is punished, the observer is more likely to avoid the particular behaviour.

Social learning is seen to require four processes, all of which are important to the learning of leadership skills.

1. Attention is the first process. If the observer does not pay attention to the actions of the model, of course no learning will occur. This implies that the learner is partly responsible for the learning transaction, but also that any attempt to provide a learning experience must gain and keep the learner’s interest.
2. Next, the observer must not only recognise the behaviour but also be able to recall it at the appropriate time in the future. This requires that ‘cues’ be learned by the observer to remind him or her when to display the behaviour.
3. A third process is that the observer must have the capability of performing the act, be it the intellectual, emotional or physical capability. The observer cannot be expected to emulate an accomplished musician without some innate ability and considerable practice. Similarly, a neophyte leader will not be able to deliver a rousing motivational speech without training and practice.
4. Finally, the observer requires motivation to perform the behaviour. In the absence of either a desired reward or the need to avoid punishment, the behaviour will probably not occur. The presence of reinforcement or punishment is of considerable importance in social learning theory.

Social learning theory is the influence behind such processes as mentoring and shadowing (discussed more fully below), which are common in many organisations. Typically, a younger person, considered to have leadership potential, is assigned to a successful person, usually a senior executive, for a period of time. The observer spends time observing the executive and thus has an appropriate role model to emulate in the development of his or her own skills. Likewise, many leadership training programmes show videos of effective as well as ineffective behaviours and incorporate ‘cues’ into the process so learners can readily recall when a behaviour is to be used.

12.3.4 Androgogy

The first learning theory to champion the cause of the adult learner specifically was that of the American, Malcolm Knowles (1990), who set forth his principles of **androgogy**, which focuses on the unique ways adults learn (as opposed to pedagogy, which is concerned only with children). Knowles viewed the teacher or trainer of adults as being more of a **facilitator of learning**, someone functioning at a peer level who perhaps served primarily as a catalyst for others’ learning. Knowles’ principles of adult learning include the following:

1. Adults need to be involved in the planning and developing of their course of instruction.
2. Experience (including mistakes) provides the basis for learning activities. Therefore any learning experience should be designed to build on the adult’s prior experience.
3. Adults are most interested in learning subjects that have immediate relevance to their job or personal life. Therefore adults will show less patience in learning ‘the basics’ or general information if they do not see an immediacy in its application
4. Adult learning is problem-centred rather than content-oriented. Adults tend to attend learning experiences because they want to solve a problem or learn how to accomplish a task, rather than simply master a body of knowledge.

Androgogy shows us that, for the adult learner, any training programme should featured task-oriented learning rather than memorisation. Instruction should take into account the wide variety of backgrounds of the adult learners, and indeed incorporate it as part of the learning process for other learners. As adults are self-directed, they should be allowed to learn things for themselves. And as a new job role (such as that being learned by a new supervisor, for instance) is quite complex, such learning should take place over time, with plenty of feedback.

Because Knowles’ principles are part and parcel of many learning programmes targeted at adults, they are often accepted as self-evident truths. However, there is some criticism of his principles, some based on class or cultural differences among adult learners. One study (Kohn and Slomczynski, 1990) found a striking difference between the amount of self-direction displayed between middle-class learners in the US and working-class learners in Poland. Similarly, Pun (1990), working in Hong Kong with both British and Chinese managers, found quite noticeable differences: while the British did well with self-directed, participative and experiential training, the Chinese were more comfortable with didactic, tutor-led methods.

Whether androgogical principles are universal is also brought into doubt by the work (discussed below) of Honey and Mumford (1986) and Smith and Kolb (1985); their research suggests that even adults from similar backgrounds display marked differences in how they learn. Nevertheless, Knowles has proposed a set of principles that many trainers find useful and which sets the individual squarely in the centre of the learning process.

12.3.5 Learning Styles

In common with cognitivism, the **learning styles** school of thought proposes that all individuals are unique in their method of learning. Kolb developed a learning cycle in which he proposes that learners move through a circular learning process (see Figure 12.2). A learner could, in theory, start anywhere on the cycle and then move through the four phases in the process of learning the skill or concept.

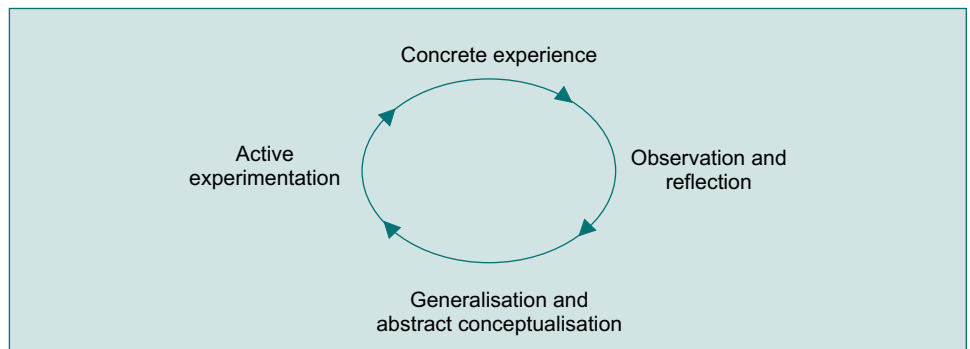


Figure 12.2 The cycle of learning styles

Honey and Mumford (1986) built on Kolb's work and developed the cycle into four primary learning styles or preferences. The styles that were proposed are:

1. **Activist.** For the activist learner, it is important to have an experience. The person with this preferred style is attracted to active learning – just jumping into the process and getting on with it. Learning that has a sense of newness with excitement and involvement will appeal, whereas lectures, in-depth analysis, theory and precise instructions will attract substantially less interest.
2. **Pragmatist.** The pragmatist learner likes planning and testing new ideas. Practical approaches complete with models, tips and tools are high on the pragmatist's agenda, with the implication of substantially less interest in theories, the mastery of principles, the big picture or any thing that has little chance of immediate application.
3. **Theorist.** Developing concepts and ideas is the learning preference of the theorist learner. Studying systems and models that delineate complex ideas or provide an analysis or insight into searching questions and theories would be an attractive learning experience indeed. However, learning presented out of context, gimmicks, emotions, a superficial treatment and unchallenged assumptions will be of far less value to the theorist.
4. **Reflector.** A reflector learner will learn most when given the time to observe and then review and assimilate. The reflector will therefore learn most when he

or she is able to observe or read and is then given time to think about the implications, review and research areas that require further clarification, and all with ample time to do so. Reflectors will tend to avoid timed events, exercises requiring impromptu responses putting them in the limelight, and learning experiences with insufficient data.

Although it might be ideal for any individual to move through all four styles in the learning process, it is supposed that, in practice, each learner will prefer some styles over others, typically favouring one or two of the styles while other styles will be quite unappealing. The implication for organisational learning is that any group of learners is likely to comprise people with some combination of all four learning preferences. Therefore the programme design should offer avenues of learning in each of the four styles.

Schlesinger (1996) has pointed out that although the four elements of the learning cycles are doubtless relevant, in practice the learning process is much more complex, and learning is typically more fragmented and piecemeal, not fitting neatly into one of the four categories. The main utility of the learning cycle, therefore, may be in the support of individual and group learning processes rather than in providing an accurate model of how people learn. Indeed, many action-learning programmes today incorporate the learning cycle into the curriculum so that participants may spend some time thinking about how to best learn – in essence, ‘learning to learn’.

12.3.6 Action Learning

A final and increasingly influential learning theory is quite complementary to androgogy and the learning styles school of thought: Reg Revans’ (1986) **theory of action learning**. Revans creates a deceptively simple equation that states that learning occurs through a combination of programmed knowledge and the ability to ask insightful questions ($L = P + Q$). What this means in practice is that there should be some proportion of structured learning in any learning process, but that real learning does not take place until learners are able to try things for themselves in a practical work challenge.

Revans was influenced by his father, who was involved in the inquiry board addressing the reasons for the sinking of the *Titanic*. His father was to say, ‘What the enquiry proved was that we must train people in such a way that they understand the difference between cleverness and wisdom.’ This concept of developing individuals’ wisdom rather than just their cleverness underpins the action learning approach.

Honing his theory and then applying it both at the British National Coal Board and later at Belgium’s Foundation Industrie-Universitat, Revans met startling success. Surprisingly, his work was, until recent years, largely unappreciated in Britain itself. Revans states, ‘When doctors listen to nurses, patients recover more quickly; if mining engineers pay more attention to their men than to their machinery, the pits are more efficient. As in athletics and nuclear research, it is neither books nor seminars from which managers learn much, but from here – and – now exchanges about the operational job in hand’ (*Financial Times*, 1996).

Several points from Revans' theory appear to be particularly appealing to organisations as they go about developing leaders.

1. The context in which action learning takes place is typically within the organisation itself, amidst a cultural support for learning as opposed to more traditional classroom-based learning approaches. This is typically done through small teams of learners taking on a real life 'action-learning project'.
2. Two of the outcomes from action learning can be expected to be individual skill development in problem-solving and the actual resolution of specific organisational problems, both ideal outcomes for the host organisation.
3. Perhaps the most important outcome, however, is the generalisation of the learning mode of operating across the organisation. In essence, *organisational* outcomes occur based on any number of *individuals'* learning.
4. Many action-learning approaches centre on small groups or 'sets' that support and critique each member's action-learning projects. This requires additional training for participants regarding the giving and receiving of feedback but they also learn to work in cross-functional teams to solve problems, an appealing outcome in most organisations, especially as the outcomes can be shown to be profitable, more than paying for the costs of the programme itself (Bunning, 1994).

There may well be a concern that action learning has the potential to be somewhat hit or miss, that if participants are expected to find their own solutions to problems, outside expertise of relevance may be overlooked. Nevertheless, Revans' action-learning model has become increasingly influential, with action-learning projects with learning sets becoming standard parts of many leadership development programmes that companies offer. Similarly, colleges and universities often design learning sets and action-learning projects into MBA programmes.

12.4 Organisational Practices

Considering your work life, when have you learned the most?

How might organisations provide similar learning experiences to develop its leaders?

How can an organisation develop a system-wide approach to developing its leadership function?

In order to ensure that there is adequate leadership talent available, organisations can either bring people in from outside the organisation or develop those employees already on the payroll.

12.4.1 The Recruitment of Talented People

The most important ongoing decisions organisations make concern who they bring into the company: the recruitment of talented and high-potential people. Current leadership positions that do not have appropriate internal candidates are, of course, recruited externally, through the company's HR staffing process and sometimes with the assistance of external recruitment agencies or 'head hunters'. Many organisations also place an emphasis on the graduate recruitment process, trying to

identify recent college graduates who appear to have ‘what it takes’ to move into the management positions of the future. These new graduates can then be nurtured and melded into the organisation’s desired method of operating, thus perpetuating its culture and business processes.

However, external recruitment of experienced managers and new graduates is clearly neither sufficient nor desirable of itself. Rapidly expanding organisations will have little choice but to look to the external market for leadership. An argument can also be well made that organisations should bring in at least some ‘new blood’ from outside the organisation to introduce new thinking, practices and ideas. But to offer promotion and development to existing employees is regarded as good management practice in order to build morale and loyalty. Therefore organisations have increasingly placed resources against developing their current managers, often viewing it as a process managers are expected to participate in for the duration of their careers

12.4.2 Internal Development Processes

In order to address the continuing challenges of finding leaders to meet current and future needs, most large organisations choose to develop programmes or even a comprehensive system of leadership or management development. Manpower planning is often a key starting component required to predict the numbers and types of leadership positions likely to be required by the organisation in the years ahead. This may be followed by an overall assessment of competencies, skills or knowledge that leaders will need. Then specific activities are developed and implemented to meet those needs. (Interestingly, a number of organisations, particularly in automobile manufacturing, also interact extensively with their suppliers and distributors to provide training opportunities for them as well.)

Table 12.2 Organisational leadership development practices: advantages and disadvantages

Organisational leadership development methods	Examples	Advantages/disadvantages
Enrolment of leaders in university-based programmes	• BA and MBA degrees	• Expert faculty
	• Executive development courses	• Currency of ideas
	• Short courses	• Well-designed curriculum • Cost may be more • Content may not be organisation specific
Development through job assignment	• Rotation along career path	• Provides unparalleled breadth of
	• Secondments	generalist knowledge
	• Job swapping	• Host area gains as well as the individual

Organisational leadership development methods	Examples	Advantages/disadvantages
	<ul style="list-style-type: none"> • Job sharing • 'Back to basics' assignments 	<ul style="list-style-type: none"> • Organisation may not be large enough to allow the practice • Cost of relocation may be high and impact on individual's family
Development through assessment and feedback	<ul style="list-style-type: none"> • Assessment centres • 360° feedback • Psychometrics • Performance reviews 	<ul style="list-style-type: none"> • Provides clear feedback on traits and behaviours • Feedback is relatively objective • Participants tend to accept feedback • Costs may be high for assessment centres • Participants may become 'immune' if repeated over time
Development through one-to-one support	<ul style="list-style-type: none"> • Mentoring • Shadowing • Coaching 	<ul style="list-style-type: none"> • Protégés have one-to-one interaction with the executive • Opportunity to model leadership behaviour • Mentors should be trained to optimise the experience • Time consuming for the executive • Depends on the 'chemistry' between the mentor and the protégé
Structured learning programmes	<ul style="list-style-type: none"> • In-house training • E-learning • Corporate universities • Community service • Specialised programmes • Health promotion • Employee assistance programmes • Learning centres 	<ul style="list-style-type: none"> • Target specific development needs • Flexibility for learner to pick and choose • Relatively cost-effective • Requires resources to coordinate and keep up to date • Involvement may be scattered, lack cohesiveness

12.4.3 Universities and Management Development

Twenty years ago, universities were perhaps the largest source of organisational leadership development, at least for middle- and senior-level managers in the private sector. Individuals of promise were supported in their attendance at such programmes, returning to the organisation with their new-found university-based knowledge. The MBA was the degree of choice, the qualification generally being accepted as the standard for those wanting to move into general management. Additionally, so-called executive development programmes in areas such as leadership, strategy, marketing, finance and more were offered by university business schools, tutored by faculty members who were renowned in their specialty areas. This distance learning programme exemplifies how university-based courses have changed over time, from campus-based programmes to distance learning programmes in which students can complete the course work nearly anywhere in the world as long as there is access to a computer.

However, the trend in recent years has clearly been away from such external programmes, with organisations increasingly designing their own customised, company-specific programmes, targeting a wider internal audience (Bardach, 1997). When universities are involved today, they are more likely to play a partnership role in a company-specific programme, perhaps offering instructional expertise in conjunction with in-house experts and external consultants. Just one of many examples is that of Halifax, a major UK bank, that contracts with a UK university to deliver theoretical underpinnings in its leadership training programme, then has a management consultancy firm design programme modules while yet another specialty firm provides outdoor training (Anonymous, 2002).

The organisation's management development programme is likely to have a number of developmental components that are far removed from the traditional classroom model of learning and development, methods heavily influenced by action-learning theorists with an eye to the organisation's future. Let's examine a number of those management or leadership development practices.

12.4.4 Development Through Job Assignment

12.4.4.1 Rotation/Generalised Career Paths

Succession planning provides a comprehensive picture of the organisation's leadership capability as well as bringing a focus on specific developmental needs, individual by individual. From this process, other developmental processes can be brought to bear to increase leadership capability. Among the most comprehensive of these practices is the development of generalised career paths. The military provides the best example of rotation and generalised career paths. It actively rotates its personnel among many functions. For example, a naval officer's career assignments may well include piloting carrier-based airplanes, planning at the Pentagon, conducting amphibious landings, commanding a minesweeper, and so on. Few top military leaders have only one specialty as they prepare for generalist responsibilities.

A Japanese industrial practice is similar. It involves moving people horizontally among different functions, say from production to finance, then perhaps to custom-

er service, keeping people in each assignment for a few years. Ouchi (1981) called this **generalised career paths**. By way of contrast, many Western firms have tended to primarily use job rotation only initially in order to help new people choose a specialty rather than to build breadth for future leaders.

A related leadership development practice is the so-called **fast-track** in which high-potential individuals are identified and then moved into challenging assignments that would normally have been given to seasoned veterans. However, this accelerated executive development process needs to be carefully managed. Potential problems are that the manager could be derailed by not having adequate time to form a support network, alienating people, a lack of developmental feedback, and not having the opportunity to learn from career setbacks or failure. It is likely that such managers will need to be given extra time on the relational influences required for success at the senior management level, something akin to Ouchi's generalised career path.

Some companies also offer individualised career counselling by their own internal staff or outside consultants, although it is also recognised that this process should not be used to relieve managers of the need to confront substandard performance.

12.4.4.2 Secondments

Widely used in Europe, **secondments** involve assigning individuals to another part of the organisation for a substantial period of time, commonly two years, then bringing them back to the department from which they started. Such assignments 'fill gaps' in the host organisations and provide unparalleled learning experience for secondees. When the secondee returns to the original organisation, that group benefits from new knowledge and contacts. Secondments may involve geographical as well as organisational moves and may even involve, for example, an individual working in a completely different industry and organisation.

12.4.4.3 Job Swapping

Exchanging or **swapping** jobs between two individuals is generally easier and less costly than secondments. For example, two department heads may change positions to learn about other parts of the business and to bring fresh perspectives to the new assignments. Or an individual from a head office function such as finance may change positions with a counterpart in an operational division to expand the breadth of experience for both persons.

12.4.4.4 Job Sharing

This practice can be used to enhance the leadership depth of firms, although it is more typically used to meet the personal needs of two individuals such as parents with young children. Used properly, job sharing can be instrumental in maintaining the commitment of potential leaders. Sharing makes it possible to keep two potential leaders who might otherwise leave the firm.

12.4.4.5 'Back to Basics' Assignments

Disney famously provides a good example of this approach. Managers spend two weeks each year 'on the shopfloor', providing direct customer service, working in retail shops, operating rides, selling tickets and so on. Although sometimes perceived as a burden for busy executives, these assignments are thought to keep leaders close to customers, subordinates, and the heart of the business.

12.4.5 Development Through Assessment and Feedback

One of the most important components of any development process, be it physical skill development, cognitive development or complex activities such as leadership, is feedback for the individual. Indeed, it is our view that accurate and consistent feedback is the core component of any development process. Toward that end, a number of highly sophisticated assessment and feedback processes are currently in use in organisations.

12.4.5.1 Assessment Centres

American Telephone & Telegraph developed the assessment centre to a high standard some 30 years ago, and many companies soon followed suit. It is often used as a selection process as well as for diagnosis and development planning. It is a process where individuals, within a small group setting, are observed completing a series of structured tasks and exercises. These tasks are designed to simulate real-life activities and situations closely, with the idea that if the individual can, for example, do well at making a group presentation in the assessment centre setting, they will also do well in the work setting. Typical activities include participating in group discussions, making a presentation, prioritising and dealing with a series of issues found in an executive's in-basket and so on. These processes support leadership development in two ways: (1) by providing feedback on which to base development plans and (2) by providing post-development reinforcement. Assessment centres have considerable face validity but are also quite expensive in that they usually require a trained assessor for each two individuals being assessed as well as substantial time to analyse and summarise data for feedback to the individual.

Table 12.3 Typical components of an assessment centre

Exercise	Description	Typical skills assessed
<i>Impromptu speaking</i>	Individuals are asked to speak for a short period of time on a randomly selected topic	Poise, the ability to think under pressure and public speaking skill
<i>In-basket exercise</i>	A number of work-related notes, emails, phone calls, letters are to be assessed, prioritised and acted upon within a rather short period of time	Business understanding and judgement, the ability to prioritise, delegation

Exercise	Description	Typical skills assessed
<i>Leaderless group discussion</i>	The group is assigned to a problem or topic to discuss it and perhaps reach a conclusion	Group participation, leading, listening, assertiveness, team working
<i>Team problem-solving</i>	The group is assigned a task to complete (often a physical task such as constructing a display stand) within a given timeframe and 'budget'	Teamworking, leading, influencing, planning, listening skills, prioritising
<i>Individual presentation</i>	Each individual is asked to prepare a presentation on an assigned, usually work-related, topic	Planning, developing and delivering a more formal presentation, responding to questions
<i>Report-writing</i>	A set of business-related data is provided and the individual is asked to analyse the data and write a summary report, perhaps with recommendations	Data analysis, understanding of business issues, decision-making, written skills

12.4.5.2 Feedback Instruments

The **360° feedback** process is so called because the individual is given feedback from the complete circle of individuals with whom he or she interacts. A series of behaviourally oriented questions, perhaps based on pre-identified competencies, are given to selected individuals to complete anonymously (except for the individual's manager). Subordinates, peers and manager then rate the individual on those skills. He or she will also self-evaluate. Then the results are reported back so that the individual can compare results and plan to address areas where less than desired performance may have been identified. Such assessments are very powerful indeed, as the individual will receive a very honest and straightforward report on how his or her actions are perceived by others in the workplace. Most often the individual is asked to discuss the results with his or her boss to receive additional clarification and to support development.

12.4.5.3 Psychometrics

Personality tests play a useful part in self-discovery and analysis (*see* Module 2). Myriads of such instruments are available, with many organisations making use of tests that require interpretation and confidential counselling by a psychologist, including the internationally renowned 16 Personality Factor, the OPQ or Occupational Profile Questionnaire (in Britain), and a variety of values inventories. Other common instruments that are quite popular include the Myers–Briggs Inventory and Porter's Strength Deployment Indicator. Although basic personality traits are not thought to be subject to much change as people become adults, their assessment provides considerable insight into the self, and supports the idea of self-leadership as being a key component of the leadership process.

12.4.5.4 Appraisals

Appraisals (sometimes referred to as performance development reviews) from an individual's manager have the *potential* to provide a great deal of developmental information. However, the potential is often not realised, as development planning following the appraisal is often inadequate. The reasons are twofold: (1) managers are often ill-prepared to counsel employees on their development; and (2) the support available for follow-up development options is often little more than agreeing to attend short courses.

The most effective approach to development based on performance appraisals is a comprehensive **development dialogue** in which individuals assess their own development needs and then ask their managers to support broad-based development plans. Such plans might include special assignments, support for completion of additional qualifications, and expansion of job responsibilities. You will find a version of this process in the index of this leadership programme (Appendix 1), which is designed to assist you in planning your own leadership development programme.

12.4.6 Development through One-to-One Support

12.4.6.1 Mentoring and Shadowing

Mentoring involves an extended, in-depth relationship set up between a protégé and a mentor, typically a senior person who is not the protégé's manager. Many organisations assign protégés to mentors, but spontaneous mentor–protégé relationships work better than more formal mentoring programmes because they are based from the outset on trust and personal chemistry. **Shadowing** or following an executive through their daily routine, usually for not more than a few days, is a related, but far more limited, process. It typically provides only short-term results, probably because it involves a transient relationship of limited duration.

12.4.6.2 Coaching

Like mentoring, **coaching** involves one-to-one relationships. It appears to be enjoying great popularity at present. Coaching, unlike mentoring, is not limited to senior managers, but can involve direct managers, peers, or even individuals from other organisations. It is also increasingly common for specialty consultancy firms to provide coaching to executives. The concept is to meet periodically with a coach to discuss current issues, receive candid advice, and make long-lasting improvements in professional effectiveness.

12.4.7 Structured Learning Programmes

12.4.7.1 In-House Development Programmes

Perhaps the most prevalent type of development process for leaders is the training programmes offered as workshops or short courses by the organisation. Often employing a combination of people from within the organisation and outside specialists for tutors or trainers, such programmes are often highlighted through an

annual training calendar of various workshops, perhaps ranging in length from a few hours to more intensive programmes lasting a week or more.

These short courses generally target specific leadership skills by offering programmes under titles such as Time Management, Assertiveness Training, The Disciplinary Process, Performance Management, Project Management, Presentations Skills and much more. Longer, more comprehensive programmes might be entitled Executive Skill Development and will include a number of topics relating to the business as well as to leadership.

12.4.7.2 E-Learning

As could be expected, with the proliferation of computers, internets and intranets, e-learning has also seen a tremendous time of development. Of course, this leadership programme is a prime example of how a formal university-based degree programme may be pursued through an organisation perhaps thousands of miles distant from the student. But most major organisations would now be expected to be seen putting major resources into the development of company-specific learning programmes, which can then be pursued at the time and place of the learner's choosing.

Although the learning opportunities that are inherent when joining others in a classroom setting are more limited, e-learning offers students the time to progress at their own pace, spending as little or as much time on various aspects of the programme as they choose.

12.4.7.3 Corporate Universities

Corporate universities are well established in hundreds of large organisations. They are based on the concept of a university, but the curriculum is customised to meet the needs of the sponsoring business exclusively. They are not certified to offer formal qualifications as are universities. General Electric, McDonald's, Intel, Harley-Davidson, American Family Insurance and many more have such company universities offering leadership and management training as well as technical skills (Gordon, 2003). Typically classroom-based, perhaps with their own permanent campus, corporate universities provide uniform education across the organisation and can be a powerful tool to shape culture as well as develop leadership.

12.4.7.4 Community Service

Many corporations use **community service** as a leadership development tool as well as a means of fulfilling their social responsibilities. For example, working as a 'loaned executive' with a United Way agency can provide leadership experience earlier than an individual might otherwise have. An innovative programme of this type is offered through an organisation near Cambridge, England. The organisation serves handicapped people and offers a leadership development programme in which leaders are assigned the task of managing a summer camp for 12 or so handicapped people with the help of two university students. The leaders are given extensive coaching regarding their leadership practices, including videotaped feedback.

12.4.7.5 Specialised Development Programmes

There are many commercial programmes offering specialty training. Some, such as those of the National Training Laboratories in the USA and the Tavistock Institute in the UK, are rooted in the personal growth movement, oriented toward greater self-knowledge and understanding. The Dale Carnegie Programme and Toastmasters International are two others that are well known and have profoundly affected the confidence and effectiveness of many participants. Outdoor programmes designed to build character, confidence and leadership also fit into this category. For example, in Britain, the Territorial Army (Pollitt, 2002) offers a weekend exercise where a team of executives/trainees is confronted with a simulated hostage rescue mission while incurring the discomforts of chin-deep water, dark and sleeplessness.

Leadership development programmes are also often designed to meet the specialised needs of identified groups of employees such as female managers, minorities, newly appointed managers, technology managers and individuals who are being transferred abroad.

12.4.7.6 Health Promotion

Leaders in good health are more productive. Fitness programmes typically support good health with diet/nutrition education, in-house exercise facilities, preferential hiring of non-smokers, smoke-free and drug-free environments, periodic health screens and counselling, company-sponsored weight-loss programmes and so on. Many organisations have invested resources in on-site exercise facilities so that employees may pursue their physical fitness goals more conveniently.

12.4.7.7 Employee Assistance Programmes

EAPs provide crisis counselling as well as assistance with sensitive issues such as substance abuse, sexual harassment, prejudice, family problems and working within an ethnically diverse workforce. All these issues affect leadership. Working with EAP professionals not only benefits leaders personally, it also enables them to use the EAP as a resource for assisting individuals reporting to them, more readily and more effectively.

12.4.7.8 Learning Centres

Learning centres are the logical evolution of what might once have been entitled the corporate library. Books, videos, CDs and other learning resources covering topics in business, technical, leadership and a host of other topics are made available to employees through these learning centres. Such learning centres will, of course, have embraced e-learning, and it will likely be readily available through the organisation's intranet facility. As costs come down, these resources are becoming increasingly available at employees' workstations through intranets. When computer-based resources are made available as part of a larger learning package, they can be a valuable resource for leadership development and are very often found in support of other learning programmes such as corporate universities, short courses, performance feedback processes and so on.

12.5 Application: Putting It All Together

The most effective programmes, in our view, are those in which the host organisation identifies the skills or competencies that it requires of its leaders and then develops a comprehensive development process to meet those requirements. In the process, a considerable variety of the learning theories and developmental processes that we have described in this module are used to build a comprehensive approach to developing a broad cadre of leaders and, in turn, the leadership function.

12.5.1 A Three-Track Leadership Development Design

Table 12.4 illustrates a ‘three-track’ leadership development programme (Kur and Bunning, 2002) created at P&O TransEuropean, a UK-based logistics provider. Its three learning tracks were a **business track**, where participants learned about the business itself, a **leadership track** for leadership skill development, and a **personal track** to develop self-leadership skills. The organisation produced its own design for leadership development, and selected the best resources available for each programme component. Coordinated centrally through the human resources department, participants applied and were selected on a competitive basis to attend the two-year in-house high-potential leadership programme. The learning tools and processes were myriad: a 360° assessment, a series of selected company, university and industry experts to deliver topical presentations, action-learning assignments, psychometric assessment and feedback, individualised coaching and more.

Table 12.4 A ‘three-track’ leadership development design

Development	Development activities
Business track To learn about this organisation (9 months)	<ul style="list-style-type: none"> • Pre-residential workbook completion assignment • Week-long business knowledge residential course • Group case study • Formal inputs and interactions with expert speakers • Executive question and answer panel • Syndicate presentation to senior panel • Action learning project selection • Action learning project team formation • Action learning team member feedback • Project support workshops (financial analysis, presentation skills, project management)
Leadership track To develop skills in leading individuals, teams and the organisation (9 months)	<ul style="list-style-type: none"> • 360° feedback and psychometrics • Week-long leadership institute • Learning team design (7–8 people) • Experiential learning exercises

Development	Development activities
	<ul style="list-style-type: none"> • Facilitator- and media-based presentations/inputs • Assigned readings • Self-analysis • 'Buddy' assignment for coaching and feedback • Facilitator feedback and coaching • Team project and presentations • Intensive team feedback • Selection of an 'at work' leadership project
Personal track	<ul style="list-style-type: none"> • 360° assessment
To understand individual traits and behaviours for enhanced self-leadership (throughout)	<ul style="list-style-type: none"> • Personal reflection and development planning • Psychometrics • Team member feedback • Coaching from facilitators • At-work application and reflection • Coaching relationship with their manager • Workshop experiences and exercises • Physical health assessment and improvement plan • Longer-term professional development plan

12.6 Leadership Development: The Future

The trend in the structure of leadership development programmes must move away from a leadership development programme dominated by the classroom model of education so familiar in our formal education system. In its place, real-life learning experiences will be the centrepiece of development, based on thoughtful analysis and planning to support organisational strategy as well as the needs of the individuals. However, classroom-based training will not disappear; rather it will take on a more finely focused *supporting* role for the larger leadership development process. It is also clear that there will be no 'one size fits all.' Each organisation will need to develop its own customised development programme, which itself will be in a continual state of evolution as the requirements of the leadership function meet the changing requirements of the organisation.

The result will not be to provide a programme by which any given individual may develop leadership skills. Rather, the outcome will be a widely developed cadre of leaders with characteristics and experiences that will allow them to move into new or fast-changing situations and quickly make a positive impact. This same cadre of leaders will expect other employees also to contribute to the leadership of the organisation – in essence, building an empowered workforce. Leadership develop-

ment will have impacted not only on leaders, but on everyone at every level of the organisation.

Organisations failing to adapt will find themselves at a severe competitive disadvantage in today's fast-changing world.

Discussion questions

- What have you learned about leadership development methods? How can you use these processes to develop your own leadership? And the development of leadership capability in your organisation?
- What kind of learning and development theory underpins your selected approaches?
- A fast-growing organisation has identified the need to create a leadership development programme. What advice would you offer them in pursuing that effort?
- With the speed of organisational change, how is it possible to develop a leadership development process that is not immediately outdated?

Learning Summary

- Given the basic characteristics and a desire to lead, leadership skills and abilities can be enhanced through the learning process, by learning to choose to employ effective behaviours while avoiding ineffective behaviours.
- The learning theory of behaviourism shows that when an action is rewarded, it will tend to be repeated.
- The learning theory of cognitivism maintains that learning is a highly individualised internal process, and experiences are best structured to cater to individual differences.
- Social learning theory holds that learning occurs by observing others. Also, when the observed person is both attractive and receives positive feedback for his or her behaviour, learning is more profound for the observer.
- Androgogy proposes that adults learn substantially differently from children, primarily because their learning needs tend to be immediate and task-oriented: therefore learning activities should acknowledge this in their design.
- Learning styles theory illustrates a cycle of learning in which a learner might prefer alternate styles such as testing, experiencing, reflecting or conceptualising.
- Action learning focuses on the process of learning, and holds that individuals learn best by confronting a real problem while, at the same time, being involved in a structured learning programme to support the problem resolution.
- Methods by which organisations develop leadership ability include recruitment, offering in-house training programmes, using university-based programmes, rotating job assignments, assessment and feedback processes, one-to-one support, and more comprehensive, long-running programmes that employ a combination of these methods.
- Leadership development in the future will rely less on classroom-type development programmes, instead moving to processes that rely more on thoughtfully selected development work assignments.

Review Questions

True/False Questions

- 12.1 Ignored behaviour that goes away is said to have been extinguished. T or F?
- 12.2 A cognitivist would point out that vocabulary development is important in leadership development. T or F?
- 12.3 The 360° assessment is a common part of assessment centres. T or F?
- 12.4 Most leaders will have found limited value in 'sink or swim' job assignments. T or F?
- 12.5 Self-leadership is the focus of leadership most susceptible to assessment and feedback. T or F?

Multiple-Choice Questions

- 12.6 Which of the following is correct? The behavioural choice model maintains that successful leaders:
 - A. choose their development processes based on personal learning style.
 - B. choose their leadership style based on the needs of the follower.
 - C. can choose from a number of policies, only some of which are effective.
 - D. learn to lead by choosing effective behaviours while avoiding ineffective behaviours.
- 12.7 Which of the following is correct? Learning by observing falls primarily within the theory of:
 - A. behaviourism.
 - B. cognitivism.
 - C. social learning.
 - D. androgogy.
- 12.8 Which of the following is correct? Kolb wrote that learners must:
 - A. rotate through the four styles in order to learn.
 - B. rely primarily on one or two styles.
 - C. identify and develop the style that is best for them.
 - D. develop their ability to learn adequately in all four styles
- 12.9 Which of the following is correct? A leader who is assigned a new project along with other learners in a support group is undergoing a development process akin to the learning theory proposed through:
 - A. action learning theory.
 - B. cognitivism.
 - C. behaviourism.
 - D. androgogy.

- 12.10** Which of the following is correct? Developing leaders through university-based programmes:
- A. is a method most selected by very large organisations.
 - B. has declined in popularity over the last ten years.
 - C. has proved to be ineffective by cognitive theorists.
 - D. is preferred by younger learners but not older ones.

Case Study 12.1: Developing Executives at Packerton plc

Steven Barret was pleased and excited. But he was also apprehensive. While he valued this new challenge, he was also concerned about how to begin his assignment as well as to what the outcomes might be.

Steve had completed a degree in geography at one of England's top universities and had come to work at Packerton through its annual university graduate recruitment process. Packerton's philosophy, as with many large firms, was to try to find potential among the current crop of university graduates and then bring them into the firm to be developed in line with the culture of the company. Steve had been considered to have potential, which he soon made apparent.

Packerton, although centred in the UK, was a worldwide manufacturer of parts for the automotive industry. Founded by the Packerton family over 150 years ago, succeeding generations of family members had seen the firm survive and evolve over the years through a number of sectors such as coal, chemicals, bricks and more. It became clearly focused on the automotive sector following World War II. In time, Packerton became a publicly traded company, with the Packerton family fading into the background. Today it was truly international, with only 15 per cent of its turnover coming from the UK.

The highly challenging and competitive business environment of Packerton and the automotive industry stimulated Steve. As with other graduates, his first two years of employment saw him rotate through a number of job assignments: R&D, manufacturing, procurement, HR and sales. A position had come open in manufacturing quality control and Steve readily accepted the assignment, absorbing the world of statistical quality control with ease and soon moving into a team leader's position. Much of the quality control function involved training employees in the processes and, although hesitant at first, Steve developed over time into a first-class trainer. He learned of action learning as a development process through a professional support group and began a small learning group on the shopfloor with production supervisors; the group achieved a number of remarkable outcomes in terms of the projects which were completed by group members. In fact, so much so that Christine Davey, Group Training and Development Manager, visited Steve's group to see for herself.

'What a tremendous programme you have, Steve,' Christine said later. 'Have you ever thought about going into training and development full time? You seem to have a natural inclination.' From that conversation, Steve began to consider his future options and, although unwilling to give up his operations assignment just now, decided to pursue a professional qualification in personnel management. As a part of the qualification, students were required to undertake an applied project. Steve approached Christine for advice.

Christine was a tall elegant woman, greying and in her late 50s. She had worked for Packerton nearly all of her working life, beginning as a secretary, moving into secretarial

training, then broader remits until she assumed her current position over 20 years before. She was responsible for all corporate-level training, including the executive development and management development programme.

'I've got an idea,' suggested Christine to Steve's enquiry. 'How would you like to evaluate our executive development programme? It is quite well supported but we should take an objective look at it once in a while and see if there is any way we can tweak it, maybe make some adjustments that might improve it. It should be a great learning experience for you as well.'

Steve jumped at the chance. Not only would it be of considerable personal and professional interest to him, but he would also have the opportunity to get a view of Packerton at a more universal level than he had obtained at the manufacturing site.

Steve ascertained that Packerton had four major executive development processes. Of course he had experienced the first process, the graduate process, first hand. He had thought of the process as being somewhat akin to the officer selection process of the military. Its goal was to identify bright young talent and train the talent as the leaders of the future. The second major process was termed Executive Development 1. ED1 was an intensive two-week leadership training programme targeting high-potential individuals, who might be in their late 20s or early 30s. A typical participant would be someone such as Steve who had gone through the graduate intake programme, gained several years of experience, and was deemed to be able to gain from such a programme. It was a residential experience that offered a considerable amount of input from Packerton experts from throughout the company, a self-assessment against Packerton's long-standing leadership competencies, the opportunity to work with any number of other participants from throughout Europe, and a final high-profile 48-hour outdoor leadership development exercise, which included orienteering, rock-climbing and raft-building.

The third executive development process was a more selective successor to ED1, Executive Development 2. Its typical participant was a middle manager, aged 35 to 45, who was seen to have executive potential. Participants were competitively selected from around the world and participated in two separate two-week residential programmes. Its focus was much more oriented to business problems and processes than ED1 as, after leaving the first two-week programme, teams were given real-life action-learning assignments to complete and then present to top executives at the end of the second two-week programme.

The final executive development process was an annual succession planning process which Christine chaired with the group MD and other senior executives in attendance. It was her annual chance to take the top team through a highly visible and emotional process. In Packerton's succession planning process, the top 200 executives in the organisation were included in the process, which was primarily an assessment process. Individuals were assessed as to their readiness to take on larger assignments or, alternatively, if they would need to gain more experience. In reality, some of the 200 were also adjudged to have peaked out and were unlikely to move further. Finally, for each of the most senior-level positions, several individuals were identified who might be replacements for the incumbents should they leave for any reason. The whole process was highly confidential and subject to much speculation and rumour throughout Packerton.

Steve could see that the whole executive development process was well structured and designed to identify and support high-potential people at each step while letting others fall by the wayside. Although a small proportion of executives might work their

way up from the shopfloor, the preferred route to the top was to be a successful graduate, then attend ED1 and ED2 and finally gain a high-level assignment so as to be included in the top 200 Packerton executives.

The executive development process seemed logical to Steve. However, it was disturbing for him to note that Packerton had been struggling for the last ten years. The industry was increasingly competitive. Packerton had also consistently lost market share. For the first time, the board had begun bringing in a sizeable proportion of executives from outside the organisation, a process that was formerly very much the exception. 'If executive development has been successful, why has the company lost its former level of success and why do we need to recruit outside executives?' Steve wondered.

Questions:

- 1 How should Steve begin to assess the executive development programme?
- 2 Describe the level at which Packerton's executive development programme incorporates the principles implied by the various learning theories described in this module.
- 3 Design an executive development programme for Packerton that incorporates a mix of development processes that you feel would be most appropriate for the company.

Case Study 12.2: Leadership Development at the Riverside Call Centre

The Riverside Call Centre aimed to be a leader in providing such service to financial service organisations. It had the technology, it had the leadership, and it had the expertise. In fact, Riverside was deemed to be an industry leader.

Aruna Petram was the personnel director for the call centre and had been so since it was first established some 12 years prior. It had grown rapidly, and much of her early work was in recruiting qualified employees, establishing policy, and trying to develop a supportive culture for the 300 employees, who often found the work quite demanding with limited professional reward. Aruna had been largely successful. Within the demands of the job itself, Riverside offered a number of employee benefits such as flexible working hours with part-time and split-shift options. In addition, there were other benefits: support for higher education, child care facilities, productivity and attendance incentives and more. Within the industry, Riverside was often seen as a benchmark by competitors, and it had won a number of awards in recognition of its excellence as a call centre. The executive team was stable and seasoned, and profitability was good.

Aruna, 38, jet-black hair, dark eyes and of medium build, was seen as a very professional business woman, always immaculately and stylishly dressed. But she was also seen as a formidable personnel director. Aruna ensured that all managers knew the personnel policies inside and out and, furthermore, that the policies were followed lest they incur her very firm attention.

A number of training programmes were offered for managers and supervisors several times a year. These included topics such as performance management, the effective performance review, motivational techniques and time management. Most workshops were one- or two-day programmes delivered by talented outside consultants who presented the course in an informed and stimulating manner. By the same token, each department was given a budget to support individuals attendance at additional short courses offered outside Riverside. Aruna periodically looked for new ideas for training programmes among the titles included in the brochures from commercial training programmes that came across her desk. From these she had added topics such as stress management, influencing skills, dealing with difficult employees and so on.

But Aruna was increasingly concerned that she wanted more from her team leaders and managers than following policy. Because of the company's attractive benefit and incentive packages, attendance and turnover were relatively good. But could they be better? Her initial concern was only underscored when she saw the results of a recent employee attitude survey that she had commissioned for Riverside. Although pay and working conditions were rated quite highly by employees, a number of questions showed disturbing results. For example, less than 50 per cent of employees responded positively to questions such as 'My manager shows appreciation for my efforts', 'Riverside is an employer that values my ideas and suggestions' and 'Someone at work considers my development.'

Aruna knew that these questions could not be influenced through the personnel policy and procedure manual. Rather, they were employee attitudes that could only be addressed by Riverside's leaders – the team leaders, supervisors and managers who provided daily support and direction to its employees. 'But where to begin?' mused Aruna to herself. 'Is it a training issue? If so, why isn't our current training hitting the mark? Or is it more than that? Perhaps it's a culture issue. If so, how do I address the culture of leadership?'

Questions:

- 1 Do you believe that the leadership issue that Aruna has identified is a training issue, a culture issue, a combination, or something more? Explain.
- 2 Given the leadership development processes described in this module as well as the culture development information from Module 6, identify the main elements that should be included in a leadership development programme at Riverside.
- 3 Explain which of the theories of learning are most appropriate to the programme that you have outlined in question 2.

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Strategic Leadership

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Learning Objectives

By the end of this module, you will be able to understand:

- that three different strategy eras have shaped ideas of strategic leadership;
- the roles of the strategic leader – configuring, facilitating, delivering and evaluating (learning) and changing;
- the idea of strategic alignment and how to work with it;
- that the origins of strategic leaders are embedded in the three strategic eras.

13.1 Introduction

A key aspect of organisational management is not only the choice of strategy but also the choice of the processes of strategy formulation and implementation. A further key aspect of strategy that is sometimes forgotten is the choice to change strategy. Hence a key aspect of leadership is taking a role in these four strategic choice processes and in understanding how they interrelate. You may be thinking here of an individual leader (as hero?) making all four of these choices, however advised and supported. You may also be thinking of choices being made by a leadership team. Such choices are rarely the outcomes of simple logical processes, and are more understandable as the outcomes of organisational processes embracing the complexity of these choices. In the modern corporation strategy might take a variety of forms depending upon problems, history, technology and personality.

Some authors differentiate strategic and managerial leadership. For example, Rowe (2001) claims that strategic leadership enhances the wealth creation process in entrepreneurial and established organisations and leads to above-average results. In contrast, managerial leadership will achieve average returns at best and is likely to achieve below average returns and destroy wealth. But Rowe was careful to offer three interesting definitions:

- **Strategic leadership** is the ability to influence others voluntarily to make day-to-day decisions that enhance the long-term viability of the organisation, while maintaining results.
- **Managerial leadership**, involves stability and order.
- He added an interesting third idea of **visionary leadership**, which is future oriented and concerned with risk-taking, and noted that such people are not dependent upon their organisations for who they are.

Hitt and Ireland (2002) argue that the strategic leadership needed in the 21st century is involved with building company resources and capabilities with an emphasis on intangible human capital and social capital. But the CEOs have views too. Harry Kraemer of Baxter International saw strategic leadership as performance driving. Further:

'A top management style of setting demanding objectives aligned with maximising shareholder returns and communicating shared values, key goals and measurable objectives throughout the organisation. You might see this as an example of the top echelon theory. In contrast, Bob Lutz, of Chrysler, spoke of the leader as the challenger of conventional wisdom, creator of a compelling vision of the future and a catalyst for innovation and employee initiative' (Grant, 1999).

The term **strategic leadership** invites you to consider the nature both of strategy and of leadership. Boal and Hooijberg (2000), reflecting upon the research on strategic leadership, argued that it has gone through three phases: first, as an aspect of top management, upper echelon theory; second, leadership theories of charisma, transformative and visionary; third, 'emergent' theories that explore cognitive complexity as well as social intelligence. You will be able to see how these three stages map onto three concepts of strategic theory.

13.2 Strategy: A Brief Overview

The use of the word 'strategy' in business and business periodicals is very common. Indeed, almost every organisation and manager has some kind of strategy. But we might just reflect upon the word, derived as it is from *strategos*, the ancient Greek word for General or commander of the army. This might be contrasted with the notion of policy, derived from the ancient Greek word *polis*, meaning the city or the state. From this word was derived the idea of policy. And policy has as elusive a meaning as strategy. For some it means a stance towards an issue; for others, it is a statement of interpretation of some complex issue; and for others it is an adminis-

trative guideline. In the early years of business schools there were courses in business policy. These were transformed into courses on corporate strategy. The reasons for this shift were complex, but did appear to reflect the decline of corporations as social institutions and their emergence as competitive enterprises driven by such things as shareholder value. This change also mirrored the rise of liberal market capitalism as the successful form of Western economic order.

The ancient Greeks were perceptive in their insight into the relationship of the city-state and its environment. There was a debate about whether the city rulers should control the generals (probably they should) and whether it was appropriate for the *strategos* to become the ruler (probably not except in extreme times of threat or of war). For policy is concerned with all aspects of the city and its communities and sees war as political failure and perhaps, as von Clausewitz put it, as politics carried on by other means or war as the failure of politics. This implies that something about the complexity of the modern organisation in its multicultural and multinational setting may have been lost with the switch from policy to strategy. While much corporate strategy is directed to the unitary notion of organisation, scholars have expanded the concerns of strategy to recover the necessary richness of the strategy problem by widening concern to governmental, societal and business stakeholders. As our definitions and understanding of strategy change, then we shall see that the idea of strategic leadership also changes. We shall see that this is not the simple place of heroes and heroines, although they do exist.

13.3 Strategy Schools

The evolution of business strategy ideas has been complex, rooted in leader intentions, then in industrial economics, and latterly in a new view of global and organisational complexity. Coad (2005) has argued that it is useful to see that there have been three stages of strategic thinking:

- the era of grand design and systematic planning;
- the era of strategic positioning;
- the era of complexity.

While Coad was careful to note that these are merely organising devices and not hard categorisations, they do offer us a way to see how strategy has developed. We shall consider these in turn, and as we do we shall consider the issues and challenges they present for our understanding of strategic leadership. But note that the first two contain concerns of the single organisation, while the third admits the context and stakeholders to its thinking.

13.3.1 The Era of Grand Design and Systematic Planning

The Harvard school of strategic theory associated with Chandler (1962) and his followers, Ansoff (1965) and Learned *et al.* (1965), developed the following model of contingent fit.

Environment → Strategy → Conduct → Performance

Here the problem was to match the expected changes in the environment to the firm with an appropriate strategy. The question of conduct was about the configuring of the resources and their transformation to outputs such that the desired performance could be attained. Included in conduct is the question of organisation structure and procedures. Chandler's own historical research demonstrated that the complexity of the external environment must be matched by the complexity of the organisation structures and managing processes, such as planning and reporting, in order for high performance to be gained.

In this school there was the recognition of the need for a strategic appraisal of the enterprise. This was as difficult then as it is now. The recognition of strengths, weaknesses, opportunities and threats was a helpful device even if classification of any part of the business might be difficult. So the heuristic devices such as SWOT should not be overly criticised. Indeed some argue that what a corporate management sees as strength may be tomorrow's weakness. Consider a firm with a strong product position (a strength) in a market. This product strength may turn out to be a weakness should technological change create a near-impossibility of the firm being able to meet the new situation, for it has to discard its old products and find resources to develop the new one. There is rarely time to do this. For example, there are now very few electric typewriters; they have been replaced by computers and word processors. Here appraisal in a SWOT matrix can lead to new possibilities, examined via feasibility and acceptability studies, then choices and action.

The degree to which this process can be established as a rational organisational and managed process has been the subject of much debate. First, the design approach is clearly based upon an attempt to be rational and systematic in an uncertain, turbulent and risky environment. Its supporters do not claim that it was perfect, but that it was better than any process that did not include these steps. It could at least help avoid strategic errors. Also, if the process was repeated on an annual cycle with a five-year rolling horizon then some good organisational learning could happen. The critics claimed that this design process was an unhelpful bureaucratisation of strategic management, which needed creative and innovative thinking – that it was likely to stifle real debate about needed change and make management somewhat academic. A sharper criticism was that the design school seems to be a good idea but:

- it overestimates the capacity of managers to handle all of the complexity and uncertainty at the same time;
- the real differences in views about goals and objectives as well as means would be stifled rather than examined;
- it reflected a narrow unitary conception of a complex organisation;
- because the timescales of analysis, feasibility and choice were very long, not only would opportunities in dispersed parts of the organisation be missed but also the design would be reconsidered even before it had been actioned.

What are the issues for leaders in this approach? Where is leadership exercised here? What kind of leadership is exercised?

Consider this scenario

A business school was hosting a workshop on business development for a division of a high-technology international organisation. Three multinational firms dominated the global market. Each firm believed in multiple sourcing, and these three firms were affected strongly by the preferences of their customers. The managers had assembled to be addressed by the divisional CEO. He had flown in for his 30-minute session and told the managers that he wanted them to deliver 50 per cent of the global market in the next three years. He then left. As the market share of the firm was less than 20 per cent, the chance of achieving this, outside of a takeover of a competitor (or customers), was very small. After the CEO had left, the managers were both angry and puzzled as to why such a target could have been chosen.

Comment on the scenario. Of course, the divisional CEO was being a bit of a bully. He had got promoted by being the aggressive, task-driven, achieving leader of popular folklore. He was used to getting his way. But his bullying was not physical; it was more intimidatory, with his short time presence, his unavailability for serious questioning and discussion, and his setting of impossible targets.

This raises the question of the interdependence of the variables in the contingent ESCP model. It assumes that the environment will not be changed by the strategic behaviour of one of the firms in the market. So it seems that the desired level of performance can be defined independently, but the achieved performance might turn out to be somewhat different. Of course, it might be asserted that strategic leadership is about managing the complex relationships to achieve an acceptable level of performance. But competitors watch each other carefully and seek to adapt to strategic moves.

This kind of planning, watching and responding resembles sophisticated games such as chess. One interesting but little-used aspect of strategic planning was the use of gaming to evaluate competitors' movements and likely responses. From here a series of strategic moves can be considered in order to cope with competitors' responses. In the cleverest moves, competitors can be pushed into the places where they cease to be a threat. But note that such mind games are mostly closed systems. Organisational fields are much more open, so responses from competitors can be very surprising. Also, these mind games have rules, but competitors' moves are not subject to any formal rules.

So the benefits of strategic planning were a mix of long-term and shorter-term systematic business analysis, establishing a viable connection between investment, financial management, production and marketing, creating the conditions for effective competition, creating contingency plans to cope with change.

The problems were that the plans were produced out of micro-political arguments about strategy and did not have full commitment; that change happened faster and in different ways than expected, so plans had to be abandoned; that the plans appeared to consume excessive amounts of managerial time; that the plans seemed to 'lock in' minds so that there was a fear of being unable to adapt; that

shorter-term pressures from the financial markets would not permit longer-term planning; and that the turnover of senior managers happened in shorter time periods than the plan horizons, so the new leaders wanted to do different things. One final problem was that entrepreneurs thought that the planning process developed administrative minds rather than managerial minds. The debate was a conflict between how to achieve goals. Do we do it best by building integrated organisations by planning, or by building flexible and adaptive organisations using leadership? And is there a universal answer to the question?

But, more importantly, Goold and Quinn (1990) found that very few companies used formal control processes to monitor the implementation and progress of strategic plans. However, we might bear in mind here that there was very little research on implementation of any kind of strategy process (design, accident or serendipity), or any comparative analysis, so some of these criticisms might be more about finding scapegoats for failure. Understanding is more difficult than journalism.

13.3.2 The Era of Strategic Positioning

If the first era was about the content of a strategy, then the next era not only built upon the first but also set out to establish that there were generic (or universally applicable) strategic positions: cost leadership; differentiation; focus. This was driven from the application of industrial economics to strategy (Porter, 1980, 1985) to make visible the **five forces**, to adopt value chain analysis and lead to three generic strategies. The five forces were drawn from considering the firm in its industrial context. (Be careful, not all firms exist in only one industry.) These five forces were threats from:

- new entrants;
- substitute products;
- customer bargaining power;
- suppliers bargaining power;
- the intensity of inter-firm competition.

These reflect a competitive posture of an independent firm. **Value chain analysis** sought to relate the whole costs in the supply of the good or service to the price it would obtain in the market, thus demonstrating the relationship of price and costs in each stage of the chain. For example, value chain analysis might show that a company supplying automobile suspensions might benefit itself and its customer by supplying the sub-assembly of suspension, wheels, tyres and brakes. Further, the activities in the value chain were considered as being of two kinds: primary activity (the direct operations upon materials) and support activities (everything else that sustained the primary). By analysing the value chain, and especially its linkages, it may be possible to see the basis of competitive cost advantage. However, Porter argued that there were only two sources of competitive advantage, from either having overall cost leadership in the industry or differentiation. This latter might be attained by either a differentiation of product or of market segment that is a niche or focus. The significance of this development was that it was the application of a

rigorous economic discipline to strategy as a whole, and gave a more intellectually satisfying basis than heuristic devices such as SWOT analysis.

Another positioning theory was the **growth matrix** of the Boston Consulting Group (Henderson, 1979), which focused attention upon the relationship of market growth and market share and leads to the possibilities of choosing which products to harvest (cash cows), divest (dogs) and invest in (stars). In this way we achieve a good contingent fit of strategic position to environment. This became very influential as a managerial tool.

Miles and Snow (1978) offered four possible strategic positions:

- **prospectors**, who were entrepreneurially exploring new domains;
- **analysers**, who were a bit like the design school prescription;
- **defenders**, who were interested only in responding to strategic problems by protecting themselves; and
- **reactors**, who were only responsive to others.

But Miles and Snow argued that, given varied environmental circumstances, each of these could be an intelligent choice.

What kinds of leadership style are imaginable in each of these positioning approaches?

Mintzberg (1985) observed that strategies were rarely implemented because the timespans of implementation were so long (five to ten years) that there were unexpected changes and opportunities from within the firm as well as in markets, caused by the behaviour of direct competitors but also by changes in other markets. He argued that strategy might better be viewed as an emergent process. In this he was revisiting the late 19th-century social Darwinists. You will remember the arguments about the theory of evolution. In the competitive field of organisations, there is a sense in which Mintzberg is right. But in the sense of a leader having to make strategic decisions, it seems less useful because it avoids managerial purpose.

There is a parallel here with evolutionary theory. Darwin challenged the conception that there was a designer of the universe and its parts by claiming that creatures survived because they were best fitted to the circumstances in which they found themselves. This led to ideas that organisations could fit themselves to any environment by processes of adaptation. But it has been argued that this was not so, for as environmental change was unpredictable and random so survival and success was a matter of chance and not design or choice. This is not an encouraging message to give to aspiring strategists.

**In what sense do you think that leaders should try to change their environment?
What examples, such as cartels, family alliances, influencing legislation on trade, can you think of?**

13.3.3 The Era of Complexity

The struggle to understand competitive advantage that Porter so brilliantly triggered stimulated a considerable rethinking of corporate strategy. But the still-present

design notion was challenged again by the research on decision and strategy formulation processes. This research demonstrated that many people were involved in any strategic process. Strategy was formulated in a setting where many individuals' memory and knowledge was brought to bear in debate and argument. The strategy as finally formulated was a kind of political agreement that would serve for now. Also, the research suggested that any strategy was not so much designed but emerged from complex organisational processes and history. So strategies, even as attempts to be all-encompassing, were built upon what had gone before. They were incremental.

Braybrooke and Lindblom (1963) had explicitly considered this problem in the case of public or social institutions, where political pluralism meant plural and conflicting goals. They noted that policy processes were **serial** (the issues were considered quite regularly), **remedial** (they were often triggered by problems to be solved) and **fragmented** (only parts of the organisation could be considered). Further, they argued that ends and means were complexly interwoven in negotiable settings, where different programmes might gain political support from some senior managers if other programmes could also be supported by other senior managers and funded. Quinn (1980), perhaps misunderstanding Braybrooke and Lindblom's focus upon process rather than actors and their need to accommodate pluralism, agreed with their view of the incremental process but not their image of **disjointed incrementalism**. He argued positively for the idea of a **logical incrementalism**, where purposive managers moved incrementally but did so consciously. One explanation for this was that this was a good way to work with existing knowledge and also to understand the need to learn. Quinn was interested in aligning managers' behaviour to the nature of problems and organisational processes. He was using his awareness of the complex nature of organisational structures and processes, where subunits could have great complexity.

Prahalad and Hamel (1990), from considerations of competitive advantage, introduced the notion of **core competencies** deeply embedded within organisations. These may not be easily copied by any other organisation. For example, it would be very difficult to enter the competitive market for jet engines for large aircraft. With advanced technologies being embedded in many products, core competencies have to be competed with by creating substitute products. But some if not most of these core competencies are carried in human beings, and are perhaps the collective outcome of working together. So we have seen the subsequent rise of **knowledge management**. But Prahalad and Hamel were also arguing that it was these core competencies as an organisation's portfolio of resources and capabilities that were the basis of competitive advantage and could be applied to create new market offerings.

What evidence is there that organisations can invent radically new market offerings from their current portfolio?

Does the capacity to reconfigure by demerger and takeover constitute a core competence?

Is strategic leadership a core competence?

Both the design era and the positioning era, according to Coad (2005), emphasise predictability, order and control in a world of complexity and uncertainty. But the doubts remained about whether these approaches acknowledged enough of the uncertainty or risk, or paid proper attention to the aspects of organisational life that economics does not capture. It has been suggested by Stacey (1996) that risk and turbulence provide the stimulus and need for innovation and change. But risk and turbulence can produce varied responses. The environment to organisations may consist of two parts: **competitive intensity** and **unpredictability**, which could have both a stimulus and a constraint effect upon change:

- at low levels of each variable there would be low strategic innovation;
- at medium levels the degree of strategic innovation would increase;
- at high and severe levels of each variable strategic innovation would decline.

Some empirical evidence supported these conjectures except that the constraint effect of unpredictability became operative at only medium levels, echoing the commonplace idea that unpredictability is more troublesome than competition.

In a world of rapid spread of knowledge and of increasing volumes of trade, it appears to become more difficult for established firms to find a truly innovative strategy. Hamel (1996) has argued for a revolutionary approach to strategy where firms seek to reconstruct their industry.

If we extend our consideration of a wider view of the firm to include significant stakeholders (e.g. governments and their many departments, communities, suppliers, workers and their families, customers, universities, training providers, suppliers of finance, goods and services), we begin to see the limitations of the design and positioning schools. This is not to dismiss them, but to introduce them to a wider context. In one sense it begins to transform corporate strategy back into corporate policy, with its multiple dimensions and complex interconnections. In concert with these connections you may consider the interactions of business and government across a whole range of issues, from trade, health and safety to international relations, not to mention directorships for ex-ministers and contributions to political parties.

The late 20th century saw the rise of attention to value chains and supply and distribution chains. It was also observed that, from the growing complexity of technology and business, there emerged a great variety of arrangements between firms. The coordination either by hierarchy or by market marked out by Williamson was accompanied by a maze of hybrid organisations. These were sometimes alliances for work in a third country, technology development and remarkably close cooperation between suppliers and customers to ensure compatible and efficient solutions to product design and production. The capacity to work in complex networks and with major competitors to mutual advantage became a mark of corporate leadership.

But let us remember here that significant change does not arise only in larger firms. Much strategic innovation occurs in new and small firms, usually driven by its founder or founders around a business idea and an opportunity. Here the design era is still alive, for strategy is quite simple and implementation much more immediate.

Do the three eras reflect academic responses to the life, growth and decline cycle of economic enterprise?

In all of these discussions you may be left with a feeling that strategy theorists offer prescriptions of more and more sophisticated kinds without much in the way of systematic evidence to sustain them. If so, your feeling would be well justified.

13.4 The Strategic Leader

There is a temptation to define strategic leaders in terms of their desirable traits (e.g. integrity, humility, intellectual capacity, action orientation, visionary capability, strategic capability), their behaviour and style, their charismatic and transformative behaviours. We have chosen to consider the accomplishment of tasks as that which links the person and group to both the internal and external environment. We agree with idea of Boal and Hooijberg (2000) that there is an emergent nature to the new leadership in our new circumstances. The use of the term ‘emergent’ here means that, although we can see some outlines to define the strategic leaders, we do not yet have enough evidence to be definitive.

What then are the key roles of the strategic leader or of the strategic leadership group? The first point to make here is that they cannot be universal and applicable to all circumstances. Nor are we suggesting paragons or new renaissance women. And note too that any role has the following three dimensions:

- that ascribed in job definitions;
- that of the interpretations of the role holder;
- the interpretations and expectations of the organisational members and stakeholders.

But we do claim that the elements of configuring, facilitating, delivering, evaluating and changing lie at the core of the strategic leader’s role. Of course, although we separate them out in a (hopefully) neat schema, do understand that they all go on all of the time in a complex organisational dance.

13.4.1 Configuring Strategy

From the earlier discussion you will not be surprised to read that we see this more as a process of ‘configuration’ than of choice or decision-making. Visionary leadership has a place here but as part of the wide dialogue of ideas. The role here is more of enabling the organisation to consider its environment and its shifting characteristics. It is similar to the role of the policy-maker in providing a frame of reference within which others may work. It provides containment for very complex and interlocking issues and of anxiety that would otherwise run loose among the people and the processes. The role here is not to make decisions, as though organisational life was a business school case study, but to help the organisation to form an appreciation (Vickers, 1965) of its setting and its possibilities. This requires a capacity for extended dialogue both within and outside the organisation, with stakeholders and colleagues. This is accompanied by a willingness to scan models of

and for analysis to inform the configuration process (cognitive complexity!). You might be surprised that the research on successful US corporate leaders is of people with high listening skills, big ears, subtle and well-informed minds and a habit of making their minds up quite slowly. Somewhat different from the stereotype!

Together with this capacity to configure is a capability of managerial leadership to ensure that when points of commitment of resources to a course of action are reached then there is enough understanding and buy-in to the course of action to give it a strong chance of being completed on budget and on time.

13.4.2 Facilitating Strategy

Given the complex organisational world outlined above, it becomes clear that a key role of strategic leadership is to ensure that the organisation has and can build capability through building resources, resource networks and their capability, physical assets, intangible assets and human assets. Equally, attention has to be given to the machinery of organisation, to ensure that the structures and processes are robust for their workload and that people can grow within them.

Hitt and Ireland (2002) also emphasise the tasks of recognising and developing human capital within the organisation and social capital both within, and more importantly, outside the organisation. The task of building strategic alliances and both supply and distribution chains has to be ensured, collaboratively. Mostly this is a matter of building relationships across organisational boundaries with many other persons and organisations.

'The most critical dimension of successful and sought after strategic leadership is in providing the direction, influence, facilitations and empowerment such that members realise their potential' (Hitt and Ireland, 2002).

13.4.3 Delivering Strategy

Given that things do not just happen, the third key role is of leading implementation to ensure that organisational programmes and investment are aligned with the commitment of resources to programmes. This would include regular processes of review and revision, but things happen accidentally and tangentially as well. Further strategic controls need to be aligned enough with the strategic management processes.

Strategic communication becomes crucial to link intent with practice and provide organisation-wide communication on progress and achievement, demonstrating a continuing commitment.

13.4.4 Evaluating Strategy

To facilitate this it is important to consider how to construct controls over the course of action with proactive accountability that provides an interpretation of the significance of events for strategic configuration. This is a key process of learning.

From fourth-generation evaluation approaches leaders need to consider four levels of evaluation:

1. **Compare** what was intended with what happened, and enquire into causes and meanings, in order to learn, but not to scapegoat or to punish.
2. **Consider the ideas** that informed the course of action, consider whether these were well enough understood, and seek gaps in understanding in order to consider how to fill them.
3. **Consider the debates** and analysis that took place and are taking place in the configuration process. What was included and excluded? What might be reconsidered? What new ideas might help here to reconsider the processes of configuration?
4. **Engage in dialogue** as much as possible with the varied stakeholders as to their perceptions and evaluations in order to gather the widest understanding of the significance of the course of action and what might contribute to the reconfiguration process.

Furthermore, it is important to do these evaluations as an action-oriented experience and not as an academic seminar in a country or woodland retreat, although these may have a place in these processes. It is clear that it can be done best in an open, respectful society rather than in climates of fear, of interpersonal rivalry, or where the 'leader' is fearful of not meeting performance targets.

13.4.5 Changing Strategy

If strategic configuration is important then it is unlikely to be 'right' in any absolute sense. The continuing dialogue provides the forums within which change is a normal expectation and not an admission of failure or incompetence. But the strategic leaders must be tough with themselves in the processes of evaluation. This is unlikely to happen in an ego-centred or narcissistic culture. Many organisations use 'failure' as an excuse to remove the CEO. This is a good way of ensuring that learning does not happen.

Change may be thrust upon the organisation. Hence there may be a need to engage in crisis intervention. This requires subtle skills, for others will be aware of the trouble and failure. Trampling in with power will make matters worse. Can you imagine being the CEO of Union Carbide at the time of the Bhopal disaster?

13.4.6 Power and Values

We have not given attention either to power or to empowerment because the use of personal power is almost always immediately appealing to the leader but becomes destructive. The exercise of authority is a quite different matter. Also, it is abusive to assume that any one person can empower others, except by removing their attempts to exercise power over them. Module 16 considers these matters further. We have also not been concerned with the questions of values again, because this is another arena of great complexity and sensitivity. We have been concerned here with organisations where individuals are free to belong or to leave and are also free to hold values at variance with others. In coercive organisations, this freedom does not

exist; the values of the coerced do not matter (except that the power-mad coercers become disturbed by the idea that the coerced do not think as they do and can set out to destroy those they fear). Values lie so deeply at the heart of normative organisations that it is important to be careful with the ideas of leadership, for leaders here are the servants of the values not the masters.

We have also not entered into the new institutional theories of social structures, organisations and economics, because this would require much too extensive treatment for this module. Here organisations are seen as the theatres within which values, beliefs and modes of order of social institutions are manifest. It is an approach that sees leaders as acting out or through institutional norms, beliefs and orders and by their actions changing them in subtle and often invisible ways. It is an approach that does not decentre or devalue the person but does engage with persons as embedded actors rather than as naïve individualists (although we acknowledge that many naïve individualists claim to exist). That last point has clearly been at the heart of the arguments in this module.

13.5 Strategic Alignment

13.5.1 Alignment

One of the outcomes of the environment, strategy, conduct and performance paradigm considered earlier in this module was the need to focus upon conduct as the bridge between strategy and performance. The somewhat general word ‘conduct’ has been replaced by the term **alignment**. Alignment refers to the need to align the organisation to the strategy. Clearly alignment is a major task of the strategic leaders. Following Kaplan and Norton (2004), Table 13.1 links the tasks of alignment, the processes and the measures or assessments needed.

Table 13.1 Alignment

Task	Process	Reported measures
Ensure all staff understand the strategy and their role in it, with subgoals	Internal marketing; clarity of regular communication and reporting of progress and changes	Survey of understanding Performance reports
Reinforce the sense of purpose and urgency	Regular briefings Maintain time pressures	Surveys of understanding Performance monitoring
Ensure corporate structures fit to strategy Teamworking	Redesign structure for clarity of implementation and collaboration	Review of problems of functioning
Fit control structure to strategy	Design control structure (planning, innovation, investment, budgeting) to enable strategy	Review of problems

Task	Process	Reported measures
Connect organisational culture to strategy Encourage an openness to learning	Develop organisational culture by example, by education and by local briefing Be open to questions and changed circumstances	Review of organisational problems, especially those that are about how the organisation connects to the outside world of suppliers and customers Track surprises Staff survey of climate
Fit rewards to desired performance subgoals	Modify incentives schemes	Payments of incentives in relation to performance; make this public
Encourage personal goals to be aligned with strategic future	Use staff appraisal to build staff development skills and competences in future capability	Regular HR reviews of staff capability

It is common practice for companies and organisations to develop **mission statements** that encapsulate purposes and values. The best of these also serve as strategic alignment tools, but only if they are driven along as tools of engagement. First, make sure that the mission statement is the result of informed debate and fits with managers' knowledge of what is and what might be. Second, ensure that all employees have a copy explained to them and third, that they understand it. Fourth, encourage buy-in and commitment to the mission statement, especially by getting staff to think through what it means for their work team and their work. Fifth, ensure that actions to implement the changes are done, and that they are reported. In this way a mission statement could be mapped into the alignment table above as a very valuable tool of strategic leadership.

13.5.2 Softball and Hardball

In contrast to the complex processes considered here, Stalk and Lachenaux (2004) argued that leaders have played too much softball and should learn to play hardball. (In the USA, adult baseball games are played with a hard ball, and there is another version, for children, which is played with a soft ball.) Stalk and Lachenaux refer to Southwest Airlines, Toyota, Dell and Wal-Mart as hardball winners. They argue that softball is for losers, but they wisely do not name any but indicate industries where the new hardball competitors have had a major impact. The hardball manifesto is:

Work like this	Because...	Use these strategies
Focus relentlessly on competitive advantage	<i>it can wither away.</i>	<i>Understand what this is and do it</i>
Strive for extreme competitive advantage	<i>you get out of competitors' reach</i>	<i>Continuous improvement</i>

Avoid attacking directly	<i>it's less costly and more likely to succeed.</i>	<i>Devastate rivals' profit sanctuaries Deceive the competition Plagiarise with pride Unleash massive and overwhelming force Raise competitors' costs</i>
Exploit people's will to win	<i>victory goes to those who want it most.</i>	<i>Reward the winners</i>
Know the caution zone	<i>you can play the edges.</i>	<i>Stay legal but don't accept conventions</i>

Stalker and Lachenaux argue that following the hardball strategies is essential to building and maintaining a business in a rapidly changing world. This approach is that of the aggressive fighter, and in a world of fighting and tough competition has much to commend it. It can fit into any of the three strategic eras.

13.5.3 Resistance

All proposed strategic change meets resistance, not only because some people are unable to change but also because change is difficult, energy sapping and time-consuming. So a strategic leadership team needs to be able to use evidence of resistance to understand the problems that are emerging. These may be people related, structure, culture and systems related, or a product of signals from a rapidly changing environment. Resistance can show up as over-dependence, conflict and diversion. Sometimes it surfaces as outright opposition when the battle lines are drawn and a real fight for the new strategy is needed. Of course, it would be naïve to believe that a new strategic direction will not create winners and losers. If matters have become this bad, then the leadership has to dig in and win the internal struggles. Of course, corporate leaders can use position power to override objections and objectors, but persuasion and engagement may be a better long-term process.

13.5.4 The Long Game

Strategic leaders must play a long game. This sense of the time spans of strategic leadership visioning creates a context into which doubters and objectors can be invited. From 1992 to 2004 the fortunes of a fine German Engineering company, Siemens, were slowly transformed from sales of €41bn to €75bn and income from €1bn to €3.4bn. The culture change to create a nimble, progressive and international company took about ten years, with the leaders trusting in their knowledge and judgement about reinvesting in apparently declining product groups and markets. A strategic goal of creating competitive advantage in innovation and strategic positioning in each sector of the business was accompanied by much persuasion of stakeholders and employees that the strategy was right and was on track. This German firm came to terms with the openness of international financial markets, including adopting their language of 'black and white' as the CEO described it. The *Financial Times* of London called the CEO a 'pragmatic capitalist and a social romantic'. He thought that was good.

13.6 Summary

The argument of this module is that strategic leadership is understandable in relation to the three eras. Initially conceived as an analyst and planner, the strategic leader was expected to be able to use economic models to select the best competitive position and implement the choice. The third era of complexity requires the strategic leader to link strategy with a wider relationship to societies and governments. This requires the connection of strategic capability with a capability for policy formulation, working across the boundaries of the company and for engagement in the politics of public affairs.

Competitiveness lies at the heart of all of the strategic leader's tasks. The leader has to ensure that the vision and goals are set, and that the systems for implementation are in place. The five roles in the strategic leadership cycle of configuring strategy, facilitating strategy, delivering strategy, evaluating strategy and changing strategy ensure that competitiveness can be built and maintained. One key aspect of strategic leadership is strategic alignment of the resources of the company in pursuit of the strategy.

The three strategic eras have different implications for strategic leaders:

- The design school approach would ask how to build strategic leaders.
- The positioning school would ask how to choose and change them in relation to problems.
- The complexity school relies on the capacity of talented individuals.

But all three require individuals to prepare themselves, in a critically reflexive manner, using all roles and events as opportunities for learning and development.

However, leaders and managers acquire success at different stages of their lives, and there is some evidence that those who are best fitted to be generals of the competitive enterprise may not be the best equipped for the most senior positions where strategy has to be linked with policy. Also, experience is very context specific. It is difficult to learn enough about commercial organisations to be able to exercise leadership of them and in them. So perhaps strategic leaders' capability is sector specific. An implication is that organisations should resist importing leaders from quite different sectors. This conclusion agrees with the ancient Greeks' view that soldiers rarely manage the shift to political leadership.

Where in your organisation does strategic leadership occur? Is that appropriate?

Learning Summary

- Strategic leadership is a central aspect of organisations, concerned with change, direction and effective implementation.
- Policy is about the affairs of the state and of the whole organisation in its complex and uncertain context; strategy is about the choice of action. These words derive from ancient notions of political and military leadership.

- The three schools of strategy, grand design and systemic planning, strategic positioning and the era of complexity have shaped how the tasks of strategic leadership have been viewed. The earlier schools have not been superseded but coexist with the later.
- The grand design school tended towards heroic leaders. The positioning school tended towards analytic teachers. The era of complexity tends towards wise policy leaders. However, all three capabilities might be necessary in the future.
- Strategic (and policy) leaders must lead their organisations through the five stages of strategy: configuring; facilitating; delivering; evaluating; and changing strategy.
- A key aspect of the configuring and facilitating stage is strategic alignment of staff, culture, structures, control processes, operational goals, external and internal resources.
- In a competitive world, a strategic leader may gain strategic advantage by 'playing hardball' within the law to directly disadvantage competitors.

Review Questions

True/False Questions

- 13.1 Strategic leadership is always entrepreneurial. T or F?
- 13.2 Managerial leadership is about order and efficiency. T or F?
- 13.3 If leaders align strategy, structure and conduct, then high performance will follow. T or F?
- 13.4 Strategic leaders prefer change to stability. T or F?
- 13.5 Generals never make good policy-makers. T or F?

Multiple-Choice Questions

- 13.6 In relation to Case Study 13.1 in this module, which of the following is correct?
- The success of strategic leadership lies in the hands of competitors.
 - The three different companies represented the three strategic eras.
 - Each strategic did some of the five roles of the strategic leader.
 - David Ineson set out to play hardball.
- 13.7 Strategic leaders in the design and planning era:
- were concerned with making plans and keeping to them.
 - were concerned with good analysis.
 - sought full commitment.
 - were overly concerned with stability.

- 13.8** A strategic leader is faced with being the new CEO in a well-managed and respected company, which has a group of related products selling in home (45 per cent) and overseas (55 per cent) markets. The company has declining sales due to new competition from overseas, and also is no longer seen as a leader in product or service development. Would you advise the leader to:
- A. build a new strategy to defend its market position?
 - B. analyse competitors' strategy, then involve the senior managers in configuring a strategy to cope with it?
 - C. review the senior managers, the products and markets and the production systems to decide whom to make redundant and whom to promote, which products to drop and to develop a new marketing strategy?
 - D. start a top team workshop to get the team on a new and fast learning trajectory with the intent of building a strategic leadership capability?
- 13.9** Strategic leaders faced with increasing competitive intensity and uncertainty:
- A. should seek to reduce investment in all areas.
 - B. should seek to increase investment in growth sectors and divest from low growth sectors.
 - C. should commission an internal project team to understand the changes and their likely impact on the current strategy.
 - D. should seek to move to a lower risk market.
- 13.10** Strategic leaders:
- A. can be readily hired from the executive marketplace.
 - B. potentially can be recognised early in their careers and then must be given special routes to senior positions.
 - C. will readily emerge in the organisation following years of successful experience.
 - D. are successful by chance and accident.

Case Study 13.1: Milking the Market

For many years the Milk Marketing Board set milk prices in the UK. The MMB was basically set up to protect the incomes of farmers. Indeed, the National Farmers' Union exercised considerable influence over UK agricultural policy and over the MMB. But the government had decided upon a policy of market liberalisation. Accordingly it decided to abolish the MMB and let market forces dictate the market for milk.

Milk was produced from cows. At the time of this case study the UK herd had been reducing from nearly 4 million cows to about 3 million. An economic-size herd was about 200 cows, but there were many smaller farms with as few as 30 cows. Milk was collected daily from farm-chilled tanks and taken to processors. The processor companies did not control the cost of milk delivered to them. They had to accept the farm gate prices set by the MMB. The processors packaged milk and sold it on to consumers through their own distribution channels, or sold it on to other retail and wholesale companies. Milk was also processed into butter, cream, yoghurt, buttermilk and milk powder. Milk in the UK was delivered daily to homes in small, half-litre containers. It took about four days for the milk to flow from the cow to it being delivered to homes. The butter, cream and yoghurt were sold to retailers and the catering trades. Most of the buttermilk and milk powder was sold into the food industry at whatever price could be negotiated.

Four other factors were affecting the milk market. First, the cows, thanks to breeding and feeding changes, were producing more milk per cow per year. Second, the onset of healthier eating was reducing the market demand for full-fat milk and butter and cream, but increasing the market for yoghurt. Third, the rapid growth of national brand supermarkets was creating a new and major national distribution channel. Fourth, the requirements of the European Community for markets to be open meant that the imports of milk and milk products were increasing.

Case A: Southern Dairies

Southern Dairies was a successful and growing milk-processing company based in the south of England. The company had been built from a series of mergers, but each plant still serviced mainly local markets. David Ineson, the young CEO, saw that the onset of the five changes would create a completely new market for milk and milk products, a new and complex strategic challenge. The strategic task he defined for the company was:

- To become a national company able to meet the supermarkets' requirement for delivery of a full range of quality products at keen prices anywhere in the UK.

David also set out the operational goals as:

- Build a national company by buying a northern company to create national coverage.
- Completely restructure the new company by strategic investment in new plant, able to meet supermarkets' packaging needs (changing from half-litre glass container lines to multicapacity square plastic container lines); this would also include strategic closure of about 40 per cent of the existing plant of the premerged companies.
- To make strategic investment in butter, cream and yoghurt capacity.
- To develop new milk products.
- To sign up a critical number of efficient farmers to ensure supply costs were reducible.
- To move fast enough to pre-empt the competition so as to become one of three or four national milk companies.

The key task set was to ensure that all of the staff who would have a future with the company understood the strategy, owned it, well motivated to make their bit of it happen, and would share in the rewards of success. Over the next three years all of these goals were met. The takeover of a northern processor was hotly contested, and the restructuring was ruggedly pushed through. The staff were given extra training on the strategy and its working-through, were promised and awarded profit-related bonuses at the same rate at all levels, and were able to see that they had the knowledge and skills to have a future at Southern and elsewhere in the industry. Internal company communications won national awards, and the organisational climate surveys showed a good response from all levels. But competition was intense, and after a rise in the share price it began to fall back to the same level as it was prior to the strategic change.

Case B: Western Dairies

Western Dairies' CEO, 32-year-old Helen Jones, an MBA graduate, was aware of the changes coming in the industry. They were especially acute for her, as her company was located on the edge of the centre of dairy farming in the UK. She knew many of the farmers and their national leaders in the area, but she was afraid for their future as many of them were, she said, too small to survive, and lacked the capital or managerial resources to grow. Western Dairies knew that it would struggle to compete with the

new (rumoured) national firms. But she thought that Western could build on its skills in product innovation and development. Western was an acknowledged leader in yoghurt and milk-based puddings, selling all of its production capacity.

Helen set out her strategy to her senior managers:

‘Change is coming. We shall be pressured to buy expensive milk locally, and we may have to do some of that for a two-year transitional period.

We need efficient suppliers, and we need to sign them up now. We shall have a ‘good customer’ campaign to badge Western Quality Suppliers in a new campaign next month.

We shall stay independent, relying on our brand, quality and product innovation.

We have to cut costs by 15 per cent in two years.’

Over the next two years Western came under intense market pressure. It became hard-edged about its supply costs, so it managed to focus on efficient suppliers, reduce costs by reducing headcount and cutting wage rates by shifting to part-time staff for some production, import from Ireland, stay profitable and find some capital for new plant. The innovation was more problematic as the senior development manager had moved to a national supermarket chain as chief supply manager. Helen came under pressure from the board for what some board members saw as a conservative strategy.

Case C: Suburban Milk Supplies

Phillip Andrews, the Chairman and CEO of SMS as it was known, was focused upon plant efficiency as the way to cope with unknown consequences of changes in the milk industry. He had been at SMS for almost 35 years and knew the trade inside out. He knew all the local shops and deliverymen, by name and was known and liked in return. SMS, he said, had a reputation for fair dealing and for being a good and considerate local employer. SMS was located on an inner city site in the north of England that had almost no scope for expansion, and had settled for local service. Phillip was the grandson of the founder of SMS and had served his time by working in all of the departments, including a one-year stint as a delivery man. While the company was profitable, it was not generating enough cash to reinvest in new facilities.

Phillip’s strategy was to try to keep going by being more efficient, but he was worried that if the large supermarkets could use their buying power (bulk contracts and efficient logistics) they could put him under severe pressure.

Two years later the price of milk in supermarkets per litre was just below the price at which Phillip could deliver it to his customers. He thought that he could survive by offering personal service at the front door and carrying other milk products on the delivery carts.

A year later he had an offer for the business that he could not refuse. The new foreign owners kept the delivery system, sourced from another dairy, but closed the SMS dairy and sold the land for a housing development. They got twice as much for the land as they had paid for the business.

Question:

- I Identify and compare the strategic leadership in the three companies, considering the kind of strategic alignment processes used and the extent to which leaders were able to shape the future of their companies.

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Leadership and Risk

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Learning Objectives

By the end of this module, you will be able to understand:

- the ubiquity of risk and uncertainty;
- how risk is handled privately, publicly, individually and collectively;
- how risk stances shape the leadership of corporate risk management;
- organisational risk management purposes and consequences;
- socially and culturally shaped perceptions of risk;
- organisational leadership in a risk society.

14.1 Introduction

In the MBA and DBA programmes of the school you will have had the opportunity to consider risk as a central aspect of project management, to consider risk in the *Strategic Risk Management* and *Mergers and Acquisitions* courses. All of these considerations carry implications for leaders at different levels of any organisation. In addition to the materials in those courses, almost all academic subjects of management pay attention to issues of risk. Here we are concerned with the relationship of leaders and risk beyond the technical considerations of risk management systems.

There has been a considerable institutional response to recent corporate disasters such as Enron, and the Barings scandal in which Nick Leeson effectively bet (and lost) the whole company without the senior managers being aware of what he was doing. This response has been based upon an effort to upgrade the corporate management of risks. Hence in the last decade there has been a considerable effort

by professional bodies and regulators to encourage and require organisations to pay formal attention to risk and to risk management. The reports of the Turnbull committee and Treadway have resulted in a kind of enterprise-wide risk management process. An example of this can be found in ANZ 4360, a widely used approach, which has gained iconic status. Consultancy houses have their own procedures and packages, which customers find helpful. It may be that once these systems are in place there will be a move to reduce the current high levels of cost in risk management systems.

One of the authors, as a company director and as a charity trustee, has been on the receiving end of these developments. In his view these developments on the structure and procedures of risk management approaches are useful and helpful. They are usually based upon, first, the creation of a risk register (much as actuaries and insurance firms do); second, a problem-solving first-order control loop (recognise, assess, consider choices, decide, monitor and review); and, third, a belief that organisations have enough information to make a choice of a risk profile. In addition, guidance can be provided for staff on how they consider risk in their decisions. You can find a nice example of this at the ANZ Bank website, which has an extensive presentation of its history and approach. Interestingly, ANZ has a policy of reducing risk, which may have stemmed from over-exposure rather than banker's caution.

However, risk management systems do not seem to help the central problem, which is quite how to assess (let alone measure) risks in board judgements. (One such judgement is about how much money, time and effort should be put into a risk management system.) Much of the advice tendered around decisions does little to inform judgement on policy. For example, one of the authors was part of a process of repositioning the intellectual thrust of a commercial research institute. There were no data from which a risk assessment could be made. Dropping into the widely used three-by-three matrix of the subjective likelihood of events and severity of consequences was not found to be useful, because the board members could not (and some did not want to) guess or agree on either likelihood or severity. Further, such policy judgements are unique and non-repeating, so there is no way of building an analytic process.

The important issue here for leaders is to understand that most risk literatures concentrate upon Type I and Type II decision errors, which do require some kind of data (or what might be called informed guesses) so that probabilities and risk can be analysed. But the key role of organisation leaders is to be able to frame and give meaning to internal and external events, and they do that on the basis of complex processes of judgements rather than making a decision. This is what some people call the Type III problem, which is about framing decision problem, so that others can then make the right decision. However, if an issue is framed in terms of what a risk calculation can handle, you will discover that important issues are omitted. So you can see that there is a danger that a risk management system will lead to important issues being ignored. Leaders have expressed considerable concern that risk management systems can lead to losses of insight, of economic opportunity and of business development. But with that caveat they recognise the contribution that these systems can make. However, in our and others' research we note that very

few, if any, managers use probability modelling to assess risk. This is not to claim that this should not be done, but such analysis is really a technical specialist function.

In this module we are not criticising risk management systems, or the way that you can learn about risk in the other courses of the school. But we are concerned with the role of leaders in framing risk issues. The complexity of risk presents a considerable challenge to current understanding of the task of organisational leadership. Four stances towards risk (Douglas and Wildavsky, 1983) are used as a basis for considering the modes of leadership associated with each of them. It is argued that this provides a starting point from which leadership theory may be extended from its mainly intra-organisation perspective to include an inter- and extra-organisational perspective.

Beck (1992) has proposed that we are moving from an industrial society to a risk society, which requires a corresponding shift from modernism (a scientific view) to include reflexive modernism (which addresses values embedded in the scientific and social fields). Following Beck's arguments, we include a critical attention to how a risk society requires leadership to be construed in wider institutional and societal terms.

14.2 Uncertainty and Risk

A few years ago there was a poster advertising an English city as a site for business location. It had on it two large red dice, one showing a 3 and the other a 1. Together with these numbers was the slogan that 'you can gamble or you can choose Leeds'. Of course the expected score from two dice is 7 so the fact that both dice together showed '4' may have implied that compared with throwing a 3 and a 1 Leeds was a gamble-free location. That message of no risk was indefensible. Managing risk was portrayed as either a search for certainty or as 'gambling'. There was an implication that locating in Leeds would offer the high likelihood of controlling exposure to risk. It also implied that if you and others located in Leeds then you would be protected from responsibility for the consequence of such location decisions. The poster did, however, reflect a general concern that leaders have with the issue of risk.

News media provide continual reminders of the fact and impact of disasters that may be classified as natural hazards of creation: Aids, earthquakes, tsunamis). But there are hazards from human agency of three kinds: human action to other humans (murder, rape); human-created technology and its use (*Herald of Free Enterprise*, Chernobyl, rail accidents); and human fraud or mismanagement (Barings, Enron and Parmalat). The ancient world had a sense of the unknown that was to some degree handled by the idea of fate or fates or by the intervention of the gods. But all societies have had means of coping with risk and the fears and the anxieties it aroused, even if we might see many of the modes of coping as being superstitious. But because we lack understanding of new risks that we face then we might find ourselves becoming more sympathetic to the predicament that the ancients or our grandparents faced. The Enlightenment, with its assumptions that knowledge and

truth could be found by scientific study, ushered us into a modernity that believed that the fates were understandable and could be mastered (Bernstein, 1996). Indeed, the record of modernity has been extraordinary, and astonishingly fruitful. Humans with scientific rationality could come to control the fates and sometimes free themselves of the worst consequences.

We could formally distinguish uncertainty (about which we cannot assess probabilities) from risk (about which we can assess probabilities). This rise of modernist rationality, with its perception that adequate models of events could be constructed and probabilities could be calculated,¹ fitted the world as a closed rational system. Here lies the world of the risk management industry. But if the concept of openness replaces that of closedness, then we have to face the idea that in the risk calculus we apply closed models to open systems, not knowing quite what it is we exclude as we do so.

14.2.1 How Risk is Handled

We suggest that risk is handled (and of course sometimes ignored) individually and collectively, publicly, organisationally and privately to produce six broad arenas, as in Table 14.1.

Table 14.1 Private and public; individual, organisational and collective approaches to handling risk

	Individually	Collectively
Privately	Personal stance for risk-taking Gambling Entrepreneurship	Via families and communities Via insurance Via capital markets
Organisationally	As a leader taking the risk of new roles; of new business opportunities	Leading the organisation's policies on risk management; leading by taking 'risky' decisions for business advantage
Publicly	As a political actor as a part of strategic and policy leadership	Involvement in economic policy debates; regulation debates, trade negotiations

What other examples can you place in each of these six categories? Do you have some that fit in more than one category?

¹ Calculations of risk were derived from centuries-long development of the mathematics of probability, mostly in relation to closed systems, such as dice and playing cards. The later application of probability to real problems showed the limits of the models and more clearly the limits of any data that might be available as a basis for establishing probability distributions of real-world events. Most of the time leaders are facing decisions about events that have unknown probability distributions, but to develop a calculus a model must be selected from which inferences may be drawn. The standard normal distribution is one such. Unfortunately, as the 'tails' of the distribution have the most inexact fit, the model is not good to use in the very areas of small probabilities of significant losses (or gains).

14.2.2 Privately and Individually

Individuals are the accidental holders of risk of poverty, illness, accident and death. Many things, including the cultural context within which an individual is born and educated, may condition the risk stance (see later in this module) of that person. But people come in many varieties, and in any country there will be a widely differing propensity to take risks. The individual risk-taker in the West is called the **entrepreneur**.

14.2.3 Privately and Collectively

Here families and communities handle risk. In some areas of the world the patterns of business are based upon family connections and inter-family trading. These patterns can work within a country or across many countries, and serve as a risk management process.

Other ways of handling risk here are through many kinds of insurance. Also, financial markets can and do price risk and offer contracts at varying levels of risk. So losses can be protected, e.g. loss of capital, loss of income, loss of property from fire, theft and storm, other accidents and the malice of others. Participants have to have the capacity to pay the insurance premiums. In some cases, e.g. shareholders of private corporations, governments have granted rights to protect against losses by permitting the private shareholders of joint stock companies to have legal privileges of limited liability, which limits their risk of loss.

14.2.4 Organisationally and Individually

Here we might be reliant upon membership of a professional body to establish codes of conduct and to arrange indemnity insurance. Or we might be taking career risks by the choice of jobs we take on. Leaders are very exposed to the quality of their judgements about how they frame policy and risk approaches. Being wrong usually means that the leader has to resign, even if no other person could have been correct (or lucky).

14.2.5 Organisationally and Collectively

The leadership of risk management requires judgement of how much investigation we undertake and just how much uncertainty the organisation can work with. It also requires leadership to ensure that there is no risk from failing to comply with laws and regulations. This is the arena of risk management discussed earlier and well covered in the *Strategic Risk Management* course.

14.2.6 Publicly and Individually

Here we have the case of the political actor in advocating changes in policy of government in respect of economic structures, social arrangements and other laws. You might work as a leader of a pressure group, or in social activism for causes such as education, poverty or the environment. Or you might be seeking government support for measures to protect your firm from overseas competition.

14.2.7 Publicly and Collectively

Charitable organisations also seek to alleviate losses and to alleviate the consequences and eradicate the causes of problems. In this manner people make common payments into forms of public insurance. Collective public institutions are created to accept the task of provision to meet distress (e.g. health care, welfare and national assistance) and to ensure minimum incomes. Collective public regulations are enacted to provide protection. Examples are legislation on health and safety at work, rules governing financial markets, business accounting practices, risk management practices and minimum standards for public and private transport. Governments also provide officers to enforce regulations, and courts where both private and public offences may be tried. A current issue is environmental degradation, where many governments have adopted policies of seeking to ensure that the costs of pollution are met, via fines and via the ‘polluter pays’ principle.

But of course all these six areas are connected. Recently the US government sought to begin a ‘polluter pays’ legal action against the US tobacco companies for the cost of treatment in public hospitals for sufferers from tobacco-related illnesses. This suit was founded upon a claim that these companies withheld information from their customers about the effects of smoking. This is an interesting and potentially very important reconstruction of risk-bearing between individuals, public institutions and private corporations, providing a serious challenge to corporations and their leaders. In the past, commercial organisations have been able to export risks to the public domain, but this is less and less possible because of the growing sophistication of public management.

But Beck’s (1992) argument is that none of these arrangements can cope with the changes imposed in the new **risk society** where the very risks to be faced are unknown and are the product of modernism; in his view the risk-holders of last resort are individuals scattered about the globe, as indeed the risks are scattered about.

So far, risk has been presented as an aspect of events, but perhaps the social and cultural contexts might be more significant. So we now turn to a brief discussion of how risk is perceived.

14.3 Risk Management in Corporations

14.3.1 A Review of Stances Towards Risk²

Mary Douglas, an anthropologist, and Aaron Wildavsky, a political scientist, combined to consider a broad social insight into risk (1983). They derived a categorisation of stances typically taken towards risk. These categorisations were derived from beliefs about the nature of the social world and beliefs about equality, as Figure 14.1 shows.

² See Mitchell (1999) for an extensive discussion on how risk is perceived.

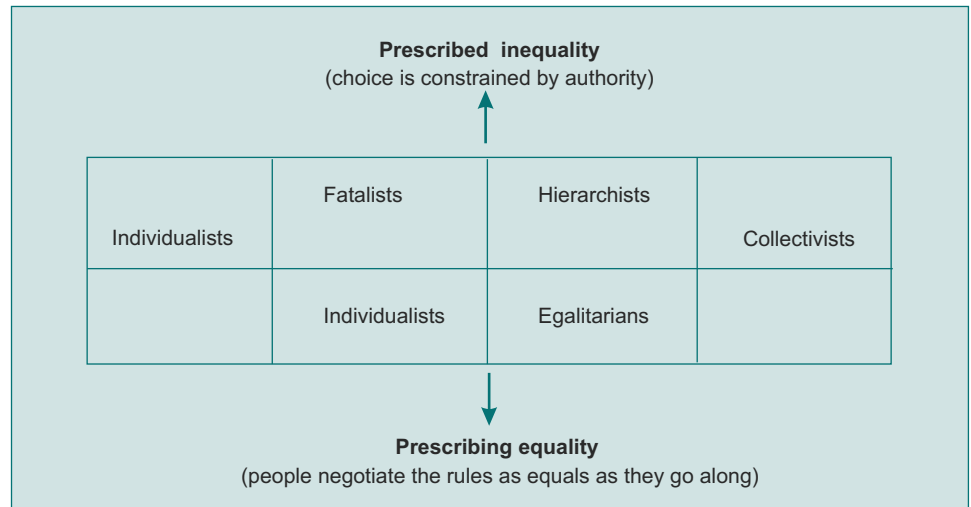


Figure 14.1 Risk stances

Adams (1995: 36), following Douglas and Wildavsky (1983), suggested that we might think of the four characteristic positions in the diagram as stances taken towards risk. These are as follows:

- **Individualists** are enterprising self-made people, relatively free from control by others, who strive to exert control over their environment and the people in it. A good example is the risk-taking entrepreneurial leader of popular capitalism, Richard Branson, founder of the Virgin companies.
- **Hierarchists** inhabit a world with strong group boundaries and binding prescriptions. Social relationships in this world are hierarchical. Leadership is about style or about working with contracts and transactions. Leaders act to manage risk by containment, by risk assessment, by insurance and by portfolios. Jack Welch was a good example here in his leadership of GE.
- **Egalitarians** have strong group loyalties but little respect for externally imposed rules, other than those imposed by nature. Group decisions about risks are arrived at democratically, and leaders rule by force of personality and persuasion. Risk is shared, and leadership is both about transactions and about collective transformations. We think that President Bill Clinton was a good example of this kind of leadership.
- **Fatalists** have minimum control over their own lives. They belong to no groups that are responsible for the decisions that rule their lives. They are non-unionised, outcasts, on the margins of society. They are resigned to their fate and they see no point in attempting to change it. Risk is ignored, and leadership here can become self-destructive.³ It is difficult to think of an example here, because

³ Clearly, approaches to risk will differ among these four rationalities. In relation to the possibility of severe flood from global warming and more dry areas, the individualists will be risk-seekers (sell water equipment); the hierarchists will seek to control risk (build national irrigation systems); the egalitarians will seek to share it within their groups and perhaps more widely (communal wells); the fatalists will accept the desert when it comes.

people like this do not become leaders. But some leaders do end up in this position, having failed to adapt, and just wait for the end.

Adams (1995) went further to understand individual human behaviour in relationship to four elements of behaviour:

1. the recognisable propensity of individuals to take risks;
2. the expectation or lure of rewards from risk-taking;
3. the perceived dangers arising from actions;
4. expectations of accidents, i.e. the occurrence of danger.

Adams argued that individuals mediate these four elements by balancing behaviours. So a given preference for risks (*see* Module 2, Trait Theory), coupled with 'increased safety', can lead to compensating behaviours to take higher risks. This means that people drive faster in safer cars (seat belts and impact protection) in order to bring the risk levels back to their propensities for taking risks. In the UK, deaths from car accidents are more likely in rural Dumfriesshire, where people drive fast with fewer risks of collisions but with a greater likelihood of disaster for each accident, than in central London, which has higher risk of collision but a lower speed and less severe consequences. And leaders, apart from the fatalists, will take higher personal, business and financial risks if they believe that their portfolio of investments or government regulators provide more safety.

Some proposition like this underlies the argument that limited liability for shareholders is a moral hazard. Let us see how this might be the case. If limited liability provides a safety floor for shareholders then, through the balancing behaviours, organisational leaders will take higher risks (higher risk investments) than otherwise. The idea of risk compensation, where higher risks are taken as perceived dangers reduce and accidents reduce, leading to higher rewards, seems intuitively appealing – as indeed does its reverse, lower risks with lower rewards in the face of higher danger and more accidents.

Would you advocate a policy of removing traffic signals to increase risk in the hope of increasing safety? Or, in a business context, would you advocate the removal of accounting regulations in the hope of increasing the quality of disclosure?

Can you identify the risk stance of your organisation? Of yourself?

What problems might there be if most members of an organisation were hierarchists and a new leader appointed was an entrepreneur? Do you think this might occur in a newly privatised public sector company?

The tensions that can emerge here can be very severe. A new and outsider leader, Ian McGregor, was appointed to the National Coal Board, a UK public sector company heavily subsidised by the government. The company had a long hierarchist and to some extent egalitarian tradition. The new leader was from an entrepreneurial background. He refused to enter the old head office building, and set up a new leader's office in a building some miles away. The new leader set about dismantling the old organisation. Within five years, after a year-long, bitter but partial strike, the new organisation had very little subsidy, was about 50 per cent smaller, and was set upon a new strategic direction. However, the greatest risk came from low-cost coal

imports. Within ten years the new company had shrunk by one half and was struggling to cover its costs. The rise in oil prices then came to its rescue as it was able to follow a rise in market prices for coal.

14.4 Organisational Risk Management

Here we are in the categories of both individual and collective risk management.

Strategic writers (*see* Module 13 on strategic leadership) have implicitly taken on the problem of business risk as central to their interest. The SWOT analysis, strategic positioning via the Boston Growth share matrix and strategic portfolio selection, including alliances, are examples of strategic risk management. (See the course on *Strategic Risk Management*.) It is difficult to find any area of management literature that has not recently included issues of risk and uncertainty in its studies. This has especially been the case with finance theorists, who have been developing sophisticated understandings of how capital markets price risky assets. It was found that markets could be viewed as establishing a relationship between risk and return, such that more risky assets were priced lower than less risky ones. This implies that markets were seeking a higher rate of return from more risky assets. From this understanding, shareholders could construct a portfolio of assets (stocks and bonds) to achieve the level of risk exposure with which they were comfortable. The development of the derivatives market also offers investor protection from upside or downside movements in the prices of the assets they hold.

How should leaders of corporations involved in real economic activity take advantage of these new opportunities for financial engineering? This is a question beyond the scope of this module. However, leaders should understand their own risk preferences and work at establishing the risk stance of their organisation. And there is good evidence that they do. In a recent research project we conducted we sought to understand the degree to which organisations adopted a risk stance. Here we defined risk stance in relation to policies for risk protection and policies from seeking economic gain from risk. Figure 14.2 illustrates the distribution of the response from over 300 companies in the UK.

Degree to which risk management was about achieving positive consequences	Degree to which risk management was about avoiding negative consequences	
	Low	High
	Low: Risk sceptical 7%	Hierarchist 36%
	High: Entrepreneurs 14%	Risk aware 43%

Figure 14.2 Risk stances of UK companies

Source: Berry and Collier, 1998.

The data show that 79 per cent of the firms were seeking to avoid negative consequences, and 57 per cent were seeking to achieve positive consequences. The smaller, risk-aware, group was seeking to do both. Interestingly, only 7 per cent were seeking to do neither. These positions reflect risk stances of the leadership individuals and teams within these organisations.

Given that risk management, as an organisational process and as financial engineering, has been developed from two quite different ways of thinking (management control theory and economics), then it is not surprising that at the time of writing there is no published research that can answer the following question:

- Does the capital market assess the market risk of companies in a manner consistent with the company's risk management practice?

The problem for the leaders is that they have to make choices of stance without being able to predict how the market will respond. In our research there was some weak evidence that the market gave a lower risk class to the risk-aware group than to the other categories.

14.5 Social and Cultural Context

The cultural context of your organisation may influence how risk is viewed. Hofstede (1980) included this variable in his characterisation of national cultures (*see* **Module 6**). He characterised national culture along four dimensions, one of which was the degree of uncertainty avoidance – the degree to which members in a society feel uncomfortable in uncertain situations and seek to avoid them (by believing in absolute truths, the attainment of expertise, providing stability, establishing more formal rules and rejecting deviant ideas and behaviours). In a major cross national project it was found that high manifestation to uncertainty avoidance was associated with enhancing outstanding leadership in some countries but quite the reverse in others (Den Hartog, 1999). It was also found that these characteristics affected expectations of leaders and patterns of leader formation. Comparison between Germany (high uncertainty avoidance) and the UK and Ireland (both low uncertainty avoidance) also demonstrates these effects (Stewart, 1994; Ruach, 2000).

Hence organisations across the world in different cultures are unlikely to follow the more universal prescriptions of institutional risk management. We would expect firms from high uncertainty avoidance countries to be more hierarchist and those from low uncertainty avoidance countries to be more entrepreneurial. Shane (1995) noted that if uncertainty avoidance was high then people agreed with the practices of innovators taking action by violating rules and regulations. But some caution is necessary; for while there is a great deal of cross-country variability, there may be also considerable within-country variation. What is clear is that leaders who work against the norms of a firm and of society will find a great deal of resistance, both spoken and unspoken, but more likely to be acted out because of cultural incomprehension. The challenge for leaders in managing risk in cross-national and multinational organisations is acute.

In current liberal market thinking, the capital market is used, via **correct pricing** to distribute or mediate the risks between some shareholders, employees, stakeholders and pension claimants. This approach ignores the **externalities**, the issues of risks facing those uninvolved in these markets. But in Beck's (1992) thesis the risks in these externalities are beyond such rational pricing, for there is no basis for estimation of the probability of consequences, and no portfolio of risks can be constructed to average them out. Indeed, he probably agrees with Adams (1995) that most calculations of the probability of catastrophes such as Chernobyl are beyond calculative rationalities. So the leader of the organisation that must take risks is in a bind, because some of the most serious risks are not calculable. It becomes a matter of judgement, which is why the idea of risk stance (as a view of leader personality) becomes critical.

14.6 The Risk Society

Here we move across the borders of the organisation into public arenas of risk.

In addition to the natural hazards of storm, tsunami, earthquake and other pestilences Beck (1992) argued that we now live in a **risk society**. He asserted that science, technology and its uses have created additional hazards of which we are only becoming dimly aware. By this he does not mean the hazards of foolishness, such as building upon flood plains or on faults in known earthquake zones. He means that the consequence of modernism, with its thesis of progress, is to add to both natural and man-made hazards a series of constructed risks that are beyond our experience, unlimited in time (thus affecting future generations) and unlimited by national boundaries. Examples from our recent past include Chernobyl, Love Canal, obesity from fast foods, and asbestos poisoning. Also, the demand for coal carries with it the deaths of more miners. Threats in our present include bird flu, global warming, Aids, nuclear waste disposal and meteorite strikes. And, unlike an insurance world, it is not possible to compensate the victims because 'we' cannot calculate the probabilities of consequences, nor do 'we' know who they are. The victims have little chance either of identifying the authors and causes of their misfortune or of buying insurance to compensate them for their losses. Yet these risks of modernity are being created by the acts of corporate leaders.

'The axial principle of industrial society is the production and distribution of goods, while that of the *risk society* is the distribution of *bads*. Further the industrial society is structured through social classes, while the risk society is individualised' (Lash and Wyn; Beck, 1992: 3). Beck argues for the extensive nature of risk and the proposition that our prior rational approach is inadequate.

'Indeed if you distinguish between calculable and non-calculable threats, under the surface of risk calculation other kinds of *industrialised, decision-produced incalculabilities and threats* are spreading within the *globalisation* of high risk industries, whether for warfare or welfare purposes. The dangers of highly developed nuclear and chemical productive forces abolish the foundations and categories according to which we have thought and acted to this point; such as space and time, work and leisure time, factory and nation state, indeed even the borders between continents' (p. 22).

Beck supports this argument with five points:

1. Risks (radioactivity, toxins, pollutants) in late modernity differ essentially from wealth, with systematic irreversible harm, and remain invisible outside our scientific knowledge of them, knowledge that is open to social construction.
2. Social risk positions spring up; risk follows class and wealth, but also transcends them, and even the rich and powerful are not safe; new international inequalities are produced and undermine national jurisdiction.
3. There are winners from this new risk distribution; big business wealth, which does not pay for its pollution. With the economic exploitation of the risks it sets free, industrial society produces the hazards and the political potential of the risk society. Here risk is transferred from private individuals to the public collective.
4. One can possess wealth; one is afflicted by risks that are ascribed by civilisation. The political potential of the risk society must be elaborated and analysed in a sociological theory of the origin and diffusion of knowledge about risks.
5. So what was considered apolitical becomes political: the elimination of the causes in the industrialisation process itself. We need to address the social, economic and political consequences of these side effects. What emerges in risk society is the political potential of catastrophes. Averting and managing these can include a reorganisation of power and authority. Risk society is a catastrophic society.⁴

In the industrial society of modernism, 'Risks are defined as the possibilities of physical harm due to given technological or other processes. Here technical experts were given the chief position to define agendas and to impose bounding premises *a priori* on risk discourses.' Hence leadership about hazards and risks was subcontracted to scientific expertise as in, for example, the assessment of the consequences of BSE, also known as mad cow disease. But this has been contested in three ways:

'First, such physical risks are always created and effected in social systems, for example by organisations and institutions which are supposed to manage and control the risky activity; second, the magnitude of the physical risks is therefore a direct function of the quality of social relationships and processes; third, the primary task, even for the most technically intensive activities (indeed perhaps most especially for them), is therefore that of social dependency upon institutions and actors who may well be – and arguably are – increasingly, alien, obscure and inaccessible to most people affected by the risks in question.' (p. 4).

Hence we argue that moving from the organisation into the public domain is a vital role of organisational leaders in risk management that begins to change both organisational and public agendas. It extends organisational leadership in relation to mission and tasks to a leadership in relation to wider framings of values, beliefs and the nature of societies arrangements for goods and services. It requires leaders to understand and relate to broad institutional issues, both national and international (Scott, 1995; Rowlinson, 1997) (*see* Module 13).

⁴ It has been argued that famine is almost never caused by a shortage of food but almost always by social and organisational factors.

Of course, we could argue that developing strategies for coping with or managing risk is a very familiar task of leaders. The debate pivots around two approaches, that of markets and that of regulation. The Lloyd's insurance market began as a means of offsetting the risks of trading across the oceans in sailing ships, and much insurance contracting is about managing and sharing risks. The regulation approach (sometimes called the market failure approach) was triggered by risks from industrialisation. The history of the studies of conditions in 19th-century mines and factories, accidents enquiries and inspections testifies to the problems. UK health and safety at work legislation was designed to put public support to the protection of workers, because the leaders in companies were unwilling to so act. They could and did argue that they were responsible to the company shareholders, and that such consequences should fall upon the workers, upon the wider society or upon competitors. The argument was that such leaders had no inter- or extra-organisational responsibility for consequences of, for example, water or air pollution, unless that was imposed upon them by the courts or by government. These leaders had no responsibility to engage with the other private or public consequences of their companies. Then the leader was defended from complaints from shareholders by claiming that they were obeying just laws.⁵

Do you prefer a market-based approach or a regulatory approach to societal risk management?

Of course there are opposing views. Wildavsky (1991) reviewed a series of environmental episodes such as Agent Orange and asbestos, and concluded that in every case the danger was either grossly exaggerated or in some cases non-existent. Wildavsky, who wrote: 'No enterprise can exist unless the people in it make acceptable arguments to one another', and Beck, 'enabling self-criticism in all its forms', are in closer agreement about what follows from their different standpoints. Wildavsky insists upon the public availability of information for an informed debate, a process of what he would see as good science, which is similar to Beck's notion of a reflexive (self-critical) modernism. But Beck might argue that it is the very social structures of late modernity that inhibit the task that Wildavsky posits. He implies that leaders of private organisations that are centred upon the production of goods and services built from modernism (e.g. nuclear power, genetic crops and seeds, plant protection from insects) are the most in need and the least likely to engage in critical and public reflexivity.⁶

⁵ But Beck does not abandon modernism to post-modernism; instead he argues for a reflexive modernism, a critical process reflexive of the social and cultural embeddedness of science and technology, industry and commerce. It is this requirement for critical reflexivity that challenges current leaders and current theories of organisational leadership.

⁶ In even apparently straightforward settings such as railway safety there are social and political contexts to consider. Rolt (1988) in his study of the development of the control technology for railway signalling noted that, via public inquiries, it was possible and common to design the next system to prevent the last disaster. The processes of inquiry gave a platform for those who could and did argue that the systems extant at the time of the disaster (indeed at any time) were faulty, and that the 'accident was waiting to happen'. The criteria for safety were changed in response to the actual consequences of the disaster, the financial objections being overridden.

In one sense Wildavsky is seeking to get the leaders of business involved in these public debates in order to raise the quality of understanding of the issues and the ability to bring industrial knowledge to bear upon problem-shaping and policy options.

These questions may be understood in relation to events consequent upon sea flood. If there are to be flood defences, who should pay for them? Those directly affected or all those indirectly affected? If the defences fail, by being overwhelmed by the waters (poor prediction of global warming, faulty design), by leaking or collapsing (faulty maintenance), or by malicious damage (by vandals, terrorists or enemies in war), then who should provide insurance and compensation? These questions might be seen as merely technical or economic, but we humans differ in how we pose and understand them. It is likely that tomorrow's leaders will need to construct and confront them.

You might refer to Module 8 on ethics as you consider these questions.

1. Has the problem of BSE (mad cow disease) weakened faith in the truth claims of both science and of scientists?
2. Should leaders encourage a business that contributes to the loss of biodiversity?
3. Do you think that leaders would be foolish (or imprudent) enough to market seed with killer genes in them?
4. What stance should business leaders take to 'global warming' when 30 years ago scientific predictions were that the earth was moving into a cooling phase, but now there is much (but not conclusive) evidence of global warming and the possibility of significant climate change?
5. How should or could leaders assist others in their organisations and societies to manage the fears and anxieties associated with such risks?

14.7 Some Observations

Beck is not denying the usefulness of 'good' or critically reflexive science. He is, however, noting the end of the propositions that technical progress equals social progress; that technical progress can be sealed from its social context; that only indirect tasks fall upon the state, absorbing the consequences and monitoring the risks. Instead he recognises that the very processes of what Giddens (1994) notes as simple modernisation, call into being a reflexive modernisation and this leads to realignments of politics, of new risk conflicts and cooperations and the 'moralisation' of production.

Interestingly, Beck argues for a political sphere with the need to create trans-institutional and transnational subpolitics, much as the green movement has done. This would include business leaders across the continents joining in debates about what risks are being taken, and sharing means of coping with them before disaster strikes. These discussion groups might act as links in the complex networks of individuals, groups and institutions and, in a manner of which Adams (1995: 208) would approve, connect the rationalities of the individualists, the egalitarians and the hierarchists. As Franklin (1998) notes, this kind of intelligent conversation stands in hopeful contrast to post-modern despair, and offers us a process of understanding

and shaping culture, society and politics in the coming years. This is a strong argument for ensuring that business leaders, institutional leaders and political leaders are in a common dialogue about risks.

Beck's propositions about the uniqueness of the risk society (the hazards of knowledge and knowledge application) do stand up, because it arises from human agency *cooperating* with creation, by seeking both to understand it and to put the understanding to use (create artefacts, goods and services, sometimes stimulated by profit) for the benefit of humanity. It is about humans acting with incomplete understanding of the consequences of action; with those consequences being not so much unpredicted (negligence) but unpredictable. (This is not an accusation about being careless for the inheritance of the planet.) It is about human agency in uncertainty, where there can be no place for dogmatic certainty (Jenkins, 1990). Beck's recognition of the need to moralise production must engage our attention because the consequences are so unpredictable. Leaders of business may seek to be morally neutral, or at best to be acting in a common contingent morality. An approach to understanding our limitations needs to be rooted in truth, justice, love and compassion for all humanity.

If Beck's proposition is accepted, what chance does his suggested solution have of being helpful? It is an egalitarian approach to risk management on a global canvas. It may appear to be somewhat utopian in its desire for leaders both to compete and to collaborate. It may be prevented by the distribution of power in companies and across countries. It may be that leaders, rooted in organisations' local imperatives or in their own ideology cannot be sufficiently open. If so, we shall be unable to attend to the social and cultural realities of global political, military and economic power and how they can help us manage global risk. Dialogue and collaboration may fall before the pressures of competition.

14.8 Leadership in a Risk Society

14.8.1 Reflexivity

The call for reflexivity in relation to risk inside and outside the organisation means that the leadership task has to operate at the three levels of private, organisation and public, both individually and collectively. To work in this complex space requires attention to the sets of assumptions that govern each level, and a sufficient degree of rigorous attention and critical examination of them. Here the requirement is for leaders to 'step out' of business worlds and to understand how differences in the wider society will lead to the sharpest debates at the organisational and private levels. These leaders must understand that it is at these levels that evidence for and against any point of view is a matter of social construction and not a 'matter of fact'.

14.8.2 Levels of Attention

This argument presents a challenge to current conceptions of organisational leadership. It fits with the notions of leadership being ethical and socially responsible. Leaders of organisations must take on both inter-organisational and extra-

organisational roles and be prepared to engage with critical public debate about the science and technology in use or being proposed. In some sectors, such as aerospace and drugs, government regulations do insist upon full, if private, disclosure. However, this has been a severely contested arena. Knowledge can still be protected by (publicly granted) patent, but must be more widely examinable. Business leaders will have to take up a wider 'citizenship' than hitherto. They can no longer leave these debates to pressure groups,⁷ interest groups and political parties. To argue thus is not to assume that business leaders are the 'only ones who have to learn'; it is rather to assert that such leaders have much to contribute to and learn from the wider society. This is a clear political development and an extra burden upon corporate leaders. Leaders of quoted and unquoted companies have to live in the public eye, and this exposure adds to the burdens of the role (Steele, 1999), but it is the price that societies and governments will extract for a greater exposure to unknown and unknowable risks.

In this module we have been concerned to focus upon leadership in relation to risk. This has required us to explore a wide view of risks that organisations must deal with. These arise both inside and outside organisations. The nature of societal, scientific and technological change has produced a world where the consequences of hazards and accidents, unforeseen and unforeseeable consequences of current technologies, are no longer easily localised. All of us, leaders included, are likely to be affected by things well outside our influence or control. This requires business leaders to move beyond their local problems and bring their knowledge and capability to bear on wider issues. Active leader engagement is essential.

You will note that we have not concentrated on the more familiar risk management prescriptions (such as ANZ 4360), as these are manageable with the organisations. Intra-organisationally, leaders must ensure that appropriate risk management systems are in place and maintained. The course on *Strategic Risk Management* covers this very well. Hence this module has not been concerned to review tools and techniques, because the *Strategic Risk Management* course does it. We have been mostly concerned with the Type III problems of framing and judgement of issues in the wider society. These are not open to tools and techniques. What is required of leaders is the continuous process of seeking information, dialogue and understanding so that policy judgements embrace both the wider social risks and the intra-organisational risks.

You may consider that we have been more concerned with uncertainty than we have been with risk, and in the sense that framing and judgement are about taking a view of a complex and uncertain world in order to frame organisational action we would agree. But that is the task of the organisational leader.

⁷ This is not to argue that trade associations and bodies such as Aims of Industry in the UK will be unnecessary; rather it is to argue that the risk society will require a greater openness and engagement of the primary actors.

Learning Summary

- While risk decisions are understood in terms of Type I and Type II errors, leaders have the responsibility for the Type III problem; that is, the task of framing decisions. Leaders must interpret external and internal environments in order to frame and put boundaries around decisions.
- Leaders have to ensure that adequate risk management processes are in place. These risk management processes should include attention to protection against the consequences, as well as seeking exposure to risks consonant with the growth and development of the organisation.
- Leaders must take some care to ensure that the apparent reduction of risk in the overall organisations does not lead to exposure to increasing risk in order to retain a constant propensity to take risks.
- Leaders must be clear about their personal propensity to take, or appetite for risk, and that of their organisation and its owners.
- Leaders may be observed as taking up any or all of the four stances of risk: individualist; hierarchist; egalitarian or fatalist. These shape the risk policy of organisations.
- It has been argued that leaders should recognize that not only do their organisations manage risks in relation to environment, but that these same organisations create and increase risks for the external environment.
- The interplay of environmental or societal risk and organisational risks means that leaders must be engaged in the public debates about risk and its management in order to ensure that societies do not make policy choices that do more harm than good.
- This latter point will require leaders to have high standards of ethical engagement and exposure to public debate, for the societal conceptions of risk require leaders to become involved in political processes for the good of the society and that of their organisation.

Review Questions

True/False Questions

- 14.1 Risk and uncertainty are the same. T or F?
- 14.2 Risk insurance increases the range of risks that are likely to be taken. T or F?
- 14.3 Entrepreneurs are more interested in the gain from risk than they are in protecting themselves from risk. T or F?
- 14.4 Cultural context of uncertainty avoidance shapes leaders' stance towards risk. T or F?
- 14.5 There is no such thing as the risk society. T or F?

Multiple-Choice Questions

- 14.6 Shareholders have limited liability. Does this encourage:
- A. leaders to transfer risk and consequences from the private to the public sector?
 - B. the efficient recognition of risk?
 - C. leaders to take more risk than otherwise?
 - D. shareholders to be indifferent to leaders risk preferences?
- 14.7 You are the CEO of a large multinational company that employs most workers on part-time contracts, and you actively discourage labour unions. You do not pay any contribution to the workers' health insurance costs. You are being prevented by a city from establishing a plant in it because they claim that the city will have to pay the health costs of the workers. Would you:
- A. fight the suit on the grounds that you are not responsible for the employees' health?
 - B. seek to negotiate with the city on some form of payments?
 - C. reconsider your labour payment policy to include some health insurance?
 - D. provide an advisory service on health and health care for your employees?
- 14.8 You are a board member of a European-based multinational company that makes chemicals for many purposes including agriculture, drugs and armaments. You have been invited by a UN agency to participate in a workshop on cross-border contamination of watertables. Do you:
- A. decline, on the basis that yours is a private company under the laws?
 - B. decline, on the grounds that engagement would increase your economic exposure?
 - C. accept, in the hope that the industrial and commercial members can prevent bad outcomes and new rules of contamination control?
 - D. accept as a part of your company's ethical stance on external risk control?
- 14.9 You have been invited to apply for a new job as risk manager in a company that has been producing the same product (flour) for 200 years. Would you:
- A. check out the company's risk stance?
 - B. accept the job only if your risk stance and the company's risk stance was very similar?
 - C. accept the job if even if your risk stance was different from that of your immediate line manager?
 - D. avoid such an old or dull industry.
- 14.10 Hanif Sharif was concerned when he saw the report on the inquiry into the last minor accident at the train company. It inferred that the safety standards had fallen below what he considered technically sensible. Hanif knows that the company is under financial pressure. His independent risk assessment suggests that there was now a higher likelihood that a passenger train might derail. If such a thing happened, the probability that it could trigger a major incident has increased. A major incident could include a collision with a freight train leading to an explosion or serious pollution of air, ground and water. The company has recently issued a statement claiming that it has the highest quality of risk management practice, and that safety standards were never higher.

Would you advise Hanif:

- A. to bury the report and do nothing?
- B. to write a very technical memo to his boss suggesting that there might be an issue to examine?
- C. to write to the CEO with his analysis and his suggestions?
- D. to actively look for another job?

Case Study 14.1: Ashburn Windows

Case A. Through a Glass Darkly

One evening in January 2004 Henry Ashburn told his wife that he was a worried man.

After 15 years in the building industry he had founded his business to make double-glazed windows for the housing market. The growth of concern about global warming may have had some effect on the market acceptability of double glazing as these windows reduced the heat loss from buildings, and the heating costs, and hence the demand for fuels. The windows also reduce noise from outside entering buildings. Henry had aimed his business at both the new build and the replacement and renovation markets. He was worried, because it seemed that the risks he had been happy to take had turned sour.

Henry was more worried than he had been on the evening eight years ago when he signed up to the finance package that launched the business with his then partner, Gordon Baker. Gordon's experience had been in marketing and selling. That evening he had reckoned that if the business folded he would be left without a home (he had raised his equity on a personal mortgage), without an income, and would only have about £20 000 pounds. He had feared for the future of his wife, Maddy, and three small children. He and his wife had agreed on taking the risk, but he knew that she had gone along with his ambition. He had always been successful in the past, and Maddy told him that she expected him to be successful in the future. In the following eight years the business had prospered, and Henry had paid off the original loans and had bought out Gordon Baker, who had been happy to retire.

But today's worries arose from a decision made two years ago to relocate the production facility to a nearby town and to more than double the production capacity with new production technology and an increase in staff to 80. Even with a new marketing and selling effort the build-up of new orders was slow, and the plant had never worked at more than 70 per cent capacity. Even at 100 per cent capacity Henry's firm was only about half the size of the market leader in his region, and about a fifth of the size of the national market leader. Now prices and margins were weakening, raw material prices were increasing, and there was a continuing shortage of skilled and semi-skilled labour at the costs that Henry was prepared to pay. The new selling effort he had made had had some effect on volume, but increased competition was weakening margins. Henry was regretting that he had not taken the recent opportunity to appoint Simon Davies as Marketing Director. Simon had long and good experience in the industry, was well known and respected. But Simon had wanted an equity stake and a share option package. The venture capital fund that had provided the capital for the recent expansion had introduced Simon to Henry. But Henry was adamant that he was not going to dilute his equity stake any further. He had had to accede to the venture capital funds' demand for a 30 per cent equity stake as part of the finance package.

Henry told Maddy that, in his view, a formal risk analysis would not help run the business, and he was unwilling to let his senior managers enter into discussions with him on a risk review. Maddy felt that Henry was not quite as balanced about the question of the benefits of a risk assessment and review as he needed to be. But she did not say so.

There was another small cloud. Some of his workers had been off sick. Their union was asking for a meeting to discuss the matter. Henry had read recently an industry note suggesting that the ventilation around the bonding processes be increased and that some filters be installed. These would be very expensive to introduce. Henry intended to procrastinate.

Case B. The Glass Shatters

Three months after the day of Henry's worries being voiced to his wife, the venture capital fund called to ask Henry to attend an urgent meeting. Henry knew that with the present financial position of the company the agreed exit strategy of the fund was less and less likely to be realised.

The venture capital fund had agreed to finance the expansion on the basis of their own assessment of the market, competition, management and their analysis of the financial risks involved. Part of their demand for a 30 per cent equity stake had been to protect their investment and also to protect their exit strategy. This exit strategy had been to be able to sell their equity in five years' time, with Henry having a right to meet any market offer. The fund also had stipulated that they could appoint a board member. There was also the matter of the outstanding bank loan.

As Henry travelled to the meeting he rehearsed his position. The company was profitable, earning above 10 per cent on equity, but he knew that this was less than the 15 per cent that the fund expected. He was surprised at the meeting to find a relaxed atmosphere. Marc Wolfson, the fund manager, amiably pointed out that there were still weaknesses in the management, which Henry had promised to remedy, and that margin pressure was likely to get stronger and profits weaker. Second, the fund had conducted a risk analysis of the business and had concluded that the lack of a marketing director was a critical problem. Further, the lack of a marketing director had blunted Henry's market intelligence, especially the new products being offered by competitors and the possibility of a new production technology based on moulding, which promised to cut production costs by 30 per cent.

Marc proposed that Henry consider very seriously a merger with one of his rival firms, a market leader in aggressive competition and market development. In outline it would mean that the fund would have a trade sale to recover their investment, and Henry could either sell his share of the business or take an equity stake in the new merged firm. There was no mention of him having a directorship, but Henry reckoned that he could bring a strong production background to the new proposals. But Marc told Henry that he did not need to respond for two or three days. Henry felt the pressure.

As he explained to Maddy, he was facing some interesting choices. Should he go along with what he thought was perhaps a well-researched deal and lose his independence, becoming a corporate manager? There might be a sense of relief that he might have a less risky future in the proposed arrangements. Or should he just sell out and use the capital to begin another business in building supplies? Or should he call the bluff and seek to make a counter-bid for the competitor or make a bid for another competitor? Maddy asked him to consider two questions before he decided what to do. Was Henry aware of his own attitude to risk and, if so, was his own attitude to risk compatible with

that of the venture capital managers or his likely merger partners? And did Henry think that the attitudes to risk of his managers and staff were compatible with his attitudes?

Questions:

- 1 What are the risk stances of Henry and the venture capital fund? How do they agree? How do they conflict?
- 2 How does risk stance connect to leadership?
- 3 How do you think that Henry could answer Maddy's questions?

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How Is Leadership Studied?

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Learning Objectives

By the end of this module, you will be able to understand:

- the ontological and methodological framing of leadership research;
- where different theories of leadership are located in this frame;
- how to conduct research in leadership in field studies, and case studies in both positivist and constructionist frames;
- the challenge of doing fieldwork in leadership research;
- the researcher skills needed in leadership research and consider ethical issues in leadership research;
- the differences and consequences of different framings of leadership studies.

15.1 Introduction

If you have already undertaken the course *Introduction to Business Research 1* you will find much of this discussion of research in leadership is a (necessarily) brief recapitulation, with the exception of the discussion of research in leadership. We do this for all readers in order that you might understand why leadership research is so varied in its approaches and findings. If you are not proceeding to a research project on leadership then you can skip much of this module unless you are curious to know something about it. In the spirit of the learning design of this book you might dip into this module and perhaps come back to it later. We also rather unashamedly

argue for more leadership research projects based in social constructivism and interpretivism.

If you make a distinction between basic and applied research (not one that we make), then you might be looking for useful tools to develop leadership. While all theories of leadership can be applied, their generation requires the same approaches to theory development. If you begin from a problem in leadership and find that the existing theories do not solve your problem, then you will have to develop a new theory. This does not have to be more than a particular explanation of the causes of the problem you seek to solve. Not all research needs to work at theoretical generalisation.

As you will have noted from earlier modules in this course, there is much debate about the nature of leadership research and its purpose. Definitions range from the idea of basic research (the pursuit of knowledge for its own sake) to applied research (solving some practical problem) to action research (solving some ill-defined problem that goes beyond present knowledge and has as its output both a 'solved' problem and a contribution to theory). This module addresses the task of understanding and theorising the content, processes and context of the practice of leadership. It should illuminate many of the theories examined in the previous modules. We have included reflections on our own research and on the problems we have found, especially in research design and in theoretical development. We hope that this module will give you some ideas on how to think about, construct, design and interpret research in leadership, and especially to understand how leadership research has moved on from positivist methods to include constructivist and subjectivist approaches. This module will be of special interest to those who are conducting research or pursuing advanced degrees as an introduction, to be extended in the course *Introduction to Business Research 1*.

Our intention is to give full value to the wide variety of approaches in the hope that this will encourage diversity in future research. We also hope that fellow researchers and new researchers will find the experiences, ideas and discussion to be helpful in formulating research on leadership. In particular, we seek to redress a problem that Lukka and Granlund (2002) noted, which was that the researchers representing different approaches do not frequently meet each other. Here we hope that meetings are possible by attending to a wide range of approaches in the same module. While the module argues for leadership studies in the constructivist and critical tradition, we are not arguing that the familiar positivist approaches are unhelpful or wrong.

Hence this module begins with a brief review of methodology before considering field and case study methods. A selection of the methods that have been used in leadership research is then set out, followed by a review of some issues and compromises involved in research design and in conducting fieldwork. These sections are complemented by a review of the skills needed to undertake field research, and some consideration of the ethical issues that can arise. The final section of the module considers the contributions and limitations of research in leadership.

15.2 Research Methodology in the Study of Leadership

The methodological underpinnings of leadership research provide an important starting point for consideration. Research has expanded from a positivist and functional base to include a wide array of approaches, including ethnographic, constructionist and critical approaches.

In leadership research there is a distinction to be made between **theory** (what this research is about), **ontology** (the assumptions made about the nature of reality), **epistemology** (how knowledge is to be understood), and **method** (how research is to be conducted). In the positivist tradition these elements are more clearly separate, but from the more phenomenological or relativist stance they are interconnected. Johnson and Duberley (2000: 180) provide a simple mapping of four quadrants derived from subjectivist and objectivist stances on ontology and epistemology. These authors note that conventionalism in management and, we note, in leadership research may span both the objectivist and subjectivist ontologies. It has been a common mistake to distinguish the positivist tradition as being quantitative and the other approaches as qualitative, but, as we shall note, that means that there are many varieties of qualitative case research. From their framework we derive a slightly extended version (*see* Table 15.1). We have explicitly included critical realist ontology and a constructionist epistemology (although these separations are not precise).

Table 15.1 Epistemology and ontology

Epistemology	Ontology		
	Objectivist realist <i>Things exist out there independent of the researcher.</i>	Critical realist <i>I assume that things exist but I can challenge that.</i>	Subjectivist idealist <i>Things exist only in my thoughts.</i>
Objectivist <i>Knowledge is there to be discovered.</i>	Positivism Neopositivism		Incoherence
Relativist constructionist <i>Knowledge is constructed by human actors.</i>		Social construction Critical theory	
Subjectivist <i>Knowledge is what exists in my mind.</i>	Pragmatism		Post-modernism

Note: The categories created (positivism, social construction etc.) are not meant to be hard and perfect. They are intended to help in clarifying the assumptions of ontology and epistemology embedded in them. You might spend a few minutes considering this table in relation to the text.

Positivist approaches tend to be based upon hypotheses tested in designed or natural experiments with attention to validity, reliability and replicability. In positivism, work that cannot be replicated does not stand up. But the nature of many investigations in leadership is such that replication is impossible, except where it is argued that the behaviour of the subjects of the study is in some way universal.

Social construction approaches consider that knowledge is a construction of the actors in a social context and does not exist apart from that. It is thus concerned with the meanings that leaders and followers give to their own lived experience, and how a researcher might contribute to those processes. Such researchers seek to demonstrate how organisations are the theatres within which we may see the interaction of social values, beliefs and modes of order.

The **critical** approaches take an explicit view of the nature of power and its distribution in organisations, and seek to change society and organisations. Such studies are concerned with the way in which leader theories and behaviours act as a means of maintaining positions of power. Many critical researchers seek to demonstrate how leadership elites and management systems are part of the control apparatus of an exploitative and coercive social order.

The critical stance has been criticised for not being helpful to its research subjects and organisations. The question arises as to how intellectuals could intervene in organisations to enable the actors to work with critical theoretical notions. It is important for critical research to be based in data, descriptively meaningful, interpretively plausible, critically pitched and ethically insightful; all of this sounds compelling but is a counsel of perfection.

Where in Table 15.1 would you locate the following theories of leadership?

Trait
Style
Leader–member exchange
Transactional
Transformational
Leader development
Mentoring
Team effectiveness
Charismatic
Traditional
Rational–legal
Biography: consider an example
Autobiography: consider an example

Check back in this book to identify theories and authors. Below in Table 15.2 we indicate where we would locate some of the leadership theories. All this is very contested by scholars. What the table does do is warn you not to dismiss other ways of thinking as incorrect, but to accept that all leadership knowledge and research is embedded in ontological and epistemological assumptions.

Table 15.2 Location of leadership research

Epistemology	Ontology		
	Objectivist realist	Critical realism	Subjectivist idealist
Objectivist	Positivism Neopositivist <i>Traits, Style</i> <i>Leader–member exchange</i> <i>Transactional</i> <i>Transformational</i> <i>Some biography</i> <i>Most strategic leadership</i>		Incoherence
Relativist constructionist		Social construction <i>Biography,</i> <i>Emergence, Culture and gender studies</i> Critical theory <i>Power theories (Module 16)</i>	
Subjectivist	Pragmatism <i>Some autobiography</i>		Post-modernism <i>Wisdom theories</i>

We see that the epistemological and ontological assumptions of various research approaches are important because they will enable us to acknowledge and respect differences and prevent us from engaging in somewhat familiar critiques of one approach from the stance of another. They also enable us to see why leadership research is not simply cumulative, but why there is such variety in the literature, and remind us to be clear about our methodological starting points. We acknowledge that our values lead us to choose both research problems and research approaches, but this does not mean that we cannot work in a variety of traditions. As the earlier modules have shown, leadership research has been undertaken from several standpoints, and we feel that it is important to avoid becoming locked in one tradition, becoming boring to ourselves! Alongside our own interest we have to be flexible to work with the different approaches of our other researchers and research students.

Sometimes it is assumed that quantitative research is positivist and qualitative research is constructionist. This is not necessarily so. At the more subjectivist end of the spectrum, one main role of positivist qualitative research is exploratory. That is, it seeks to develop theory in areas where little existed before, and the output of the work may be to suggest hypotheses that are worth testing in subsequent studies. Towards the more objectivist position, qualitative research has a more central role in developing particular explanations and understanding of observed phenomena.

From such a perspective it is not intended that research produce theories with the same type of predictive ability that is the hallmark of the physical sciences. Thus the appropriate use of qualitative methods is determined by the nature of the phenomena studied, the ideology of the researchers, and the philosophical underpinnings of the theoretical approach being adopted.

15.3 Varieties of Field Study Approaches

There are several different approaches to constructionist and subjectivist field research in the social sciences. In this section we shall briefly outline several of the more common.

Phenomenological enquiry has its roots in philosophy, and is concerned with the structure and essence of experience of the phenomena, e.g. using a leadership development system for the managers in an organisation.

Naturalistic enquiry is a label often given to phenomenological studies, for the task is to study phenomena in their setting, without attempting to isolate them from other events; indeed the connectedness of phenomena is an important aspect of this approach. The accounts of the experience of women mayors in Module 6 are an example.

Ethnographic studies are representational, interpretive and rhetorical (Jonsson and Macintosh, 1997).¹ The interpretive processes of understanding the conditions under which leadership phenomena occur are central to these approaches. These provide interpretations and meanings that leaders themselves give to their experience. Further, the researcher can also give interpretations (which could be meanings for the actors and for the researcher).

Ethnomethodology (from origins in sociology) leads towards studies of how managers and staff make senses and meanings of their experience of leadership. Lorenzen's reflections in Module 7 on gender are an example of this approach.

Symbolic interactions could lead to studies as to how the symbols of leadership are given common understandings and emerge to give meanings to peoples' interactions: e.g. how a leadership team makes use of a mission statement as a symbol of a new strategy, of difference from the past. These are especially interesting when set in the context of other symbols of the social group, e.g. harmony, equality, fair pay, employment protection (Boland and Pondy, 1986; Czarniawska-Joerges and Jacobsson, 1989).

Post-modern leadership studies are rare; we sought out examples but failed in our Anglo-centred literature to find any. But perhaps it is possible only for the actors to write their own case studies and for researchers to write critical reflexive accounts of their own experience of being case researchers.

This is a brief review of a wide range of approaches, methods and their associated philosophical roots. There are good sources of fuller description (Van Maanen,

¹ These authors set out to make the case for ethnographic research, and provide an entertaining examination of rational (positivist), ethnographic and critical case approaches in relation to their intentions and in relation to each other's knowledge claims.

1983; Patton, 1990; Miles and Huberman, 1994; Cassell and Symon, 1995; Johnson and Duberley, 2000). Having reviewed some of the constructionist, critical and subjective approaches and noted some examples we turn to two important and vexing questions of research design in practice and the issue of theory-building.

Can you identify any of these in this book?

15.4 Research Design

We do not wish to replicate here the considerable amount of advice on research design that can be found in the course *Introduction to Business Research 1*. But we do argue that all research projects should be subject to a considerable design effort in order to ensure that the data collection bears a strong (valid and reliable) relationship to the research questions.

In what Patton (1990) calls the pure form of qualitative research, the design would be based upon naturalistic modes of enquiry to produce qualitative data analysed via forms of content and other textual analysis. Yet it is quite possible for qualitative research projects to have some hybrid characteristics and combine a naturalistic inquiry with some quantitative data and some statistical analysis. There is no need to exclude useful data collection and analysis for the sake of purity of approach. One of the key compromises in qualitative leadership research occurs around the problem of access to study domains. From our reading of the leadership research literature it seems that many studies are the products of the access that can be obtained to the field, and research design follows possibility. Qualitative research sometimes takes place around accidents. These studies have some elements in common with the critical incidents analysis, where a particular event has so much richness of data and apparent significance that it becomes of great interest. A review of the leadership practices at Barings when the disaster struck, or of the leadership in the Enron Corporation, would have this character. However, these kinds of incident are so sensitive and embroiled in the courts that researcher access is almost impossible. The compromise here is to work from secondary data such as reports of inspectors or commissions of inquiry.

Design and conduct of enquiries are also compromised when a leadership action research project is based around a current managerial or organisational issue or problem. Sometimes studies can be derived from consulting assignments to redesign some part of a leadership practice. In these studies researchers can gain some tantalising glimpses of possibility, but have to be content with limited data and with a realisation that understanding is compromised. However, action research so conducted appears to be done at a number of levels: that of the issue or problem, that of the organisational participants' understanding, and that of the researchers. It seems necessary to accept these compromises, for it is through the continuing experience of researchers in a range of research opportunities that they are able to build the interpretive and theoretical knowledge that transcends the particular piece of work. While this may appear to be akin to archaeological exploration of a field site (Hopwood, 1987), it is/has been the only way to undertake projects. Of course, this has become a slow process, measured in decades, rather slower than seems

proper for managerial attention, but is perhaps the right time horizon for insightful theory development. In truth, the design of the written and published leadership field research may emerge out of the process of sense-making that accompanies the production of field notes, discussion notes, working papers and conference papers. Published research is often extracted from wider materials, including constructions that the authors in their contexts make from some particular contributions. Hence the theorising may be done before the study, but is as likely to be developed in the writing process, reshaping the significance of the evidence.

15.5 Case Research Design

No case research design on leadership is likely to be fixed and unchanging but is certain to have embedded in it the ontological and epistemological stances of the researchers. The very nature of case research requires openness to possibility of discovery so that precisely specified design is to be avoided. There is, though, a need to have some research intent around a question in order to provide a framework for the data collection plans. An example might be 'to examine the different interpretations of leadership among a group of managers'. Clearly such designs are compromises of many kinds, and given the limitations of researcher time and attentiveness there is a trade-off between depth and breadth of both data and insight, both of which limit possible analysis in different ways. We have had accidental access to a site for a limited amount of time; there might be the possibility of studying in depth what has been noted from a prior broader study to be a typical case. Or it might be that there is the possibility of exploring what promises to be a case that could lead to a significant disconfirmation of a current theory. A case design might be like a snowball, with one case leading to another, gaining complexity and subtlety of insight as they build. Yet again a case could be chosen because it has political significance, both as to what is discovered and to the theoretical development. For researchers attempting to minimise the possibility of failure there is always the consideration of potential richness, so that a less than successful or perhaps an aborted study still leads to some research output. There might be cases of description, illustration, experiment, exploration, and explanation, and case methods may be quantitative, qualitative, or a mixture of methods drawn from both approaches.

We take the view that researchers should clarify their research approach at the start of the research observations: to specify the theoretical and methodological lenses through which they intend to conduct their investigations and the major questions they wish to pursue without restriction as to the development of these questions and other questions as the project progresses. We have found that it is difficult, if not impossible (as field researchers), to give a full account of the data, so we recognise that it is difficult for others to form independent understandings. Hence it is incumbent upon us to delineate endpoints, so that others may understand the movement of the project from its initial position to the final theoretical formulations, together with an ability to understand the evidence that leads to such changes. It can be argued that the output of this type of inductive research is the development of new theory, or at least the elaboration of existing theory. Thus its

contribution is measured by the difference between the theoretical perspectives adopted at the start of the research process and those that come to be adopted at its conclusion.

15.5.1 Positivist Case Methods

The single most referenced positivist case study author is Yin (1989, 1994). He worked from a positivist stance to define a case study as ‘an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between the phenomena and context are not clearly evident’. However, Yin’s training was as an experimental psychologist, and he tends towards favouring quasi-experimental methods and multiple case designs. This is not a problem where such methods are practicable, but it needs to be recognised that much work in leadership is often characterised by single case studies of complex phenomena. However, Yin (1994) usefully sets out four criteria by which the quality of research design in a social science setting may be evaluated. These are:

- **construct validity:** establishing an appropriate measurement of the concepts being studied;
- **internal validity:** distinguishing between causal relationships and spurious relationships (only for explanatory studies, not descriptive of exploratory studies);
- **external validity:** establishing the domain within which the findings can be generalised;
- **reliability:** demonstrating that a study can be replicated with similar results.

All of these criteria are potentially problematic in case research. The constructs may well be developed out of the data being collected. Internal validity is demonstrated only weakly unless a time series of observations is involved, and then only if plausible alternative explanations are proposed and rejected. External validity essentially requires the use of some form of replication, and reliability is often unverifiable as access constraints preclude repetition. Indeed the phenomena being studied are not necessarily stable over time.

This is not to say that research design is unimportant, but rather to recognise that in many field studies the constraints are such that many of the above criteria will be violated. In particular, we have found that research access is often opportunistic and precludes proper advance design. Perhaps the most realistic advice that we can offer is to consider the impact of breaching the above principles, attempting to design and redesign a study that will provide some useful outputs despite the constraints under which it is conducted.

A second important issue discussed by Yin is that of analysing the evidence amassed during case study research. This is a well-recognised problem, and we have had (and many authors describe) the experience of ‘drowning in data’. Yin suggests that data analysis is one of the least developed and most difficult aspects of conducting case study research. However, it is important to have a general analytic strategy. The ultimate goal is to treat evidence fairly, to produce compelling analyti-

cal conclusions, and to rule out alternative explanations. He suggests two possible general strategies for achieving these ends.

First, follow the theoretical propositions that led to the case study and use the research questions that were originally developed. Having collected evidence, it may become evident that other theoretical approaches to those originally discussed may also have relevance, the data being interpreted in the light of such additional theory. General causal questions can be analysed. What appears to have caused a particular behaviour to occur? What do its consequences appear to be?

Second, develop a different strategy, a descriptive framework for organising the case evidence. The case study may have more than a descriptive aim, but description may provide the basis for higher-level analysis. Basically, the researcher is looking for patterns and then attempting to construct plausible explanations for the regularities observed. If there are multiple cases, then this may be extended across cases as well as within cases.

Consider the following evidence from research.

From one ‘accidental’ case where access was opportunistic we noted some strange leadership behaviour, based upon quite wrong financial accounting data. So odd did this appear, that the researchers initially did not believe that the explanations managers were giving were correct – we believed that the managers had misunderstood what was going on. However, only when we had accepted the existence of the phenomenon could we go on to develop explanations for its existence. In the end, we concluded that, despite its theoretical shortcomings, it appeared to be a useful heuristic, which helped managers cope with their situation with few apparent dysfunctional side-effects.

A second insight resulted from one researcher noticing that senior staff appeared to visit local offices far more frequently than those located at a distance. It occurred to us that patterns of leadership and control might vary because of geographical distance. Once this thought had occurred, it was a relatively simple matter to look for patterns based on distance, although the small sample precluded too much being read into this. Nevertheless, it appears that patterns of leadership behaviour differ significantly between organisations characterised by single sites and those characterised by geographically separate units.

What other explanations might there be for the behaviour of the managers? What would you have sought to do to next?

In the positivist tradition, theory precedes the field data collection. Even so, matters do not always follow so simply. When greater variety of materials cannot be ignored then a new problem of theorising arises. Eisenhardt (1989) provides an account of how theory may be built from case studies. She notes (from a rather positivist standpoint) that such theory would be novel, testable and empirically valid, and offers support to the idea that this kind of theory-building is particularly suited to new areas of research, and hence is complementary to ‘normal science’.

15.6 Constructionist and Subjectivist ‘Qualitative’ Case Methods

In our introduction we noted that field case studies are especially suited to understanding the content, processes and contexts of the practice of leadership. The sheer complexity and richness of content, processes and context preclude a reductionist stance and lead us towards field and case methods. In addition to complexity issues, we suggest that explaining how leadership practice is established and developed also requires constructionist and critical studies in the traditions of social science. Stake (1995: xi) from the relativist stance noted: ‘We study a case when it is of very special interest. We look for the detail of interaction within its contexts. Case study is the study of the particularity and complexity of a single case, coming to understand its activity within important circumstances’. And ‘I develop a view of case studies that draws from naturalistic, holistic, ethnographic, phenomenological and biographic research methods.’ So it is clear that Yin and Stake differ in respect of their understanding of the object of enquiry, the epistemological stance and the methods to be used.

What kinds of studies in leadership use these approaches? Did you include autobiography and biography as part of your considerations?

Patton (1990) argues that qualitative research can be every bit as difficult and demanding as traditional ‘scientific’ methods and, moreover, there are three distinct but related enquiry elements:

1. rigorous technique and methods for gathering high-quality data that are carefully analysed, with attention to issues of validity, reliability and triangulation;
2. the credibility of the researcher, which is dependent upon training, experience, track record, status, the presentation of self;
3. philosophical belief in the phenomenological paradigm – that is, a fundamental appreciation of naturalistic enquiry, qualitative methods, inductive analysis and holistic thinking.

These three issues demonstrate that these methods are not merely a second-best solution to difficult problems but are demanding criteria against which any research study may be assessed. Clearly, however, the researcher, far from being a rational designer of experiments, is now a centre-stage actor, in both the design and the conduct of the research programme, but more importantly in the way in which significance and meaning we derived from the research. Equally there are no claims to ‘objectivity’ here, nor is there an insistence upon the distinction of the subjective and objective. It is interesting to note that for Patton the acceptance of the approach is a matter of belief rather than argument, a point discussed earlier in this module, where it was argued that there is no basis for a positivist ‘scientist’ to dismiss any other approaches to knowledge.

In the traditional way of presenting and understanding scientific enquiry we have to give attention to the issue of validity, by which is meant that the theoretical statements or hypothesis under examination are logically derived from some more general theory such that the examination of the particular hypothesis is, in some sense, also a test of the more general theory. In the qualitative approach this

separation of data and theory development is not maintained, for in the qualitative approach (or grounded approaches: Glaser and Strauss, 1967; Strauss and Corbin, 1990) ‘generating theory from data means that most hypotheses and concepts not only come from the data, but are systemically worked out in relation to the data during the course of the research’ (Patton, 1990: 5–6). Ultimately, it is incumbent upon the researcher to provide theoretical conclusions, difficult though that might be.

You have to propose a research project to study leadership in your own organisation or an organisation known to you. What methodology would you choose and why?

Some of the sheer excitement of such research came home to us in a field study in the UK coal industry. For after the research began, the industry was subject to a deep and bitter labour dispute. One of our case study papers was thrown at the Prime Minister across the despatch box in the House of Commons – an interesting use of theoretical ammunition.

15.7 Theory-Building about Leadership

The output of qualitative leadership research is essentially theoretical and particular. This may have face validity, and may be of very limited generalisability to other settings. But once a number of studies around common theoretical ideas have been done, then it becomes possible to build more robust theories. Such studies may then be followed both by further qualitative and also by more quantitative and generalisable approaches, which may seek to establish the bounds within which the generalisations about leadership might hold. It is possible that some predictive ability may be possible, where patterns emerge and such phenomena are observed to have some fundamental similarities of behaviour in certain settings. More usually, it will produce particular insights and understanding indicative of underlying social processes. These can provide only a very general level of understanding of such processes in other settings.

The task of theory-building cannot be understood apart from the methodological discussion earlier, for this shapes the nature of the theory that is developed. There are some traps here. The functional frameworks offer such an apparently elegant tidying-up of so much jumble and ambiguity. The theoretical preconception might lie buried or repressed in the data collection, only to emerge in a covert manner as the theory is spun from the data, but is actually implicit in the data collection. Avoiding these traps is not easy. It is important for researchers to beware of simple linear cause-and-effect conjectures. Almost always, social interactions are in spirals of progression and regression (Weick, 1979). The path of speculation and interpretation has to be trodden with delicacy and care, with a focus upon the rigour with which alternative conjectures about leadership are critically examined. In one sense, the task for theory is to create a new description of the field and phenomena; at another level, the task is to produce conjectures and/or hypotheses about the particular phenomena observed. Whether these are explanations is a matter of epistemology, not a matter of fact. See Stake (1995) for a further discussion.

The question of interpretation arises as a significant problem in research in leadership as in any study domain. Interpretation is the giving of new meanings by interpreting events and data through (or perhaps into) a theoretical frame that provides insight to the actors in the field as well as to the researchers. Interpretation is subject to some rather difficult issues of integrity, for self-delusion can easily occur. One way past this problem is to engage in the hermeneutic processes of relating emerging theory with the research texts and modifying the theory until some closure of the process has been obtained.

Theory-building from a number of published qualitative leadership research studies is difficult, because the researchers may have worked from different methodological stances and hence their research findings may complement each other rather than build together. Hence a lot of leadership research outputs are not only non-cumulative but not cumulative. This would be an unhappy state of affairs, which could only be remedied by a more consistent set of research studies. The problem of theory-building of the content, processes and contexts of leadership practice is clearly open to a variety of stances of knowledge, as the above discussion and the published research demonstrate.

15.8 Researcher Roles and Skills in Leadership Research

Stake provides a useful list of case researcher roles: he notes them to be teacher, advocate of a particular interpretation, evaluator of the phenomena in the domain of study, biographer of the domain actors, interpreter in a particular theoretical rather than universal sense, constructor of meanings, and an actor in the domain imbued with relativism.

Which of these do you prefer? Why?

The range of leadership research and the issues discussed above may appear to place case research in leadership as a task for research paragons. It is perhaps that leadership scholars are not trained as social scientists but are rather brought up in a more instrumental positivist tradition, which would render them unused to the non-objective nature of qualitative research. The essential skills are those of research design with the methodological presuppositions clearly in mind, data-gathering skills, especially triangulation of all kinds, method and analysis, critical enquiring and open-mindedness, the capacity to explore in ambiguity and indeterminacy, and the capacity to create rival conjectures and subject them to rigorous analysis. It is also necessary to have the humility to see each leadership study as contributing to a wider project, that of understanding leadership in its social contexts. The person also needs to work with integrity, to acknowledge the bias in backgrounds and the possible biases in evaluation, and to be able to be critically reflective of theory, ontology, epistemology and methods.

One important idea in fieldwork is that of honesty of observation from trained and experienced researchers. Given that the worker is often the only instrument of observation, it is imperative that the worker can at least reflectively address prejudice and theoretical presuppositions about how he or she is undertaking the work. To this end it is important to take as many bearings as possible upon what come to

be seen as important bits of data. In all such research there cannot be a separation of field worker and analyst, for it is the very immersion in the data that sensitises the researcher to the task of analysis. But as Humphrey (2001) noted, if you have no ideas then it is going to be a dull piece of research, so try to tell an interesting story.

How do you evaluate your researcher skills? How would this affect the design of your research projects?

15.9 Ethical Issues in Leadership Research

Go back to Module 8. What do you think the ethical problems of leadership research might be?

One of the authors knew an Australian anthropologist who was asked by a subject of his research ‘What do you get out of this?’. The academic’s answer was followed by another question: ‘What do I and us get out of this?’ As there was no satisfactory answer, the anthropologist gave up the study and research and found another life. In a similar vein Frost and Stablein (1992) raise three ethical questions:

1. Will this study harm any person or group of persons directly or indirectly?
2. Who benefits and who does not benefit from this study?
3. Does this study serve as a basis for empowering people and, if so, who benefits and who does not?

In these leadership research methods the researcher will be made privy to organisational secrets, which may be cases of considerable injustice to individuals, as in the use of malformed data for performance appraisal, where success may be accidental or manipulated. In the conduct of field research we have, as we know others have, come across data in the field that for reasons of embarrassment, commercial confidentiality, internal politics and care for individual persons cannot be brought into the public domain and cannot be brought at all into the research project itself. This limitation has a material impact upon any analysis where suppression leads to some incorrect conjectures and explanations about leadership practice. These processes of exclusion appear to be the necessary costs of doing such research, and this might be regarded as a necessary hypocrisy of leadership research.

The problem with the three questions asked by Frost and Stablein (1992) is that they are not definitively answerable prior to the study being undertaken. They may, however, give reasons for stopping a study, except that perceptive managers might then be able to pick up the issues and make use of them to the disadvantage of others.

15.10 Discussion of Different Approaches to Studying Leadership

We claim that the literature we cite demonstrates that there is much energy and much good leadership research in both of the main traditions of positivism and constructivism. But we need to be clear that there are important differences in these approaches.

Positivists seek predictability and public and intersubjective testability as an essential element in their scientific schema. They argue that functionalism is not scientific because it is vague in its definitions, incapable of prediction, unable to explain changes, and somewhat tautological. Positivists argue that the constructivists and subjective approaches to knowledge are irrelevant to the scientific study of social phenomena.

Social constructivists argue that positivism tends to overemphasise experimental technique, an approach that is often inapplicable to social phenomena, is addicted to measurement and quantification, and does not pay attention to establishing the meanings that actors construct for their experiences. It proceeds by a process of reductionism and fragmentation to variables and conjectured relationships that effectively render the social system unavailable for examination and analysis.

From the standpoint of critical and hermeneutic approaches, the functionalist approach is so rooted in its analytical tautologies that it is incapable of explaining change. Worse than that, it actually tends to sustain and justify the present state of the system of social relations without examining the issues of ideology and power that maintain inequality and the current purposes of leadership in an organisation.

These critiques are familiar enough. What is problematic is that there is no meta-epistemological stance from which the matter may be decided in favour of one or none of them. There are quite different approaches to knowledge, with different rules and so on, which may well relate to different ideological presuppositions of their adherents. So they cannot be used to dismiss each other, merely to illuminate differences. Hence there is no sense in which it may be that positivist 'quantitative' leadership research is superior to constructionist or subjectivist research, for they come from different traditions of knowledge. The relevance and interest of a particular research approach is itself a matter of subjective judgement.

From the range of literature we have noted here, and some that we have not noted, we claim that field research, in addressing the content, processes and contexts of leadership practices, has been useful and fruitful in many different modes. Accounts have been given of practices from theoretical standpoints. But we hope that you can see how different approaches have begun to affect the way in which you might study leadership.

The credibility of the researchers, in terms both of their professional knowledge and of their personal integrity, is of central importance in ethnographic constructivist research, whereas it is generally a lesser issue in the physical sciences. Most studies of leaders cannot be repeated except in the broadest sense, their results cannot be used for prediction, and the value of the study lies in the insightful nature of descriptions and explanations offered. Thus a much greater degree of reliance is placed on the skills and integrity of the investigators, whose influence can never be removed from the results presented. So researchers and their subjects should be able to evaluate the contribution of leadership research in a perceptive and insightful manner. It is a weakness that this is not often the case, though Reason (1994) and his collaborators demonstrate the value and the difficulty of doing it.

There is also the issue of who should conduct fieldwork-based leadership studies. In particular, are they suitable for doctoral students? Our own position on this issue is that, despite the issues involved, it is essential that research training be offered in these methods. These issues involve gaining and maintaining access, observing in organisations, interviewing (where two people are better than one), and critically analysing the empirical evidence once it is gathered. It is possible to minimise some of these risks, but the greatest risk is that such leadership research is inevitably difficult, because the most difficult part occurs at the end. By contrast, traditional hypothesis-testing work has the most difficult part first, being the construction of the research proposal.

Field-based leadership research work has become respectable, in that it can now be published in a wide variety of outlets. We should avoid demanding that it conform to an inappropriate set of standardised templates. The respectability exists because of the importance of the problem posed, which is to seek understandings of the content, processes and contexts of leadership practice, recognising that these interact. It is difficult to see how a reductionist approach could begin to grapple with this complexity, but it is, as we have noted, also difficult to come to a definite conclusion about the quality of theoretical work. That does not mean, however, that the range of studies in the bibliography have not made important contributions.

End Note

This module has been informed by the work of our varied encounters with our own work and that of leadership scholars with various research methods. It is argued here that field case methods in leadership research are making a considerable contribution to the understanding of leadership in its social and organisational context. In this module we have set out to consider the broad array of approaches, and have drawn attention to the problems. We claim that much progress has been made, as witnessed by the variety and depth of studies that are now in the literature. In also noting the problems we trust that greater cooperation of academic researchers and leaders can be brought to bear upon the necessary tasks of more cumulative projects in theory-building.

We ask you to remember that the purpose of this module was to locate the research that you will have read about in this book, and to set out how leadership research has been and can be done. We are conscious that this is a brief introduction, and if you are taking the DBA you will, at least, be doing the *Introduction to Business Research 1* course, which gives a more extensive treatment of issues in research. As far as we are aware there is no contradiction between this module and the longer research courses.

Where do you agree and disagree with these statements? What is the basis of your views?

Learning Summary

You should now be able to:

- You may learn about leadership from your own experience, from examples of senior leadership that you encounter, from biographies, from stories in the press and from a disciplined reflection upon your own practice as a leader. However, leadership like any other social phenomenon can be the subject of research.
- This module is an introduction to research in leadership and replicates some of the material in the research module.
- Leadership research has been conducted in many research traditions of ontology and epistemology, but the dominant approach is positivism or functionalism that seeks to explain what is considered to exist. Such studies include traits, style, leader member exchange, the Globe studies, strategic leadership.
- These can be complemented by studies in the social construction and critical traditions to produce different interpretations of leadership.
- The research in leadership considered in this book includes a wide range of approaches. There is much scope for field and case studies of leadership to provide richer descriptions and different insights into what leadership and leader behaviours might be in different contexts. Such research is subject to the considerations of validity, constructs, internal and external, together with requirements of research design for reliability.
- There is a need for qualitative research in leadership that is based upon rigorous technique and methods, experienced and trained researchers with commitment to the phenomenological method.
- Theory-building about leadership is embedded in the methodological stance taken. It is inappropriate to condemn, from the functionalist tradition, an interpretative theory of leader formation. The reverse statement is also true.
- In the human sciences, as in the physical sciences, there is a need for high ethical standards in the conduct of research and about claims as to the significance of the findings.
- You should now be in a position to understand your response to the case studies in this book. You will see that each case study can be approached from a variety of theoretical stances. For you will now be able to see that we have a variety of stances to research.

Review Questions

True/False Questions

- 15.1 Leadership is a universal phenomenon of organisations. T or F?
- 15.2 Epistemology is a theory of existence of things. T or F?
- 15.3 Ontology is a stance towards knowledge. T or F?

15.4 Leadership is a well defined construct. T or F?

15.5 Quantitative methods are always based upon positivist research. T or F?

Multiple-Choice Questions

15.6 Which of the following statements do you agree with?

- A. Leadership research should stay with its positive roots.
- B. The social and organisational study of leadership formation can be undertaken only through constructionist methods.
- C. Constructionist methods do not produce valid research findings.
- D. Positivist methods are more likely to generate testable theory.

15.7 Field-based research studies in leadership are important because they:

- A. study the operation of actual leaders, both content and processes, in their organisational, social and societal contexts.
- B. enable ethnic and other minorities to be made visible.
- C. are better than positivist studies at developing new theories.
- D. are more respectful of the subjects' rights to be involved in the process.
- E. do not attempt to reduce the great complexity and interconnectedness of leadership practices to simple constructs.

15.8 The academic proliferation of methods and studies:

- A. enriches what we can know about leadership.
- B. is intended more for academic publication than to help leaders lead better.
- C. matches the complexity and variety of global leadership practice.
- D. leads to confusion about leadership.

15.9 There are so few international or cross-national studies of leadership because:

- A. leadership has been seen as a universal, and not as a product of a particular culture and social context.
- B. it is too expensive.
- C. there is little agreement on how to understand the experience of leaders.
- D. leadership behaviours are culture specific and hence impossible to study.

15.10 Leadership research has been mostly positivist because:

- A. most research has been done in the USA, which has a positivist tradition.
- B. it is the best way to study the causes and consequences of leader behaviour.
- C. it is easier, simpler and cheaper to administer questionnaires.
- D. it is scientific.

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A Critical Look at Leadership

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‘And even more important the fiction arises that workers and bosses are not antagonists; the boss manages the group process. He or she is a “leader”, the most cunning word in the modern management lexicon.’
Sennett (1998: 11)

Learning Objectives

By the end of this module, you will be able to understand:

- the ideological contexts of leadership theory;
- national and transnational ideological leadership issues;
- the idea of leaders as agents of others in the corporation;
- three critiques of functional leadership: service, institutionalisation and privilege;
- how the critiques move from a functional stance to a social constructionist stance;
- three models of leader formation: an innate quality, innate qualities assisted by action reflection and theory-building (which is where this course lies), and design and build.

16.1 Introduction

We hope that you have found this course on the study of leadership or leader behaviour and the formation of leaders to be a constant fascination. Most writers see leadership as a good thing, and many studies do not critically reflect upon how

leadership is understood. Much of it does not ask questions about ‘how things are taken for granted’. In this module we shall argue that three critiques – of mastery, of institutionalisation and of taken-for-grantedness – let us see how leadership and leader formation are outcomes of the social and political context of organisations, as well as of psychology and personality. We shall review the way in which corporate leadership is caught up in wider societal understandings.

The knowledge of leader formation has been shown to be limited, and we shall argue for a multidisciplinary extension to leader formation studies that contextualises leadership formation in social and organisational processes.

16.2 Context of Leadership

Leadership, as this book shows, has been a high-profile issue for institutions and organisations for centuries. Egyptian records, Greek history, Homer’s *Odyssey* and *Iliad*, the Hebrew scriptures, Roman history and Chinese history all give examples of leadership of many kinds in many settings. We are given many examples of leadership vested in a monarch, in an elite group or oligarchy, distributed between organisations as a polyarchy (the US separation of executive, legislature and judiciary), and also of leaderlessness or anarchy. In case you think that anarchy is undesirable then de Monthoux (1983) in his creative book *Action and Existence* will provide an interesting counterpoint. He was particularly keen to demonstrate how difficult it is to change organisations and, even when you do, how quickly they settle into stable patterns. He implies that structure and order are the enemies of innovation, especially social innovation. Hence some levels of instability and disorder (anarchy) are necessary in organisations. Leadership has been an essential aspect of military command structures, but Dixon’s account of the *Psychology of Military Incompetence* (1976) will give you cause to think hard about accepting those models for other organisations. Dixon demonstrates how military structures can create high levels of dependence into which people with high dependent needs fit themselves. When such persons reach very senior positions, all is well until they have to act in battle as the decision-makers. At this point they have a tendency to become disabled and incompetent. Religious institutions also have been concerned with leadership, but almost always in service of some deep values, based upon the teaching and example of such as Moses, Jesus, Buddha or Confucius.

The 20th century, marked by two major world wars, was also an astonishing era of economic growth, driven by advancing knowledge and international trade. In politics there was the rise and decline of state socialism in Europe, signalled by the fall of the Berlin Wall. This decline in the West included the weakening of the construct of the social as a force for good. In parallel there was the rise of individuality, accompanied, in the developed West and the East alike, by the resurgence of liberal market capitalism, which has ‘become taken for granted’. For example, the income of the OECD countries is more than two-thirds of the total global income. In any historical framing, this success of market capitalism is quite remarkable and has underpinned the extension of the European Union to include eight former socialist states in Eastern Europe. Yet these trends have been hotly contested, which has led to a new and powerful critique of the moral basis of liberal market capitalism

as the marketisation of social life. The problem faced by these critics, though, is to suggest an approach to economic and social organisation that could either ameliorate the excesses of market capitalism or replace it without damaging 'great the machine' of wealth generation. For the alternative of state socialism failed the economic test even when it succeeded in other social areas. And it is clear that, given the way national wealth is measured, the machine of market capitalism has delivered amazingly well.

However, in the OECD countries there has been a quite remarkable increase in the gap between the incomes of the most highly and the lowest paid. Between 1979 and 2000 the incomes of the bottom 20 per cent of United States households increased by 6.4 per cent, while that of the top 20 per cent grew by 184 per cent (and the top 1 per cent grew even faster). In 1979 the average income of the top 1 per cent was 133 times that of the bottom 20 per cent; but in 2000 the ratio had become an amazing 189. Chief executives in the USA have done best: in 1974 the average income of the top 100 chief executives was \$1.3m, but by 2004 it was \$37.5m (*Economist*, January 5th, 2005). It seems that leadership of economic enterprises has become as rewarding as becoming a pop star. Certainly the boss's share of the enterprise income has risen. Yet it seems that job security has decreased for everyone. Perhaps risk and reward are related, but it does seem that the powerful managers can extract much higher rewards for the work they do and the risks they bear. Not much of the increased income appears to trickle down to the poor.

16.3 A New Transnational Order?

It has become a truism to note that economics, entertainment, sport and religion are aspects of globalisation. But it is the case that the global reach and power of multinational enterprises has created – and is continuing to create – a new transnational economic order, substantially independent from national governments. In effect this new transnational economic order reflects the distribution of wealth that exists within the developed, developing and underdeveloped countries, with the very rich and the very poor inhabiting different spaces. In parallel, the benefits of freer trade have led to transnational economic (and political) groupings spreading across the globe, with the EU being a strong example. To some extent these are responses to global capitalism practised by transnational corporations, some of which are much larger than the countries in which they operate. These regional economic groupings seek to find a common policy stance towards economic policy and governance of business and trade. Yet these groupings contain wide varieties of social structures. This is especially true of the United Nations agencies, the World Bank, the IMF and the World Trade Organisation. There is then an emerging (some would say familiar) disjunction of the transnational corporate stance of global capitalism and the multiple societies in which it operates. This creates tensions not only about objectives and processes but also about the meaning of such things as trade and access to markets.

This became very public with the protests at the World Trade Organisation (WTO) meetings in Seattle and at Cancun. The protests ranged from opposition to all forms of capitalism to a search for trade justice. The failure of the Cancun

meeting was due to organised expressions of a wide variety of concerns, including reasoned critiques that the WTO has to meet the needs of developing and underdeveloped countries. This was especially marked because the Seattle and Cancun meetings were part of the Doha round of trade talks, which were intended to be about second and third world development. There was a serious concern for the weak and poor in respect of 'unfair' terms of trade. These concerns for economic and social justice were accompanied by a concern for the ecological consequences of current economic behaviour. There was a strong argument for fair trade, not free trade. So at the Cancun meeting of the Doha round of the WTO negotiations a group of 20 or so developing countries effectively blocked the agenda of the developed countries.

16.4 Can National Leaders Make Rational Economic Choices?

National leaders are major actors in this turbulent field. They are faced with five broad choices of economic policy, all of them ideological:

- To move towards laissez-faire. It is the case that no country or trading community either practises or wishes to practise laissez-faire capitalism, but the rise of neoliberalism is a move in that direction.
- To sustain social democracy via the middle way of a mixed economy of public and private provision. This includes the notion of a third way (see for example Dworkin, 2000), a new communitarianism.
- To reinstate democratic socialism, but this had failed very badly. In those countries that were socialised, privatisation has been adopted together with other liberalisation policies.
- To pursue state centralism of left or right (still surprisingly popular).
- To explore how ecological conservation can be the basis of a new order. This is the most puzzling and unknown course of action.

Much of the debate about these choices is carried on in simple terms or in terms of ideal types as though any kind of theoretical or ideological compromise is a sign of moral weakness. It is a commonplace of managerialism that a country leader should adopt the correct economic policy for long-term growth (meaning growth-oriented liberal marketisation) as a process of rational choice. But is choosing so simple? For the actual policy choice about economic arrangements appears to be a product of a subtler working-through in the social and political order that exists (Scott, 1995; Rowlinson, 1997). It seems that the apparently rational chooser is a socially constructed being, working with socially constructed theories and data in a social world of values and beliefs. This is not to argue for determinism but to claim that choosers and choices are mutually dependent, i.e. that human agency is not free and untrammelled from its contexts. Hence the choice of economic policy is likely to be a complex outworking of context, values, beliefs and agency. Any 'democratic political leader' is likely to be sensitive to these issues. This leads to the inevitable sense of muddle and compromise of democratic governments and especially of international agencies.

You may think that these issues have no relevance to the leaders of private organisations, and that all that kind of debate belongs to political leaders (*see* Module 14). For while political leaders have perforce to deal with multiple ideologies and value positions, business leaders may claim to serve only their owners, even if that service is constrained by some awareness of multiple stakeholders. But we shall argue that this is not the case. It was the issue that Richard Sennett was addressing in the passage quoted at the beginning of this module. He was suggesting that there was a wish of managers to blur the reality of modern capitalism and its elaboration within organisations by creating a sense that the managers were not responsible actors and were not more than either naïve or complicit agents of ‘real’ bosses.

16.5 Leaders as Agents in the Corporation?

The corporate world of market capitalism (and late modernity) justifies itself and its behaviour in relation to the maximisation of shareholders wealth and contribution to global or national wealth. Hence a corporate CEO could logically take up the bounded and satisficing role of agent in relation to the principal (the shareholders). The CEO may be viewed as a ‘contracted’ agent of the principal. Indeed the literature of executive compensation is full of schemes designed to address the task of aligning the interests of the CEO as agent with that of the shareholders as principal. One way was to enlist the agent as a fellow principal by giving rewards to the CEO in shares. Another was to evaluate and reward the agent on the basis of performance (increase in market value) of the principal’s shares in relation to that of either all company shares or of a selected comparison group.

Most of the studies of the consequences of such modes of motivating the CEO as agent demonstrate that there are some serious problems, the most serious of which were the processes of market valuation and the timescale of consequences of the agent’s actions. The processes of market valuation are well addressed in the literature, essentially being an expression of future expected returns and some view of the *risk* of loss. Hence the measure is the market-maker’s guess about the consequences of the agent’s actions. These guesses are more likely to be based upon both a prior view of their past actions and reputation and a formal analysis of the consequences of the CEO’s current decisions. The difficulty of evaluation is compounded by the practice of corporate news management and by the management of confidentiality. The long timespan of consequences for most important decisions creates difficulties for estimating the present value of future expectations. Also, as it is some longish time before the actual consequences of the CEO’s decisions are visible, the ‘truth’ of the effects of any CEO leadership is hard to discern and evaluate, buried as it is in the fog of changing circumstances. But, of course, if the CEO settles for short-term gains then there is some evidence that the market will give that a high value.

The CEO as agent is faced with multiple principals, the shareholders and directors and financial intermediaries as highly informed shareholders. As an agent cannot serve so many potentially conflicting masters, the CEO may have a policy for action and outcomes that may suit some principals and not others. Hence the agent reverses the arrangements by choosing which principals to satisfy, thus

demonstrating independent politically skilful leadership. This is another example of the so-called managerial revolution, where the special knowledge and capabilities of agents, allied to the conflict among potential and actual principals, cedes power to the agents.

We suggest that the CEO as agent is both a follower in relation to principals and perhaps a leader in organising the task of serving the interests of the principals. But it has been argued that the interests of the agent and the principals necessarily diverge. This happens because, while the agent is working for the greater good of the principal, he is also (in this particular mindset) pursuing his self-interest (as a mirror of the self-interest of the principals). When the agent has expertise, knowledge and skills that the principals lack, then the temptation to exploit them exists. This conflict leads to what is described as a **moral hazard**, for the agent may not uniquely serve himself the principals but also serve herself as well (or better). There is also the moral hazard for the principals in exploiting their relative power vis-à-vis agents (but this rarely finds its way into the accounts of principals and agents). The principal can respond by requiring a full accountability to be rendered by the agent directly and by third parties such as auditors and perhaps consultants.

The ideal conception of agent to principal alignment would appear to be too simple. First, the agent does not act alone, for no CEO is so all-seeing and wise that he or she does not take counsel from colleagues. Moreover, as it is important for colleagues to 'own' the proposed courses of action, then they too must be drawn into the processes of alignment. So the simple principal-to-agent alignment becomes a multiple connection where a series of alignments is needed. So what are we to make of the role of agents as leaders? Perhaps you are still attracted to the hero model of the lone agent leading the corporation, but this does appear to be a travesty of modern leadership practice (as we have seen in Module 14). The CEO as agent has become a team player, a creator of teams, in order that the very complexities and ambiguities of corporate work are addressed by interactive and parallel processing rather than by hierarchical or serial processing. In one sense, however, the reality of the 'team' does not change, for it is still the servant of the principals.

Do you see leaders or CEOs as lone leaders? How do you think such leaders could work in teams? Do you agree or disagree with Sennett's observation?

You will be familiar with the aphorism that power corrupts and that absolute power corrupts absolutely. It can be plausibly argued that it was the abuse of power, accompanied by less than desirable competence, that led to the collapse of state socialism in Eastern Europe. In contrast, it has been argued that empires decline because they lose the will to exercise enough repressive power to maintain their position. Any concession to the oppressed is rightly seen as cracks in the façade, which bring forth demands for more concessions. Further, the rulers can lose the will to keep power. These arguments may underline the apparent failure of corporate governance processes to remove power-hungry and problematic CEOs, a theme discussed in Module 7 on ethics.

16.6 Three Critiques of Leadership

To take this debate on we shall consider three critiques of leadership. The first of these is presented by the ideas of servant leadership, the second comes from institutional theory, and the third from critical social theory.

16.6.1 From Master to Servant?

If you reflect upon the early development of leadership theories (traits, styles, contingency) you will see that the ontology was realist and the epistemology was functionalist. The notion of transactional leadership and the popular transformational theories follow in that tradition. These theories also fit with the managerial functionalism of Henri Fayol. (Fayol proposed that there were five functions for management: planning, leading, organising, controlling and motivating.) The criteria for leader effectiveness were still the functional effectiveness of the leader's behaviours. Indeed, even some of the writing on followership fits well to this tradition. The main critiques of functionalism are that it is based upon ideas of fit, stability not change, lack of attention to endowment or to power, and closes the space for other ideas. So why does so much leadership theory still find itself, in late modernity, caught up in such a historical framing? We suggest it follows from the functional preoccupation of much of the field of management studies.

You might object that the theories of leadership as empowerment and as servanthood might be free of any such critical attack. But note that empowerment in capitalist organisations is still embedded in the power relations of the masters and workers (principals and the agents). It only empowers contributions in that context, and it uses empowerment to extract more effort from the workers for the same rewards. There is rarely any attempt to share power. That there are other beneficial effects such as learning, sense of well-being, communal efforts and economic gains for the enterprise together with some shift in reward distribution is not denied. Nor is it denied that once empowerment begins to take hold then the individuals can discover in themselves abilities to contribute more effectively and perhaps set up their own businesses and be part of the deconstruction of the contextual power relations.

The servanthood leadership theory exists in many religions, and has a long Christian pedigree and in churches a current relevance (Kuhrt, 2000). It seeks a radical equality of persons by requiring all to be servants for some good greater than the individuals' satisfaction or the wealth of shareholders. It centres actors upon the service of greater goods, e.g. the pursuit of justice, truth and peace, the removal of poverty, service to God and to others before gains for the self and, equally importantly, sharing of gifts and material goods across all places. It is in this that servanthood is the most radical critique of wealth-generating leadership.

The counter-critique of servanthood is that it is hopelessly idealistic and does not reflect human aspirations, and while it may be suitable for actors in some voluntary organisations, the economic machine could not run with such principles, as they lack the wealth-generating motivations. In this conception of self-interest as the driving force of economic growth and the entrepreneur leader as the good force of

economic development, there is no such thing as altruism because concern for others is viewed as a piece of rational self-interest. This latter proposition ends all ethical or moral debate, for it assumes that morality and ethics are merely private and subjective whims. So the servant leader may be seen as an attempt to rescue the amoral, rational actor from moral oblivion, and to find a justification for leadership in asymmetric power relations.

16.6.2 Institutionalising Leadership

Selznick (1957) has argued that the economic conception of the firm as a rational actor, and hence its leader enacting rational choice, did not adequately describe the experience of large complex organisations. For the modern organisation is subject to environmental, technological and economic changes, and organisations might be better seen as political constitutions. In a sense Selznick did not so much discard the idea of the rational actor deciding at one point in time, but rather extended the domain of rationality to include a process perspective. He embedded this in social institutional theory, suggesting that actors may be able 'to choose the constraints of future behaviour' (Scott and Sorensen, 1996: 161). The role of the agent or operating leader then became that of the balancer of varied principals' interest. Scott and Sorensen (1996) argued that:

'Agency theory viewed the firm as a solution to the incentive problems that had emerged between owner and management, or more generally, between principal and agent. However, if one views the firm from a constitutional perspective the modern firm must be seen as an institutional arrangement that has emerged in order to protect the owners, shareholders and principals as a group against the interest of individual members of this group, and to protect its long-term interests against its more short-term interests.'

So the introduction of a class of professional leaders was to create the new 'master' whom the shareholders needed to protect themselves against (Scott and Sorenson, 1996: 159). This provides a neat reversal of the agency framework, and identifies the complexity of the task and nature of leadership exercised in such constitutional firms.

16.6.3 A Critical Account of Leadership

The more radical critique of leadership is rooted in the attention of critical theory to the issues of power and its exercise (Alvesson and Willmott, 1992). This attention is not so much on the obvious process of commanding action, output and achievement and the unequal distribution of earned surpluses as rewards, but more on the power that is exercised in subtle and hidden ways and maintains the legitimacy of the political constitution of Selznick in the form it does. It is these taken-for-granted conditions that both define and delimit the rights of various members of organisations, and shape the discourses and languages used. Like all scholarly endeavour, critical theory addresses the assumptions beneath practice, and seeks to illustrate the consequences of those assumptions, inviting actors to free themselves from consequences that are seen as unacceptable.

The question then arises: Why is it that some people have the privileges of leadership and that others are obedient in a mode of self-organised acceptance of the ‘way things are’? ‘The understandings of the processes by which some value and reward conflicts becomes suppressed and certain forms of reasoning and interest become privileged requires an investigation into the politics of meaning, language and personal identity’. (Deetz, 1992: 27). This political constitution must come to have a public face for its polity, which leads to the consideration of the discipline of the corporation and the study of disciplinary power within it. As ever, power both enables and limits and marginalises, for ‘it is not just rules and routine which becomes internalised, but a complex set of practices which provide common sense, self-evident experience and personal identity’ (Deetz, 1992: 37).

Here we see that the very language of leadership becomes a proper subject for examination. This is especially so of the way in which some leaders assume that the principals are the sole givers of rights, and that they, as the leaders, are the givers of vision. Further, they assume that leaders are definers of mission and are managers of meaning for others. We should examine the manner in which such assumptions are created and recreated in practice. For example, are the privileges that society permits corporations and their leaders to have, such as limited liability, contract law and employment law, just a quid quo pro for the wealth-creating machine?

In response, some ‘business leaders’ contest such an assertion, for they assume that it is the wealth-creating machine, by its tax revenues, that sustains society and government and also provides indirect tax revenues from employment. The critical theorist studies how such a contest of discourses becomes established, and how one of the discourses may become self-evidently true and beyond contest. The outcome of these contests may well be ‘a configuration of power inserted as a way of thinking, acting and instituting. The disciplined members of the organisation want on their own what the corporation wants. The most powerful and powerless in traditional terms are equally subjected, but there is no doubt who is advantaged’ (Deetz, 1992: 42). Of course individuals surrender some aspects of their citizenship in corporations. The critical theorist notes that, as this surrender is enacted, accepted and unexamined, it sustains a very unequal distribution of advantages.

16.7 From Functionalism to Social Constructionism

It has been argued that leadership is a process of seduction to draw people into commitment to the corporation or organisation. The analysis of the texts of Barnard, McGregor, Mintzberg, and Peters and Waterman (Calas and Smircich, 1991) follows feminist critiques and demonstrates that the languages and constructions of leadership used by these authors may be reconstructed as a process of seduction. Moreover, these were deeply related to the constructions of the body (male rather than female) at work in organisations. Burrell (1992) takes this critique further in his exploration of the organisation of pleasure, giving attention to Lucy Irigaray’s ‘amorous language’. If you can stop the language of ‘leadership as management of emotions in organisations’ you will have done much to help human beings. But the critique of Burrell goes deeper, for it asks us to reconsider the

limited maleness of leadership languages. It pushes us to admit female constructions of the female into a new exploration of possibilities.

Consider whether the language and assumptions of transformational leadership are readily subject to a critique of seduction. If so, would you agree that this 'seductive' interpersonal process has become necessary as a consequence of the decline of mutuality in organisations' and their members' commitment (Hirschhorn, 1998)?

Burrell wrote:

'This [commodification of pleasure] is the new position of those seeking to manipulate such ideas within late capitalism. They are often the less competent self-employed consultants seeking to provide the quick fix to industrial and commercial audience. Thus, just as critical discourse re-emerges back into the future it becomes open to many abuses, many degradations.'

Here the production of crude discourses has its power to attract and seduce, to corrupt insight by packaging it into the discourses-in-use and so emptying members' insight of their radical transformative power or of emancipation possibilities. The critique might have been aimed at many targets, perhaps especially the current travesties of spirituality in organisations. The role of organisational leaders and followers in the process of degradation is of course unconscious, but from a critical stance it is both forgivable and regrettable.

16.7.1 Can Leaders Control Discourse?

Part of the way in which discourse of organisational life is controlled is by distorted communication, both with and without conscious intent.

A UK university administration encouraged its staff to vote for a new 'profit-related' pay scheme, which would mean that 5 per cent of pay would be income tax free. The university would 'save' many hundreds of thousands of pounds each year. Most of this was because the 'profit-related payment' was no longer pensionable, and the university would save 5 per cent of its pension contributions. The university in its entire communications encouraging staff to vote for the new scheme did not point out that as a consequence the pensionable pay of the staff would be lower (with lower contributions from both employer and employee), and that the staff would have a smaller future pension. Even if the staff members were to have put all of their tax-free 5 per cent into a less advantageous private pension scheme they would still have been losers. The staff voted not to accept the proposal.

In the example above, the migration of interest-based power discourse into education (instead of searching for truth and collegial care) provides a nice example of the leaders' power of communication based upon partial interests. However, it also demonstrates that the constitution of the university made it possible to resist the proposals. It also illustrates that leader power is not absolute but might be seen within 'a web of arbitrary asymmetrical relations with specific means of decision and control' (Deetz, 1992: 35)

In one sense Selznick's agent as mediator of difference among principals is an idea of leaders as brokers, honest intermediaries of the interests of others. This idea places the leader above the fray, absent from interests, perhaps altruistic in relation to a common good, but nonetheless subject to his or her discourses of justification. One scholar¹ wrote of the leader as the broker of dreams, an altogether more potent ascription for the role of the leaders as symbolic holders of determining values and beliefs, as an object of projective identification and perhaps as a protectable species.

What does it mean to study leadership in organisations separately from the social and political context that shapes it and is shaped by it? Does this unnecessarily bound the study and miss significant events and understandings?

16.8 The Formation of Leaders: A Social Construction?

How then do persons become leaders? From early ideas that leaders were born and schooled in a given social class, via constructions of entrepreneurs as leaders, the literature has made a limited contribution to the actual process of leader formation.

Three common positions about formation are:

- Leadership is innate and can be formed only on the job (so only other leaders can act as mentors).
- Leadership can be assisted by a variety of action, reflection and contextual theory-building processes.
- Leaders can be designed and built.

The first proposition (trait theory), that leaders are born and need to learn how to do it, may be true, but there is little evidence to sustain it. Supporters of this view argue that leaders learn via action that is real and engaged in their world, and via mentoring by persons like them, but perhaps older and more experienced. Note that organisations have different 'career structures' for training leaders. The military have a hierarchy of command positions, whereas others have a complex process of leader education with successive placements in key locations, and yet others subscribe to a hire-and-fire process.

However, this is the arena in which the critical theorist, and the ethnographers, would find much of interest, for it does seem to be a working-through of the way things are. Perhaps a re-reading of biography, and especially autobiography, of leaders would provide some new insights into the self-constructed worlds of leaders. This might lift leadership studies away from utilitarian functionalism, as it would need multidisciplinary working, including historians, psychologists, critical and organisation theorists.

The observation of elite (the leadership cadre) formation processes reflects the notion of the self-perpetuating oligarchy, recruiting unto itself in its own image. The processes of organisations in selection of a future cadre may be seen as socialisation processes that include and then exclude others from any participation in the

¹ L. Sooklal in conversation with the authors.

management or leadership processes. In Selznick's political constitution not all have voting rights and some of those who do have rights may not get a ballot paper. One explanation of the gender glass ceiling is that the languages, discourses of codes and values, simply exclude women unless they become as the men. Another is that women who get close to the tribal customs and discourses of men find them unacceptable and walk away. This encultured rationality is deep and substantially fixed. It suggests that change at this level is likely to be slow. And it suggests that the reflective practitioners may become so deeply encultured as to be unlikely to see the issues. To shed light here is the task of critical leadership studies.

Researchers have tended to concentrate on the second proposition, but for all the efforts to work at leadership formation it seems that there is little known: 'We seem to know how to develop managerial skills but not leadership skills' (Peters and Smith, 1998). Apart from familiar aphorisms that leadership is an art, that leaders do the right things and managers do things right, there is little consensus about how leaders become effective.

The action learning approach of Peters and Smith rests upon the assumption that individuals 'will learn about it by doing it' and that the 'it', is beyond technical skill and includes a feel for influence. It is asserted that leadership is contingent to situation, so that leaders from one field will not readily succeed in another place. The action learners do stress the usefulness of the relationship of experience and understanding developed in processes of informed reflection, even if they provide, as a goal, the familiar tasks, traits, behaviours, styles and contingencies of the leadership literature. Rausch (1999) offers a similar process in his conception of reflection in action around some basic questions. Kaagen's more critical assessment (1998) of the use of action learning, designed exercises, reflection-in-action and group exercises advocates a much greater degree of care, and modesty, in what teachers or trainers set out to do. He also interestingly recovers the Tavistock tradition of experiential learning as a core point of leader formation, as it includes attention to theories-in-action in a social context. Some of these positions influenced the leadership learning cycle set out in Section 1.1.

The cognitive school, of which Schon and Weick are such luminous examples, offer the route to leader formation via the process of loops of action, reflection, reconstructing, new designs for action and new experience. At its heart lies the reflective practitioner, in a process of knowing the self (again see the cycle of Section 1.1). But in the cognitive conception of formation the person is encouraged to a wide and value-reflective set of behaviours bordering upon the critical reflexivity of the spiritual masters. This second approach presents a high ideal, with considerable ethical content, but does not engage with the critique from power and discourses discussed above. The ethics of leadership have been related to the instrumental maintenance of power by Machiavelli and expressively, in complete contrast, in relation to Kant's categorical imperative conceptions, which leads to seeking the autonomy of followers to become equals in workplaces and leaders in their own right (Bowie, 2000).

An element of this second approach is of the leader as a kind of organisational therapist, in touch with the emotional life of himself and of the organisation.

Addressing emotions generates, it is said, the creative flow of unblocked activity. But there is power here too, with people encouraged to 'have a nice day', 'to smile', 'to be a happy staff member', however they are actually feeling or whatever current cruelties may be being practised. For we have to understand that organisations are not merely locations for the 'nice' emotions of friendship and love; they also contain fear, anxiety, envy, lust, greed, anger, avarice and so on (the regressive, symbolic and developmental relations of Section 5.7). We teachers often ask our classes to name three or four great leaders; typically the greater majority named by students are good objects and most are male. A little prompting produces the bad and some more women. Petty tyrants exist, and in organisations there are leaders who are recognised as being beyond unpleasant. In one organisation there was an ascription 'He may be a very tough man, but he is our tough man.' This illustrates a connection of fear with power, and a wish not to be destroyed but to be protected. It might be assumed that this was just about the dark side of personality (e.g. narcissism). It was also about the ease with which the destructive leadership forces are allowed to run, especially when the corporation is seen as being at war in a jungle of global competition. Yet while all this is familiar, most leadership writing still concentrates upon the good and positive, leaving the darkness to novelists, clinical psychologists and analysts in a kind of collusive conspiracy of silence. But there are many silences in organisations, many unspoken voices that need to be given space to speak and the courtesy to be heard and understood.

The third proposition is human engineering: while the proposition lacks much evidence, it may be an ambition of organisational developers, trainers, teachers and leaders themselves. But it rests upon a positivist and functionalist mode of study, an approach that much of the rest of leadership studies has eschewed.

Do you think that the construction of leaders via such different routes would produce similar capabilities?

In this module we have set out to provide a more critical view of leadership than is found in the mainstream literature. In our view the idea of leadership survives these critiques pretty well. But these critiques do suggest that persons as leaders need to be more aware of their own humanity, to see that social and human goals are as valid as economic ones, that there is work to do to enable the great engines of economic benefit to work in settings where pressing human needs must be met. The module expresses some of our own values. You may see our arguments as somewhat idealistic and perhaps impractical. But part of our intent is to encourage you to understand and express your own ideological positions in the debates about, and the practice of, leadership.

Learning Summary

- Understandings of leadership are caught up in ideologies. For example, the concept of strategy is drawn from the ideas of military leadership. You have your own ideology and will read the module from that stance.
- Much of the leadership theory and constructs used to explain them are drawn from western studies embedded in western cultures. There has been a regrettable

tendency for these studies to be taught globally as though they fit all other societies and organisations.

- The rational constructs of leadership are themselves products of social constructions of theories and ideas. Mostly, the construct leader carries connotations of goodness, of being a good thing, but from other constructions, leaders are seen as the focus of oppression.
- Corporate leaders may see themselves as the servants or agent of the shareholders, and be so viewed in return. However, the different constructions of others would require the corporate leader to take on some much wider notions of agency, to government, to professions such as accounting and auditing, to employees and suppliers and customers.
- Three critiques of leadership underscore these learning points. The first two were a possible shift from master to servant and a process of institutionalizing leadership. The third sets out to give a critical account in demonstrating how leadership theory is complicit in the extant power structures, whether global, national or corporate. Further, these theories and constructs privilege leaders in relation to other actors.
- It is argued that the functional leadership theories are a process of seduction of others into compliance.
- The question of whether leaders can control discourses or whether the discourses control the leaders is central to a critical consideration of leadership.
- It is argued that leaders are formed in processes of social construction, for example, the functionalist approach claims that leaders can be designed and built, and also claims that leaders can only be formed by learning on the job. This would make leaders unreflective absorbers of what they are told or experience.
- There is a connection between critical approach to leadership and the reflexivity discussed in Module 14. This is to encourage you to reconsider your own stance towards knowledge in general and to knowledge about leadership in particular.

Review Questions

True/False Questions

- 16.1 Leadership is a cunning word in commercial organisations. T or F?
- 16.2 Dependent structures disable independent leaders. T or F?
- 16.3 Leaders are both agents and principals. T or F?
- 16.4 Most leadership is caught up in masculine language. T or F?
- 16.5 Leaders develop best by remaining unaffected by their experience. T or F?

Multiple-Choice Questions

- 16.6 Does critical theory:
- A. uncover the 'taken-for-grantedness' of leaders and leadership?
 - B. undermine the practical approach to leadership in organisations?
 - C. illuminate new radical possibilities for learning?
 - D. lead to the weakening of strategic leadership?
- 16.7 You are the leader of an organisation. You have been advised to begin a programme to develop servant leadership. Do you expect:
- A. the senior managers to be less enthusiastic than the staff?
 - B. initial acceptance followed by an unspoken rejection?
 - C. greater business commitment and success?
 - D. lower profits because customer service costs are higher?
- 16.8 There can be no constitutional limits on top leaders in an organisation because:
- A. leaders need to be free to make decisions.
 - B. although rules and structures exist great leaders change them.
 - C. there is no other power that can contain leaders.
 - D. the best leaders are autonomous.
 - E. None of the above.
- 16.9 You are to be sent to a country that has a different social system from your own. Will you:
- A. be prepared to try to understand how leadership is practised, and adapt to it?
 - B. be active in spreading the good aspects of your own country leadership practices?
 - C. take a stand on the edge of the new country's practice?
 - D. engage in processes of change of leadership?
 - E. None of the above.
- 16.10 Your organisation, in which you are a senior manager, has very few senior leaders of the opposite sex. You have been invited to lead a working group to consider this. Do you:
- A. write a policy document that reflects public concern for equal opportunity and submit it for the leader to decide?
 - B. recruit a small team made up of equal numbers of men and women to work with you on what you see as a strategic change project?
 - C. commission an employee attitude survey to assess possibilities of change and points of resistance?
 - D. send out a press release telling of the new initiative?
 - E. try to find out what the CEO actually wants to happen?

Case Study 16.1: Life Alive

Mkunga Mtingele was a puzzled man. He had not expected to be elected leader in 2002 of his area of Life Alive, a Tanzanian voluntary organisation. He was puzzled because, after his election, an enormous row had broken out in his area of the country. The row spread all across Life Alive in Tanzania.

Life Alive was dedicated to helping all and any Tanzanians come to a full understanding of what a good life might be. It had more than three quarters of a million members, and some 2000 staff. European settlers founded it in the colonial era as part of their own history but also to involve native Tanzanians in the organisation, mostly as ordinary members. The Europeans were divided into two main groups, the Founders and the Traditionalists (or Trads as they were called) with somewhat different traditions of how the good life might be lived and how the local area would be managed. These differences were acute enough in the colonial era for the different areas of the country to be divided up, rather messily, into areas with different traditions under the control of each group. So one geographical area was Life Alive with a Founder control while the next area was under Trad control.

The indigenous population of Tanzania was made up from many different tribes. And the areas tended to be made up of places of tribal origin. The home organisation in Europe had kept control of the leadership positions in Tanzania by appointing Europeans to the top posts. But in the post-colonial era of 1960 the native black Tanzanians had made claims on the constitution and on the top jobs. One outcome of this pressure was that Life Alive in Tanzania was given and then adopted a full constitution, which specified the geographical areas and made provision for the local election of people to the top post in each area. But there was one extra provision: that any elected area leader had to be formally accepted by all the other area leaders. Once elected, the area leader was in post until 70 years of age. And in post the leader was given great executive power to appoint, dismiss and move staff around the area. The leader also had privileged access to the resources of the rich American and Australian parts of Life Alive, access to national and international travel, and access to departments and ministers of the state. The leader was a public figure with considerable status, invited onto government committees and other public bodies.

The area where Mkunga was elected was a Trad area, but Mkunga was a Founder. So there was widespread surprise when he was elected, especially as the other candidate, Munga, was a very distinguished and respected senior officer, a member of the local tribe and of the Trad group that had always been in charge of the area. Furthermore, Mkunga had only been a part-time officer in Life Alive – his day job was as a senior civil servant – whereas Munga held a masters degree, was full time and a graduate of the Life Alive senior officer training programme.

The election of the leader was handled by a committee of six persons, itself elected by the governing assembly of the Life Alive area. In this case the committee had five men and one woman, five from the Founder tradition and one from the Trad group. So their choice of Mkunga was a complete surprise. Munga and his supporters were shattered and shocked.

Soon there were accusations flying about. Among those made were that the committee had been bribed by other Tanzanian parts of Life Alive or had been bribed by the international officers of the Trad group and had been promised plum jobs by Mkunga. There were protest to the national leaders of Life Alive and letters to the local papers. The noise reached into radio and TV broadcasts. The international Founder groups

began to lobby the national leaders not to accept the election. So much was the noise and confusion that the national leaders did not move formally to accept Mkunga. Instead the central organisation convened a meeting of the area governing body to see whether it would agree with the decisions of the election committee. This was an unusual and unconstitutional move. To the surprise of the central organisation the local area governing body approved the decision of the committee by over 80 per cent. Some of the followers of Mkunga were beaten up by supporters of Munga, apparently because they had promised to vote against Mkunga but did not do so. The followers of Munga took the Life Alive organisation to the civil courts, on the grounds that the procedures were invalid. The courts disagreed with them. So two years after his election Mkunga was confirmed in his post by the other area leaders at their national meeting.

Mary, one of the members of the election committee, described these conflicts about leaders and leadership as being a matter of histories and cultures. Life Alive in Tanzania, she said, with its divisions into areas of control for Founders and Trads, was a product of the colonial era that had been embedded in the tribal areas. After the colonial era had ended, the new Tanzania took some time to come to terms with its history, especially of its tribal differences and their complex histories. The move to ensure that indigenous leaders were able to take over senior leadership positions was an important stage for the new country, said Mary. Also, given the tribal realities, it was important to ensure a rough balance of people so that political unrest was avoided. Now, she said, the country was moving into the post-post-colonial era, where it was possible to elect leaders who were considered to be the best person for the role, independent of group tradition, of tribal membership, of professional standing or of previous seniority in Life Alive. Two other members of the committee agreed with her, but David, the one Tanzanian of European origin, was a bit sorry that he had voted for Mkunga. He thought that the whole episode had created more heat than light, and that it would take years before this affair died down. He thought that the work of Life Alive had suffered in the public eye. The one committee member who had not voted for Mkunga agreed with David, and added that other organisations had taken advantage of the row to compete for members and funding.

Questions:

6. What was the effect of the two traditions on leadership in Life Alive?
7. What was determining the nature of leadership in Life Alive?
8. What was the process of leader formation in Life Alive?
9. What might be the future effectiveness of Mkunga as a leader in his area?
10. What does the behaviour of the election committee suggest about the ideas of the two groups and the members in the areas?

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The Way Forward: Our Learning and the Application of Our Knowledge of Leadership

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Learning Objectives

By the end of this module, you will be able to:

- list the themes that were meaningful to you through the course of this study of leadership;
- describe systems by which organisations learn;
- describe how those systems can be employed to develop the leadership function within your own organisation;
- list the five steps involved in managing your own leadership development process;
- combine each of those steps into a leadership development plan that can be used to develop your own leadership effectiveness.

17.1 How Do We Apply Leadership Understanding?

We hope you have found your study of leadership to be enlightening, and that it has touched you in a personal way. For this programme is not designed as a purely academic discourse on the topic. Rather, it is intended that, through a new understanding of leadership, you will be able to develop enhanced leadership skills for yourself as well as be able to influence the leadership function within your organisation. We therefore devote this module, the final portion of this course, to the concept of learning, addressing the questions ‘How do organisations learn?’ and ‘How can we ensure our *own* development as a leader?’ For the time spent on

understanding leadership will be of little consequence if we are not able to apply it in such a manner that both we and our organisations benefit.

17.2 A Brief Review of Our Leadership Themes

As we look to the application of leadership knowledge, it may be helpful to review the themes presented in the modules of this programme.

What has remained in your mind about each of the modules? What was meaningful, really made sense to you?

Module 1: Learning about Leadership. The study of leadership is not easy, clear-cut or static. In the study of the theories, practices, settings, challenges and changes surrounding leadership, the focal point is necessarily you, the individual student of leadership. Some of the ideas of leadership work some of the time in some settings for some people. Therefore it is up to you to examine the vast body of leadership knowledge, assess what is of value, and use it within your own very unique set of characteristics and experiences, as applied uniquely in your role. In short, we hope that you will develop your own, very individualised, theory of leadership.

Module 2: Trait Theory of Leadership. Trait theory addresses leadership from the viewpoint that leadership is driven by the individual's *characteristics*. Some of those characteristics might be genetic while others might be learned. Nevertheless, they are identifiable characteristics such as extroversion, dominance and conscientiousness. Leadership effectiveness has been found to correlate somewhat with these traits: the more we exhibit such traits, the more likely we are to be a successful leader. However, there are also many examples of successful leaders who do *not* have particular traits.

Module 3: Behaviour Theory of Leadership. The *actions* of the leader are the focus of the behaviour theory of leadership. If the leader chooses the best actions, the follower is more likely to support the appropriate goals. Such behaviours may be chosen, depending on the follower's need for task direction or personal support. However, some theorists believe that leaders tend to favour a particular style, and therefore should be placed in situations most appropriate to that particular style.

Module 4: Transformational Theory of Leadership. Transformational leadership shifts the focus of the leadership process from the leader to *the process that occurs between the leader and the follower*. Appealing to the higher nature of the follower, the leader develops an inspiring vision, relies on personal charisma to gain support, structures work so that it is intellectually stimulating, and supports each individual follower as required to achieve team and organisational goals. The transformational leadership process is in contrast to behaviour and trait theories, which describe a transactional approach (if the leader does this, the follower will do that).

Module 5: Following. Obviously leadership does not exist if there is not followership. A limited number of studies have focused specifically on the follower, who, it can be argued, has more control over the situation than the leader. For only the follower can decide to follow. Some would consider the follower as the 'cus-

tomers' of the leadership process, and the leader's job is to meet those needs in supporting task accomplishment. Of course, the follower's style or traits might vary, as with leaders, and this needs to be considered. We also know that some employees, usually due to how they have been treated, actually choose to act in ways that are counterproductive to the wishes of the leader.

Module 6: Leadership: A Cultural Construction? As with societies, organisations have cultures, and within these cultures, subcultures. Cultures influence 'how we do things around here', so culture needs to be considered as a portion of the leadership equation. On the one hand, the leader will tend to find that he or she is influenced by organisational culture, perhaps beginning with his or her selection into the role. Being able to assess and deal with these influences is a part of leadership. On the other hand, culture changes and develops, but this development can be managed. Leaders are likely to need to meld and modify culture, especially where large-scale change is required.

Module 7: Gender and Leadership. One of the most striking workplace changes of the last century has been the proportion of women who have entered the world of work, including positions of leadership. Although there is still a glass ceiling, the changing needs of flatter and more flexible organisations operating in negotiated networks have led to the suggestion that the stereotypical female capabilities (interpersonal skills, communication, empathy, collaboration, conflict-handling and negotiation) might be of more use than those of the male (competitiveness, aggression, strategic planning and winning) and lead to higher effectiveness. Although differences have been found, leaders of both genders have clearly demonstrated exceptional levels of leadership ability.

Module 8: Developing Ethical Behaviour in Our Leaders. Ethics, doing the right thing, is good for business as well as for the organisation's stakeholders. But being within the limits of the law does not necessarily constitute ethical behaviour. Even though being unethical, even to the point of breaking the law, is rarely an effective organisational strategy, ethical problems continue unabated into the 21st century. There is little evidence that statements of ethics, the publishing of values or policies that protect whistle-blowers are effective in ensuring ethical organisational behaviour. The key is in the organisation's leaders, individuals who scrupulously promote, model and monitor ethical behaviours. Employing ethical considerations appears to be an effective long-term business strategy, as well as are of considerable assistance during times of emergency or crisis.

Module 9: Leading Individuals and Teams. The job of the leader is to ensure that the follower is successful. Given the uniqueness of followers in accomplishing tasks, it makes sense that we consider each individual when doing each task, i.e. situational leadership, so that we can select the appropriate leadership stance: directing, coaching, supporting or delegating. The leadership job increases in complexity when dealing with teams. Teams move through predictable levels of development (Tuckman's *forming, storming, norming, performing*), and the leader needs to understand the particular leadership behaviours that will help the team develop to higher levels.

Module 10: Leadership Across the Larger Organisation. Providing leadership across the total organisation is the most complex and challenging of all leadership situations. Those whom the leader wishes to influence may not be within the leader's direct reporting structure or may report only very indirectly, layers down within the organisation. Therefore, the leader is likely to need to employ leadership behaviours identified by Kouzes and Posner among successful leaders: *modelling the way, inspiring a shared vision, challenging the process, enabling others to act, and encouraging the heart*. These practices rely heavily on transformational leadership theory, discussed in Module 4.

Module 11: Leadership Development in a Fast-Changing World. Leadership development programmes have been readily available for 40 years. And yet, today, most organisations report that they will not have the required numbers or types of leaders available to meet future needs. A major cause of this shortfall may be that leaders are today confronted with different leadership situations: a much more complex world, a more sophisticated and demanding workforce, work increasingly accomplished through teams, the need for a transformational leadership approach, and constantly changing jobs. Therefore we can no longer focus on developing leaders in our organisations. Rather, we must develop the leadership function through policies, systems and strategic review.

Module 12: The Development Leadership: Tools and Practices. If organisations are to develop their leadership function, it is incumbent on them to employ the most effective tools, methods and systems, based on sound learning theory. Non-traditional skills are also likely to be needed, skills such as networking, influencing (versus commanding) and the use of information technology. No formula exists. Rather, each organisation will need to clarify what competencies are likely to be needed and then develop appropriate learning opportunities. Fortunately, many methods and techniques have been successfully developed across many settings: succession planning, corporate universities, developmental assignments, university programmes, coaching, individual development planning and more. Many of these developmental processes are relatively low cost, being dependent primarily upon executive will to ensure they are pursued.

Module 13. Strategic Leadership. It is easy to think of a leader in the role of hero, instantly assessing the nature of a crisis and rallying and directing followers to respond. The reality is that almost every organisation must plan and execute in a much longer timeframe in order to survive and indeed prosper. Strategic leadership is the key role in this process. A number of models of strategy development are available, but they all require the elements of *configuring, facilitating, delivering, evaluating* and *changing*. Whether such leadership skills are sourced externally or developed internally, they are nevertheless critical as a key outcome of strategy is necessarily the building of core organisational competencies which ensure the organisation's competitive viability.

Module 14: Leadership and Risk. Interwoven in the process of leadership is the matter of understanding and managing risk. Few decisions can be taken without incurring some degree of risk. But there is also risk in deciding to do nothing, or not deciding at all. Central to this process is the comfort level of the leader in taking a

risk, ranging from a very risk-averse ‘play it safe’ option to the much more risky (but possible profitable) ‘high roller’ style of the entrepreneur. Additionally, risk must be managed in the organisations. Among these are natural risks such as storms, tsunamis and earthquakes as well as risks emerging from modernism (the results of scientific and technological advances), risks that we may not well understand. The approach to managing organisational risk might be reflexive, responding to the last tragedy (train wreck) and developing systems to prevent a similar one. The management of risk might also be more far-reaching and attempt to minimise risk to all stakeholders in a model of the good organisation also being the good citizen.

Module 15: How is Leadership Studied? Although it would be convenient to develop knowledge about leadership through the methods of physical science, it is clear that the social sciences (and thus the study of leadership) do not easily lend themselves to such quantitative methodology. Qualitative methods, often conducted in the field and/or in the form of case studies, are commonly used but are subject to the nature of the phenomenon being studied, the theoretical underpinnings, and the philosophy, values and experience of the researchers themselves. A huge amount of research is available, but the methodology used must be critically examined along with the research findings to discover knowledge that may be useful in a practical context.

Module 16: A Critical Look at Leadership. In spite of the vast body of research and writing about leadership, our understanding of its formation is still quite limited. One reason may be the transnationalism in which the leader functions. Making economic choices for our organisations that at first seem logical and in the best traditions of capitalism may soon run into a vast array of unpredictable influences, the context, values, organisations and traditions of other entities influenced by such choices. Consequently, the leader may have only limited scope actually to lead, perhaps being primarily a product of society, the organisation and the context. Although we can show that management skills can be developed, there is little such research for the development of leadership. It is clear that leadership often directs at least a portion of its efforts at sustaining its own position. The importance of ‘the effective leader’ may be overblown, a product of Western or capitalist thought.

In reviewing your understanding of the modules of this book, how have your ideas and your assumptions about leadership changed?

Assume you are advising a younger colleague, newly appointed to his or her first leadership role. What would you say to that person about becoming an effective leader?

Being introspective, how can you assess your own effectiveness as a leader?

Importantly, how might you develop yourself to enhance your effectiveness today as well as ensure you will maintain that competency in the future?

17.3 How Organisations Can Learn to Develop the Leadership Function

In order to answer the above questions, you will have taken what was of value from a very broad field of study about leadership and made that which was meaningful and important your own. How this learning process occurs, for the individual, was presented in Module 11 and Module 12. We also encourage you to consider your own leadership development activities, to create a development plan for yourself. When we think of learning, however, it is clear that *organisations*, as cohesive entities, also need to learn. This is a type of learning that is different from that done by individuals, for it is the learning that is systematically available and shared among individuals and teams. Indeed, the most valuable part of any organisation is the combined knowledge of its employees.

17.3.1 Organisational Learning Systems

There is no doubt that the individuals in our organisations gain knowledge, but capturing that knowledge and making it available to others is another thing entirely. As one executive exclaimed, 'If we only knew what we knew!' Nancy Dixon (1999) has addressed this issue in a most informative book, *The Organizational Learning Cycle: How We Can Learn Collectively*. Dixon wrote, 'The essence of organisational learning is the organisation's ability to use the amazing mental capacity of all its members to create the kind of processes that will improve its own.' Efforts at managing organisational learning have typically been modelled after the traditional library: people who have knowledge record it and place it in the library. Then others who wish to access that knowledge simply find it in the library. Unfortunately, that system doesn't work. There are at least three reasons for this. First, it is very difficult to get busy individuals to record their learning faithfully and consistently. And if such knowledge is not consistently captured, potential users will lose faith in the library as a source of learning. Second, knowledge that *is* recorded is explicit. It is information that is clear, concrete and can be succinctly written. But organisations also have a great deal of *tacit* information, the type of information that is realised only when, for instance, several people with considerable experience are brought together to address a new problem and are able to devise a solution based on related yet different experience. Such knowledge can be mined and developed as a problem presents itself, but it cannot be easily recorded and catalogued for ready retrieval. Finally, most organisational learning libraries are limited for lack of resources or support; the library is seen as a voluntary enterprise that will be maintained through sheer goodwill.

Dixon, aware of these limitations, studied a number of organisations with a reputation for learning, and was able to categorise their efforts into five learning system designs:

- near transfer;
- far transfer;
- serial transfer;
- strategic transfer;
- expert transfer.

17.3.2 Near Transfer

This type of organisational learning involves transferring the explicit knowledge that a team has gained from doing a frequent and repeated task to other teams doing very similar work. As an example, within large organisations many production operations have developed forums to exchange information, knowledge and ‘tips’ among various manufacturing lines. However, they tend to work best when they are formalised, conducted relatively frequently and when the ‘users’ specify their needs vs. the ‘teachers’ telling of their successes. Each exchange focuses on a limited number of issues, each of limited scope.

17.3.3 Far Transfer

Transferring the tacit knowledge a team has gained from doing non-routine tasks to other teams doing similar work in other parts of the organisation is called **far transfer**. One striking example comes from automobile manufacturing. Ford has developed a goal to drive 5 per cent of cost out of the business annually. To support this goal, 600 ‘best practices’ from across the world are put into a database. Each plant has a production engineer assigned to look at the plant’s *worst*-performing areas and then connect them with a ‘best practice’ plant to transfer technical learning. Plants are required to participate in the programme.

17.3.4 Serial Transfer

Serial transfer involves capturing the explicit knowledge a team has learned from doing its task and applying it the next time that team does the task in a different setting. For instance, US Army patrols, on peacekeeping duty in Haiti, reviewed each completed patrol to assess what was effective and what wasn’t. It was found that having women soldiers on patrols was most effective in dealing with confrontations requiring negotiations and that having Alsatian dogs along kept aggressive behaviour at a distance as the people were generally afraid of dogs. The outcome of this learning process was that patrols, when sent into similar situations, were structured accordingly.

Table 17.1 Dixon’s organisational learning systems

Learning system	Application	Example
Near transfer	Transferring explicit knowledge from one situation to a similar situation	One shift at a manufacturing site realised improvements with different machine settings and shared that knowledge with other shifts
Far transfer	Transferring tacit knowledge of non-routine tasks across the organisation	A new manufacturing injection moulding operation in Malaysia is able to decrease changeover times by studying the organisational ‘best practices’ of a Brazilian sister plant

Learning system	Application	Example
Serial transfer	Transferring tacit and explicit knowledge of a team to the next time a team does the task in a different setting	Each time a fire department returns from a major fire, it reviews the event to improve future practices
Strategic transfer	Transferring tacit and explicit knowledge from across the organisation to a specific, infrequent task or problem	As a retail organisation plans to open a new operation in South America, experts from throughout the company attend a 2-day workshop to advise the team responsible for the new task
Expert transfer	Transferring explicit and tacit knowledge from technical experts to individuals or teams in need of that knowledge	An international logistics organisation maintains a list of individuals who have been involved in the opening of new warehouses so that any team, when opening a new warehouse, can contact these experts for advice and input

17.3.5 Strategic Transfer

Transferring the collective knowledge, both tacit and explicit, of an organisation about a strategic task that occurs infrequently, but which is of critical importance, falls into the category of **strategic transfer**. A memorable example is British Petroleum's 'peer assist' programme. It was designed to help in opening up new oil fields. As a field is under consideration, the team responsible for the potential field hosts up to 15 worldwide BP experts in a multiday conference to examine the project, review the data and provide their expertise. The team responsible is required to prepare a thorough briefing for the peers upon arrival: that in itself appears to be a learning process. The tacit knowledge gained from this process is considered to be invaluable, and probably not available through any other forum.

17.3.6 Expert Transfer

Expert transfer is the system that is probably the most familiar. This system involves transferring the technical knowledge, both explicit and tacit, that a team needs which is beyond the scope of its own knowledge but can be found in the special expertise of others in the organisation. Buckman Laboratories, with 17 000 employees worldwide, has developed an electronic forum segmented by topic. An employee taps into a forum to find a short topical synopsis and then can ask the 'expert' responsible for more information as required. A librarian, to ensure completeness and promptness, monitors the system. Fifty per cent of employees have asked questions on the system and the company feels response times for problem-solving have decreased from weeks to days or even hours.

Can you identify any learning systems in your organisation? If so, are they similar to any of the five systems that Dixon identified?

Which of Dixon's systems could be of value to your organisation? How might such a system be developed?

Think about how your organisation might more effectively develop its leadership capability. Which of Dixon's models might be appropriate to capture your organisation's learning about effective leadership? How could it be developed?

17.4 Applying Organisational Learning Systems to the Leadership Function

We believe that similar learning system designs will be required in our organisations if we are to develop the effectiveness of leadership in our organisations, not just of selected individuals, but the effectiveness of the function of leadership throughout the organisation, including the processes and systems by which leadership is defined, developed, nurtured and rewarded. Therefore, the specific processes, such as executive recruitment, succession planning, assessment centres, developmental assignment processes, executive universities and more, should all be continually examined. To implement the learning systems above can answer questions such as:

- How effective is our graduate intake programme?
- Are our leadership competencies still relevant?
- What are the outcomes of our leadership development training programmes?
- What developmental assignments are most effective in developing tomorrow's executives?
- How well is our succession planning process meeting its purpose?
- How do our followers view organisational leadership?

As with leadership itself, there are no off-the-shelf answers as to which system is best suited to developing your organisation's leadership function. Rather, each organisation will develop its own, unique system, meeting its aspirations and philosophy and working within the organisation's culture. Nevertheless, if the leadership function is not addressed as an overall system, leadership development will be a scattered, hit-and-miss process, missing its mark as often as not.

17.5 Developing Your Own Leadership Effectiveness

Working within an organisation with a highly developed system that supports its leaders in continuous professional development is, without a doubt, a huge asset to those leaders. But working in such a setting does not necessarily guarantee development. We have heard it said, 'He has 20 years of experience. Unfortunately, it was the same year's experience, 20 times over.' Learning for leaders also requires your individual commitment, falling squarely in the area that underpins all leadership success – self-leadership. Although having organisational support is a clear asset,

there are countless examples of self-made people who have developed their leadership abilities on their own.

How do we lead ourselves so that we continue to grow and develop as leaders? Not surprisingly, as with leadership itself, there is not a clearly defined path or course of action that will lead to success. Nevertheless, we find that there are principles to guide leaders:

1. Gather a clear picture of your leadership and keep it current.
2. Develop a plan to address any current issues.
3. Develop a realistic plan to develop for future challenges.
4. Self-lead, make the plans happen.
5. View leadership development as a continuing process: periodically evaluate and renew.

Let us examine each of these principles in more detail.

17.5.1 Gather a Clear Picture of Your Leadership and Keep It Current

Feedback is the most important component of any skill development process. Sportsmen and women have their practice sessions and performances videotaped and then review the tapes time and time again to find areas for improvement. Similarly, precision flying teams such as the Royal Air Force's Red Arrows or the United States Air Force's Blue Angels videotape each and every practice session, perhaps three times a day, and then review the tapes to look for areas of improvement. Trainee doctors undergo years of training under very direct observation and supervision, receiving feedback to aid their skill development.

Unfortunately, leaders are not so trained. Nor do they have the luxury of such intensive feedback. They may be sent on courses. They may be assigned a mentor or coach. They may receive an annual performance review. But the amount of feedback is very unlikely to approach anything like the examples given above. Nevertheless, feedback is essential. For unless we gain a clear picture of 'what is', there will be blind spots as well as flawed assumptions as we consider future development, 'what should be'.

The feedback process really has two stages: gaining that feedback, and then understanding and accepting it so that we may take meaning from it. As a start to gaining feedback, most large organisations will have an annual performance review process that is the primary formal method of giving feedback. Such feedback, even if it is candid and well delivered is, by definition, incomplete. It reflects only the review of our manager, and is most likely heavily focused on how well annual goals have been accomplished. Feedback from peers, followers, customers, suppliers and others to whom we may provide leaderships, is generally absent. Some organisations address the issue through 360° appraisals, upward appraisals, assessment centres and so on. Psychometric testing may be available, perhaps completed as a part of the hiring process. In-depth self-assessment can also be found through books such as *What Color is Your Parachute* (Bolles, 2004), a popular source of personal analysis and insight for individuals facing career changes. Any variety of these avenues can assist

leaders who need to gather additional feedback in order to form an accurate picture of themselves.

Leaders can also ask those most in the know, their followers, for feedback. One of the authors recalls with fondness a woman who would clearly qualify for a ‘best boss’ nomination. As a portion of her ongoing process to receive feedback, she would invite her four subordinates into her office for a performance feedback session in preparation for her annual performance review with her boss, the company president.

But leaders must not only actively seek feedback on an ongoing basis, they must also understand and accept it. This process is not easy, and is a key component of effective self-leadership. Figure 17.1 illustrates a basic choice that people must make when they receive feedback, particularly feedback that may not be comfortable.

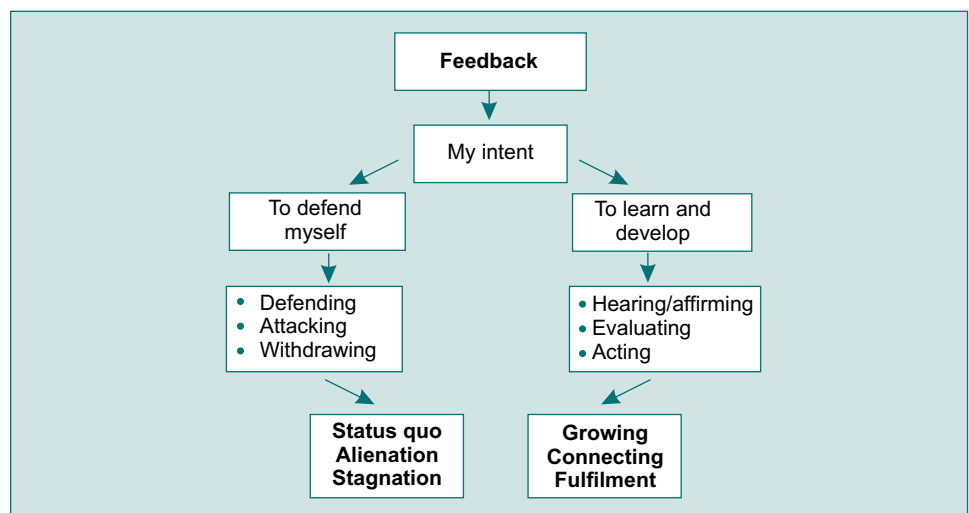


Figure 17.1 Ensuring feedback results in growth

Adapted from Jordan and Jordan, 2002.

When the feedback is received, if our intent (perhaps an almost automatic protective response that we have held for years) is to defend ourselves, we may move into any variety of responses such as explaining the feedback, denying it, denigrating the source of the feedback and so on. Also, the feedback may be particularly difficult to hear if it comes from a source for which we have little regard or respect, even though it may be quite valid. Protecting ourselves from hurtful information is a normal and common response; few of us embrace negative criticism. Nevertheless, moving along the defensive path will result in a denial of the feedback and a commitment to the status quo.

Only by consciously taking the path on the right side of the figure, where we truly hear the feedback and deem it to be legitimate, may we make informed choices about our development as leaders. As one of our business associates stated upon receiving uncomfortable feedback from a colleague, ‘I didn’t think I acted that way. I certainly didn’t intend to. But I have to realise that I came across to at least one person in that way and I need to take a look at it.’ Not all feedback needs to be

acted upon, but it all needs to be understood, valued and then evaluated as to its influence on our development activities.

17.5.2 Develop a Plan to Address Any Current Issues

Our experience tells us that it is very easy to think of development planning as a process supporting our career planning. However, nearly every leader with whom we have conducted assessment and coaching, even the most senior ones, has had current issues that he or she needs to address. Sometimes those issues have been around technical skill development such as technological advances or understanding new areas of the business. More often, it had to do with learning how best to manage certain traits or characteristics. And most often it had to do with specific leadership behaviours.

Examples included the need to develop a better relationship with another department, improving communication with followers, keeping the boss better informed, developing influencing or negotiating skills, avoiding over-commitment (and therefore missing deadlines), managing work and home life balance and so on. All of these are areas of current concern. And all of them came to light because the leaders took the time and had the opportunity to receive additional sources of input.

Sometimes support for those areas of concern came from training programmes or short courses; most often it did not. It more often concerned development activities that could be addressed by the leader in the work setting, and most often benefited from the advice and coaching of their manager or mentor. One of the payoffs of such development is not just to the individual, but also to the organisation. For as a company finds that its leaders receive feedback and act on that feedback to address current leadership issues, the outcome is one of organisation development, not just individual leadership development.

17.5.3 Develop a Realistic Plan to Develop for Future Challenges

As current issues are addressed, then it is appropriate to begin looking to the future. If the leader is a part of an organisational succession planning process, he or she may well receive institutional-based feedback and support in development planning. More often, leaders will not have such an opportunity. Fortunately, any leaders can still take themselves through a career planning process.

In Appendix 1 you will find *Guide: Preparing For a Leadership Development Planning Meeting With Your Manager*, which is a process that many have found useful to guide their thinking about development for future roles. Its purpose is to prepare you to have a productive meeting with your manager to agree a development plan. As you review the guide, it will become apparent that, in addition to an understanding of yourself, you will also need to develop an understanding of your organisation, and how it will be affected by future socioeconomic and political developments, and you perhaps may even wish to look at the industry as a whole. If your employer is growing rapidly, that will logically imply a different career path than an organisation that is stable or even struggling through a time of decline.

We believe that this aspect of development planning also needs to involve quality-of-life considerations: the requirements of our families, the willingness to relocate geographically, leisure time and community involvements and much more. Perhaps a final input needs to be a good measure of realism: what aspirations, given all of the feedback, self-analysis, environmental understanding as so on, can be realistically fulfilled? There is somewhat of an art to goal-setting. Goals that do not challenge do not lead to fulfilment. Goals that are unattainable lead only to disappointment. But stretch goals, goals that are challenging, yet realistic, are the ones that lead to personal fulfilment and organisational success.

17.5.4 Self-Lead, Make the Plans Happen

Commitment is not enough. Commitment is akin to the New Year's resolutions that the many make and only the few keep. As we have worked with leaders over the years, we nearly always find them committed to developing their leadership effectiveness. Certain traits are identified for development. Or behaviours are outlined that can make them more effective as leaders. But upon moving from the cocoon of a training programme or a coaching session into the workplace, they are soon engulfed with their normal tasks, challenges and emergencies. The commitment, earnestly made, soon moves to the back burner, and then fades entirely.

Effective self-leadership ensures that this commitment is pursued and reinforced. It works best when the leader institutes concrete, almost mechanical processes that remind, reinforce and keep the process on course. Some examples include the following:

- Developmental goals with task goals in the annual performance-planning process, with equal levels of accountability.
- A development agenda in periodic meetings with the leader's manager.
- Placing reminders at future dates in a time management system.
- Posting development objectives above the desk.
- Developing a coaching or mentoring relationship with another person to support development goals.
- Scheduling 'thinking' time each week to review progress.

There are certainly many more methods that leaders use, but in essence it is the same process by which we break and make any habit. If we are to develop our leadership effectiveness, we are, in essence, attempting to develop specific leadership habits. There is no easy answer. Hundreds of so called self-help or personal growth books now populate the shelves of bookstores with titles such as *The Seven Habits of Highly Effective People* (Covey, 1990) and *Who Moved My Cheese?* (Johnson, 1999). But the effective leader continually works at the process, the process of self-leadership.

17.5.5 View Leadership Development As a Continuing Process: Periodically Evaluate and Renew

Finally, as with other life experiences, leadership development is not a destination. It is a journey. For successful leaders it will never end. There is always more to learn. Situations will always change. Skills will always need to be honed and developed. New ways of doing, thinking and being will be required. In our fast-changing world there is no choice if we are not only to survive, but indeed, to thrive.

We are bemused by some of the traditional methods of leadership and management development that still survive in large Western organisations. For those organisations display a stairstep system of management development that is designed to carefully lead aspiring managers through thoughtfully designed development processes leading to top-level positions: graduate intake, various job assignments, a couple of 'executive development' programmes and perhaps an advanced degree. Completion of those steps is not enough and, in our experience, oversimplifies the process.

We find that effective leadership development does not lend itself to such a well-defined process. It is rather messy and ill-defined in practice. Development comes in small and perhaps unexpected pieces. Effective leadership development occurs year in and year out. It is a rich combination of work assignments, short courses, personal reading, being mentored, mentoring others, web-based learning, degree programmes, membership of professional organisations, community projects and more. It is never the same for any two people. But what is the same is that it is an ongoing professional habit, a process pursued throughout the leader's professional life.

As we discussed in Module 11, as organisational leaders you will not be able to know what the future will hold: therefore you will not be able to pursue well-identified skills or competencies. Your only certainty is that you will be required to lead changes, but in uncertain directions. Your development will need to be continually reassessed and evaluated. For there is quiet certainty that in five years' and ten years' time, perhaps less, you will be providing leadership in a markedly changed environment but in ways you are, as yet, unable to predict.

Toward that end, as you develop your own leadership capabilities, we hope that you found our treatment of leadership in this book to be a valuable and stimulating developmental experience, not only to you personally, but also to the organisation in which you work. Go well.

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Appendix I

Guide: Preparing For a Leadership Development Planning Meeting With Your Manager

Introduction

Leaders will be required to provide leadership to individuals. They will also likely have a team to lead, a substantially different and perhaps more challenging process. They will also often need to provide leadership and influence across the total organisation. All of these skills are demanding but can be developed, given basic abilities, the desire to lead and then appropriate experiences.

Underlying the process and key to effectiveness is, of course, self-leadership. Those leaders who know themselves, how they influence others and in turn are influenced by others may then take steps to develop self-leadership skills so that they can consistently choose behaviours that cause others to choose to follow.

This guide is designed to assist you in creating a leadership development plan for yourself. The process is to:

1. Take an inventory of yourself: your strengths, a view of your career progress, your future goals and the developmental processes by which you may be able to support goal achievement.
2. Discuss the inventory and your goals with your manager, mentor or other individual who may be able to provide guidance and coaching.
3. Agree a development plan with your manager so that you will have the support of your employer to pursue your development plan.
4. Include the development plan as a part of your agreed annual goals.

This Meeting is About You

Strictly speaking, this is not your manager's meeting. It is your meeting, because the subject is your job and career. Development planning meetings are intended to be joint discussions in which your manager can help you assess your current jobs and plan your development and indeed your career.

We recommend that you formulate your own ideas about your job and career and then use your manager as a resource to test out your ideas. You should take the lead in the discussion. Your manager can reinforce you where he or she thinks you are accurate in your self-assessment. Your manager may also be able to help you be more realistic when he or she believes you do not see yourself clearly.

Throughout these discussions we encourage you to be honest and candid with your manager. It is also important to be clear that these discussions are about your professional development but are not a commitment from either your company or your manager for a definite career path. Depending on your aspirations and abilities and the needs of your organisation, promotions are sometimes available. However, you should not confuse your manager's willingness to help you grow by planning your development as an implied promise of future movement.

Preparation

These discussions work best when both people have looked over the resource materials they are going to use, know what they want to say, and can talk informally in a relaxed atmosphere.

As your manager is primarily responding to your comments, he or she cannot know in advance what requests will be made. You may wish to share a copy of this guide with your manager, because he or she should be able to respond to any of the following requests should they arise during the discussion:

- feedback on your current performance;
- addressing any causes of dissatisfaction in your current job;
- assessment of your readiness for job movement (and what further development you may need);
- the possibility of new assignments within the current job;
- opportunities for more visibility;
- advice on other types of job or other organisation;
- special training and education;
- other sources of career information or development opportunities.

To be effective, your manager will want to understand your point of view fully before expressing his or her own opinions. The clearer your manager is about your point of view, the more help he or she will be able to provide. Therefore, it is quite important that you *thoroughly* prepare for the meeting. Completion of the following worksheets will be very helpful in that preparation.

Developmental Dialogue Worksheet – Current Position

The questions below are intended to help you prepare for your development planning meeting with your manager. Your manager may ask you about these questions, but you are not necessarily required to provide a copy of the worksheet as some of it may be relatively personal. It is to help guide your thinking about your career development and the next twelve months.

How challenged are you by your current job?

What is satisfying?

What is dissatisfying?

What phases of your work do you feel you do best?

Do you find there is an opportunity in your work to do those things you do best?
If so, what are they?

Looking at your position as a whole, what growth or development have you undergone in the past year?

Which of your traits or characteristics do you value as a leader, traits that you feel are an asset in being a successful leader? How can you further enhance them, make the most of them?

What traits do you have that may need to be managed or developed in order to enhance your leadership effectiveness? How might you do so?

What affirming feedback have you received about your leadership behaviours, things that you do particularly well? (You may wish to review the sources of feedback below.)

What feedback have you received about possible limitation or areas for development for your leadership behaviours?

Looking at your position as a whole, what would you say you have contributed in the past year?

Are there any aspects of your *current position* for which you feel you want more experience or training?

Are there any aspects of related *or supporting* areas for which you feel you want more experience or training?

What changes do you think should be made that would help you do your current job better or more easily? (Consider such things as instruction, communications, procedures, cooperation of others, supervision received, etc.)

Do you feel your position gives you an opportunity to learn things that are useful in preparing you for another position? If not, what suggestions do you have?

Do you have any other comments or suggestions that you wish to make about your position and your future here?

What skills do you currently have and what skills would you like to develop further this next year? (Consult attached Skills Checklist, if you wish.) You may wish to focus not only on your leadership skills but also on technical and business-related skills.

How can those skills be developed? What can your manager do to assist you in developing and building these skills and abilities? (Think of such things as instruction, special assignments, coaching and more availability, better feedback, etc. Consult attached Developmental Activities sheet, if you wish.)

Developmental Dialogue Worksheet – Future Possibilities (Optional)

This portion of the form has been designed to give you an opportunity to discuss those aspects of your longer-term future that are of most interest and importance to you. Please feel free to express how you view your immediate and long-range plans.

In this way you can be assisted in setting realistic goals for the longer-term future. The value of this information depends on the frankness and care with which you

answer the questions. *However, it will likely not be appropriate to spend time discussing longer-term development if the focus needs to be development within your current position.*

How do you feel about your career progress to date?

List several career opportunities beyond your present responsibilities that appeal to you. Then put them in priority order based both on how much they appeal to you and on how likely it is you could become a serious candidate for that position. (Consult attached Career Options sheet if you wish.)

What could you contribute to each position? What would be your limitations to effectively reach each position?

What would you have to study, learn, or experience in order to be a viable candidate for each position? (Or how could you find this information if you don't know?)

What would you need from your manager to support you in pursuing these career directions?

Realistically, you are in competition for career opportunities. You have some competitive advantages, you have some competitive disadvantages. What do you believe them to be:

Advantages	Disadvantages

What can be done to overcome or minimise the disadvantages?

It sometimes helps to think of one's long-term career. For example, what kind of work do you hope to be doing five years from now?

How can you best prepare for achieving your ambitions?

Are there any considerations, such as relocation, amount of travelling, family considerations, that need to be taken into account over the next five years?

Sources of Feedback

Although not meant to be all-encompassing, the following is a list of possible sources of feedback that may help you form a candid and realistic picture of the various aspects of your leadership effectiveness and potential. Feedback is the most important component of any development process. Some of it may be contradictory, but all of it is valuable.

Feedback is as much about the sender of that feedback as it is about you. But that information is important: that is the way that the individual who is evaluating your leadership behaviours perceives you.

Standardised Feedback Sources

- Personality tests
- Vocational interest/aptitude tests
- Values tests
- Ability tests
- Commercial 360° feedback instruments
- Employee attitude surveys (if reported for your area of responsibility)

Personal Feedback Sources

- Annual performance reviews
- Upward appraisals from followers
- Coaching interviews
- Conversations with a mentor
- Training programmes
- Requested feedback from followers
- Requested feedback from peer or confidant
- Awards, achievements, letters of commendation
- Letters of recommendation
- Conversations with friends, confident
- Review of career path successes and likely trajectory
- Review of times of limited success or even failure

Skills Checklist

Although not meant to be all-encompassing, the following list of skills may be of value in assessing your development needs. It should be used to stimulate your thinking about possible areas of personal and professional development. Additionally, if your organisation has established competencies, you will likely wish to review them as well.

Technical Delivery Requirements

- Knowledge of relevant technical functions
- Knowledge of technical field
- Familiarity with different or related technical methodologies
- Demonstrated technical skills
- Product knowledge
- Knowledge of market
- High initiative
- Effective planner
- Job experience in a variety of functions and/or applications
- Balancing short-term and long-term considerations
- Relating knowledgeably to the external environment

Interpersonal Skills

- Develops trust of others
- Effective listener
- Nurtures differing opinions
- Innovative, willing to change
- Team player
- Accurate self-assessment
- Solicits feedback
- Assumes best motive of others
- Relates well at all levels
- Negotiates effectively

Focus on the Customer

- Has a broad conceptual grasp of the business, its 'SWOT analysis'
- Understands the direction of the business, strategy and tactics
- Understands the customers and their needs and purposes
- Has working knowledge of the competition, their strengths and weaknesses
- Has strong financial understanding of the business
- Is well networked, understands others and their functions within the business
- Makes decisions based on the 'big picture' of the business and its customers

Leadership Skills

- Delegates appropriately
- Maintains effective control
- Integrates diverse subfunctions
- Selects good people
- Good coach, developer of people
- Effectively takes corrective actions
- Makes appropriate and timely decisions
- Gives effective oral presentations
- Conducts meetings effectively
- Envisions future possibilities
- Nurtures constructive dissent and fresh thinking
- Demonstrates management style flexibility
- Can influence across the organisation

Developmental Activities

1. Fulfil and expand the current role

People develop their potential by doing new things. Of course, the first point of emphasis for any developmental dialogue would be to remedy any deficits in the discharge of the current role.

However, once you have mastered a role, sometimes it is no longer challenging. If the role is too demanding, you will probably be anxious. The best role is one that is moderately challenging. It requires that you 'stretch' yourself, for that is how you develop.

If the role is losing its challenge, consider ways to bring that challenge back. These can include:

- **Adding new responsibilities.** Be sure, however, that these assignments are truly challenging and not simply more work of the same kind.
- **Increase delegation.** Perhaps you can grow with more latitude in which to make decisions and act. If so, consider suggesting increased authority if there is mutual confidence in your ability to perform. Likewise, you may wish to delegate increased responsibility to your employees to give you additional time.

2. Special assignment outside the role

Sometimes you can create special assignments outside the normal boundaries of the role that can stimulate the individual. These include:

- **Taskforce assignments.** Occasionally the company needs to set up interdisciplinary taskforces to look at special problems. Participation in a taskforce can be an enriching experience.
- **Temporary assignments.** Opportunities arise in other units for short-term assignments. The chance to work in other units and/or assume different types of responsibility for a short-term are usually a rich method of development.

- **Role-switch.** Occasionally it can be worked out to allow people to exchange roles for a period of time. If this can be done without disrupting the organisation, this can be very rewarding.
You may have ideas for other rewarding arrangements.
- 3. **Formal training and education**
Formal training activities can be identified from a number of sources, such as:
 - in-house development or training programmes;
 - external development or training programmes;
 - professional conferences and associations;
 - senior level management development programs through schools and universities such as this leadership course;
 - academic degrees and qualifications.Many employers can provide the resources to support employees through such programmes as appropriate to their development plan.
- 4. **Self-study**
There are a number of good books and courses on the challenges and successes of leadership. A regular schedule of reading on management, organisational behaviour, corporate culture, planning and strategy, financial issues, etc. is a good way to expand your concepts about management. Reading is a good supplement to other developmental processes, but cannot truly replace them. Reading helps to expand your thinking about management, but it cannot provide you with the direct feedback about how you manage and what you personally could do to expand your management skills.
- 5. **Distance learning**
Some employers will offer access to distance-learning centres. Through this IT network or intranet, you may have access to a wide variety of learning opportunities in leading edge technologies.

Career Options

Option 1 – Continue In And Enrich Present Job

If you are happy in your current job, consider remaining there for the foreseeable future. There is no need to change if the current job continues to challenge you, and if you feel fulfilled and that your development needs are being met. Many jobs retain their interest and challenge because the job itself changes and grows over time, and the person in the job is able to take on newer and greater responsibilities.

Option 2 – Lateral Transfers

Moving across to another job, or lateral movement, provides a chance for you to transfer and gain new skills, job knowledge and/or expertise. Indeed, in contemporary organisations this is the most likely method of job development outside your own position. Moving across usually means a change in function, but usually no change in status or salary. Movement across provides a broader base of company experience: applying your leadership skills in other settings may in turn help prepare you for positions of greater responsibility. It also makes you an increasingly valuable asset to the organisation.

Option 3 – Move into More Senior Positions

In the past, upward mobility into management was often seen as the only acceptable and rewarding way to develop a career. However, in today's flatter, leaner and constantly changing organisations such movement is increasingly limited. Promotional opportunities into management are quite limited in most companies. However, a second possibility available at many employers is to move into increasingly senior technical or project management roles. You have to be realistic about your chances in these areas, however, and be open to receive coaching in areas needing development.

Option 4 – Exploring the Possibility of a Move to a Sister Organisation

You may agree an exploratory goal with your manager that encourages you to consider other job assignments within your company to another 'sister' organisation. This provides you with an opportunity to gain information about such possibilities without committing yourself at this time to an actual move. Exploring involves the process of researching, interviewing and testing ideas and opportunities so that a decision about the next move can eventually be made.

Option 5 – Move Down: Realignment

Moving down is another option that our changing value system has made more acceptable during the last few years. You may have accepted a move into a more senior position and are finding you are not as successful or personally satisfied in that role as you had hoped. Or you may find outside interests more self-fulfilling and see the opportunity to move downwards as a chance to free yourself from stress in your current role. Unfortunately, some individuals have difficulty in making this type of move because of the stigma of failure they are apt to attach to it – no matter how much they may actually desire it. Look at the positive aspects of such a move. Would you be more happy and professionally fulfilled? How concerned are you about what others would think? What could be the long-term outcomes for you several years from now?

Option 6 – Move Out

Although development planning is aimed at keeping employees satisfied, growing and contributing to their potential, it is naïve to assume that this will always be possible. If you find yourself seriously considering moving away your employer, and if you feel you can raise this with your manager without exposing yourself to too much risk, then let your feelings and concerns be known to your manager. It might be that he or she can be helpful in addressing some of your needs. It is in the interest of your organisation to understand its employees and gracefully support their career aspirations, even if it may mean leaving for other employment.

DEVELOPMENTAL CONTRACT WORKSHEET (To be incorporated with annual objectives)	
Employee Name _____ Date _____ Department _____	
AGREED DEVELOPMENT ACTIVITY	COMPLETION DATE
<div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="border-top: 1px solid black; width: 40%;"></div> <div style="border-top: 1px solid black; width: 40%;"></div> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> Employee Signature Manager's Signature </div>	

DEVELOPMENTAL CONTRACT WORKSHEET (EXAMPLE) (To be incorporated with annual objectives)	
Employee Name <u>A. SCHMIDT</u> Date <u>22/04/05</u> Department <u>CUSTOMER SERVICE</u>	
AGREED DEVELOPMENT ACTIVITY	COMPLETION DATE
<ol style="list-style-type: none"> 1. <i>Through monthly feedback and coaching from manager, participation in appropriate leadership training courses and apply with the team; improve team's professionalism in approach to customers. (Improving current leadership role effectiveness.)</i> 2. <i>Complete training on new 'Smart System' Customer Care Programme and implement into day-to-day routines. (Learn additional job skills.)</i> 3. <i>Participate in Managing Director's Employee Reward Systems Task Team until completion of project. (Task teamwork external to department.)</i> 4. <i>Complete requirements for BTEC Assessor Qualification, 203. (External Qualification.)</i> 5. <i>Participate in local chapter of Toastmasters International to improve public speaking skills. (External professional development organisation.)</i> 6. <i>Collect information on secondment possibilities to sister division over the next two to three years. (Future development planning.)</i> 	<div style="margin-bottom: 10px;">2005–6</div> <div style="margin-bottom: 10px;">1 September 2005</div> <div style="margin-bottom: 10px;">As scheduled during 2005</div> <div style="margin-bottom: 10px;">15 November 2005</div> <div style="margin-bottom: 10px;">Weekly through 2005</div> <div>31 May 2006</div>
<div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="border-top: 1px solid black; width: 40%;"></div> <div style="border-top: 1px solid black; width: 40%;"></div> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> Employee Signature Manager's Signature </div>	

Appendix 2

Practice Final Examinations

Both examinations are of 3 hours' duration.

Practice Final Examination I

Case Study: The Department of Judicial Affairs

Collecting fines, improving government

As often happens in government, one single statistic, easily understandable and highly emotive, caused a considerable outcry. For there was no little sense of dismay and outrage among politicians and governmental officials when it became apparent that only half of the fines imposed by the government's many magistrates' courts were ever collected. Magistrates themselves were shocked by the finding.

However, the people who collected the statistics, as well as the court officials who attempted to collect the fines, were little surprised; rather they were resigned to the low level of fine payment by offenders. After all, 'things had always been that way'.

Government ministers saw the situation as intolerable. They soon identified a man who they felt was well suited to deal with the problem, Ian McKibben. Ian had a strong track record of success in other government departments, and was quickly appointed to head up the Department for Judicial Affairs. The department's responsibility was to support the magistrates' courts. And among the departments' responsibilities was fine collection. Ministers set a fine collection target of 68 per cent, to be achieved by the end of the following tax year, a goal that was seen by many as quite challenging if not unachievable. The department was to tackle the problem centrally, but the magistrates courts were run independently, and many court officials viewed Ian's department with considerable suspicion. Attitudes varied from 'this too shall pass' to 'you'll have to prove it' to 'it will never happen in my lifetime'.

Ian's approach

When Ian took over the department, his first two weeks were spent minutely examining and getting to know as many employees as possible. He soon described the department as being 'in crisis', finding that it was viewed as being dedicated to serving the judiciary rather than the public. It also soon became obvious that its overall control of finances was poor. To compound the situation, morale was generally poor while labour turnover had climbed.

Ian leapt into this new assignment with his characteristic level of high energy and a considerable amount of people skills, which some regarded as charming. A tall, imposing figure with a quiet voice, most found him to be a good listener to all points of view, even when contradictory and challenging. Ian also came across as quite self-effacing, deflecting any remarks about his achievements away from himself and toward the dedication of his staff. However, it was also clear that Ian's approach was underpinned by a level of determination and commitment that was virtually unshakeable. Showing little humour during office hours, Ian had a reputation as a 'straight arrow', following the rules and keeping his word, describing things as he saw them and confronting unacceptable behaviours and practices directly but always with respect for the person. Those who worked for Ian soon learned that similar standards of behaviour were demanded of them as well.

Ian moved quickly. As an initial step, he developed, in conjunction with his senior managers, a new vision that he felt would draw a line under past failings and move the department forward. To support that vision, at every opportunity he preached the need to develop a new style of leadership, a move that was crucial if his team was to implement large-scale and long-lasting changes throughout the department.

To support the development of the new leadership approach, a variety of changes were implemented:

- Ian restructured the department so that tribunals, magistrates' courts and crown courts were combined into one operation.
- Directors' roles were changed so their responsibilities crossed functions; as a result, directors came to act more as a corporate team rather than being responsible for individual fiefdoms.
- Twelve 'essential' leadership behaviours were established and widely disseminated. These included behaviours such as 'communicating a compelling view of the future', 'coaching individuals and team toward success', 'being available to all' and 'enhancing cross-departmental relationships'.
- All 130 senior managers were assessed against the essential behaviours through an assessment centre.
- The approach was tough, identifying some 32 per cent of managers who did not match up to the behaviours. Many left the department, while others found more suitable roles within the department or took early retirement.
- Managers who did not match up but opted to stay agreed appropriate development plans.
- Most senior leaders received coaching and 'active performance management'.
- Departmental surveys revealed a widespread weakness in people management skills. Diversity was not well embraced, and instances of bullying were also found. As a result, performance management classes were organised, and the managers' results were assessed through staff surveys and performance appraisals.
- A non-compulsory leadership programme was developed in conjunction with a long-established external management development institute. This flagship programme was attended by some 100 managers.
- Ian and his board participated in the same leadership development processes as the other managers.
- Three departmental people were nominated for a governmental 'high potential' development programme designed for senior managers who were thought to have the ability to achieve director-general office in national government. All three were accepted into the scheme.
- Two graduates of the same scheme then later came to work in the department, a move that was seen as indicative of the department's improving reputation.
- Recruitment procedures were implemented so that all new management appointments into the department were subjected to the same assessment centre process that initially assessed the 12 leadership behaviours.

Tackling fine collection

In order to address the highly visible problems with collection of fines, Ian began by appointing one of the department's rising stars, James Beresford, to manage the fine-collection project. One of James' first tasks was to conduct an in-depth analysis of the problem. He quickly found that the problem was not as severe as first stated, in that only 37 per cent of fines were unpaid, not 49 per cent as previously thought. However, this led to the collection goal being increased to 75 per cent by ministers.

James established a project group to tackle the problem, and let it be known that the 75 per cent target had to be met; the target was non-negotiable. He employed external

consultants to assist in problem analysis and planning, got people to share best practices, pulled cross-departmental strings in unconventional ways and generally engaged in 'silo-busting' approaches to attack the problem.

The results were that the project team not only met its target the first year but exceeded it the second year. The second-year goal had been increased to 78 per cent and the actual results were 80 per cent.

As a sign of gratitude and recognition for the support they received, the fine-collection project team hosted a party for some of the many individuals who had assisted the project. The party was attended by representatives of civil service clerical staff, court officials, police, ministers and more. The party clearly celebrated the success of the project, recognising the contributions of many people while also underscoring the importance of cross-functional support.

Other outcomes

Although fine collection was a highly visible problem, easily identified by politicians and the public, a number of other positive outcomes accrued to Ian's leadership. For one thing, as improvements began to appear and be communicated upwards, ministers began to regard the department much more positively. Of equal significance, financial management was also addressed, and the department was able to reduce costs by some €140 million. The department's rising reputation led it to be successful in recruiting from the health service, other governmental departments and the private sector. In fact around half of all appointments were found to have come from outside the department.

Finally, Ian's approach was seen as so successful that he was placed in charge of a new 'professional skills' project, aimed at improving the leadership skills across the entire civil service. For ministers were convinced that the same approach could bring rewards throughout the civil service.

Required:

- 1 Compare Ian's leadership with what you know of trait, behaviour and transformational theories, and how those theories might explain his success as a leader in the Department of Judicial Affairs.
- 2 What do you see as the specific actions taken by Ian that were key to changing the effectiveness of his department? Also, do you see additional actions that might be taken to improve effectiveness even further?
- 3 Discuss how the development of the leadership function can affect not only the specific department, but also the larger organisation.
- 4 With reference to the case study, discuss how strategic leadership acts as a driver for success and failure under conditions of planned strategic change.

Practice Final Examination 2

Case Study: Monk Enterprises Company

Monk Enterprises Company (MEC) is a successful division of the Dornad Thomas Company (DTC), which was founded in 1964 from the merger of two existing companies. MEC produces books and other educational materials for schools. The company is regarded as a market leader, and has a reputation for high-quality products and efficient marketing.

Ms Mary Sanderson

Ms Sanderson was originally a ballet dancer. She had risen to the top of the profession largely by a combination of determination and ambition rather than by any remarkable natural talent. Her dancing career was terminated following an automobile accident in 1980. In 1981 she accepted a post as sales representative with MEC after being offered the position by the marketing manager, who is an old friend. Although knowing nothing about sales or marketing Ms Sanderson learned quickly, and by 1983 was in charge of a small department. She was seen as an effective leader and skilled operator. She subsequently became head of administration. She knew little about administration, but in a few years she stabilised the administration system and established a series of training and development programmes that were appreciated by staff. She was well regarded by staff, and her efforts were seen as important to the long-term development of the company. When she became CEO in 1988 she was the first CEO to have moved up through sales and administration, rather than the standard production systems route.

Ms Sanderson also had interests and commitments outside MEC. She wrote a best-selling book on ballet and became in demand as a public speaker. She spent a lot of time on non-MEC business.

Although Ms Sanderson had helped to develop the long-term strength and potential of MEC, and even though the company had developed a good reputation and was well thought of in the education industry, she did not agree with many of the ideas being put forward by the CEO of DTC, Mr Alan Cope. Mr Cope wanted MEC to expand and develop into a leading European entity. He did not accept Ms Sanderson's argument that MEC lacked the depth, history and quality staff reserves needed to achieve and sustain such a level of development. He also felt that MEC's skills in developing knowledge were secondary in importance to commercial development. The differences in opinion between Ms Sanderson and Mr Cope grew until, in January 2003, following a dispute over an external issue, Ms Sanderson tendered her resignation as CEO of MEC.

Mr Geoffrey Michael

The resignation of Mary and especially the circumstances surrounding it caused considerable unease among the staff, who saw this as an attack upon the idea of MEC being based in developing knowledge. A new CEO, Mr Geoffrey Michael, was appointed. He had three years' experience as division head in the women's magazine business within DTC. He had turned this around from low profits to higher profits by cutting back on investment and by cost-cutting.

Initially he set out to stabilise and calm MEC. He subsequently went on to create a new management team at MEC based on financial and commercial efficiency. He also decided to change the product base, dropping some reliable and commercially viable products because they 'represented the past'. He ended Mrs Sanderson's initiative to

develop new markets and training offerings. The new strategy was based upon aggressive marketing to drive up margins. It also included a cost-cutting exercise across the business. This included printing on lower-quality paper, the raising of prices for training, and ending the support to the 'teachers' forum' in the educational sector itself. He also set out some requirements for growth and income generation.

The staff found him difficult to work with, and he developed a reputation for saying a lot but never listening to anybody.

Over time the customer base began to fall, and sales revenues levelled off and then began to fall. MEC was also coming under increasing pressure because of changes in government contract procedures. By early 2004 it became clear that MEC was not now generating enough income to cover its costs. The senior product development and training managers began to look around for other jobs. In August 2004, with the evidence of a deteriorating financial position, Mr Michael was sacked as CEO.

Mr Simon Golbourne

The MEC CEO position was subsequently advertised and was offered at a considerably increased salary and benefits package. None of the suitable potential internal candidates applied, and there was a lack of interest from external candidates.

Eventually the post was offered to, and accepted by, Mr Simon Golbourne, who was formerly a senior commercial manager with another division of DTC. He had been a very active member of the trade association, and in that capacity had served on some central DTC project groups and had impressed the division CEO with his general understanding of business and his view of product development. He agreed that a top-performing business could be built simply by employing the right people. He also believed in using expensive distinguished speakers to add sparkle to the training programmes. Mr Golbourne saw no necessity to have a product development capability. His strategy was to create the new MEC as a kind of publishing house, legally separate from DTC but wholly owned by it. If successful, the new MEC could be sold to the market. MEC was to increase competitive advantage and add value through mergers and acquisitions. Mr Cope promised £10 million for this process, and Mr Golbourne and his team were offered share packages that would be very lucrative if MEC's value increased significantly.

Over time, however, MEC's fortunes deteriorated. It emerged that Mr Geoffrey Michael left DTC to join a major commercial competitor, and it also transpired that six of MEC's most senior staff left for other jobs, taking their contacts and some junior staff with them. The most senior product development managers also subsequently resigned. As a result MEC's recovery was slow while (coincidentally) DTC increased in value as a result of other initiatives.

In late May 2005, only ten months after his appointment, Mr Golbourn was sacked as CEO.

Ms Angela Brown

The next CEO appointment was Ms Angela Brown, who was an intelligent and experienced manager with a good career record of commercial leadership in another unrelated industry. Angela was a professional accountant and had gained a very good EBS MBA. She was also very courteous and very calm, with a good analytical brain.

Shortly after her appointment she realised the full scale of the problems facing MEC. She felt that these problems had not been communicated to her prior to her appointment. By this time MEC was suffering from falling sales revenue, falling customer

satisfaction, a diminishing reputation in the market, attack from competitors and very low staff morale. Ms Brown realised a recovery plan was needed urgently. She commissioned a detailed SWOT analysis and found that MEC was basically at the mercy of its major competitors. Six months later, in late 2005, the financial position of MEL had deteriorated much further. Angela advised the DTC board that the division was no longer a viable business, and that the viable bits could be transferred to another division. After carefully checking, the DTC board agreed, and it was decided to close MEC and transfer the remaining viable sections to other divisions. Any non-transferred staff (about half the total) were made redundant. Ms Brown subsequently became commercial development director in the DTC head office.

Required:

- 1 Compare the leadership trait theory of the leaders in the case. What explains the changes?
- 2 How did Alan Cope's behavioural approach to leadership affect the performance of the enterprise? And how did it affect the other leaders in the case?
- 3 You have been invited to tender for a leadership development programme. Using the evidence of the case, what would you consider to be the leadership issues facing DTC? How would you recommend they act to develop leadership?
- 4 Comment on the successes and failures in the case. How did the strategic leadership of the five main actors in the case influence the decline of MEC?

Note: These questions and answers are examples of what an examination will be like. However, you will answer in your own way; sometimes some evidence from your own leadership and work experience or your wider reading will enhance an answer. Every case study in the course can be approached from any number of standpoints. You may see issues in the examination cases that are illuminated by the ideas in any of the modules. Brief reference to these will also enhance your answer.

Examination Answers

Practice Final Examination I

Case Study: The Department of Judicial Affairs

1 *Trait theory points:*

- **Physical traits.** Ian had the advantage of being tall, a key advantage. We have no information about other physical traits, such as his attractiveness as an individual. However, he presumably projected a high level of energy because of his determined approach.
- **Intelligence.** We have no direct evidence of Ian's IQ but can assume that it is more than adequate, yet not of such a high level that he is unable to communicate adequately with his team.
- **Traits valued by followers.** Ian showed many of the traits that Kouzes and Posner found followers admired: honesty, being inspirational, his competence, being supportive and broad-minded.
- **Emotional intelligence.** We can deduce that Ian has high levels of emotional intelligence, as his followers find him a good two-way communicator, some find him charming, and he is able to curry good relationships with those in authority, i.e. government ministers.
- **Summary.** In summary, with the limited information in the case study, he would appear to possess good levels of all six of the most commonly identified leadership traits: physical attractiveness, intelligence, confidence, social skills, integrity and the desire to lead.

Behaviour theory points:

- **Two-factor theory.** We can assume that Ian projected both task and people-oriented behaviours, as he not only achieved a tremendous amount but was also viewed as having good interpersonal skills. Additionally, the department was successful in recruiting people from other areas owing to the improvements within the department.
- **Contingency theory.** Presumably, using Tannenbaum and Schmidt's leadership continuum, we would judge that Ian employed a combination of selling and consultative styles, as he was not only seen as a good listener, but was also very determined in pursuing the vision that he melded in conjunction with his team members. There is no evidence that he used the stronger 'telling' style nor the totally participative 'joining' style.
- **Situational leadership.** This theory that primarily addresses the one-to-one conversations between a leader and a follower. We have no information about this particular leadership behaviour theory, as no individual conversations were described between Ian and any particular subordinate.
- **Fiedler's contingency model.** As we assess Ian's task in the department, we must judge that leader-member relations were good, that the task structure (re-organising and bringing efficiencies to the department) was low, and that his

position power was quite strong as he was appointed by government ministers. Therefore the preferred leadership style would be low to moderately relationship oriented. Although exhibiting good people skills, it would appear that Ian was first and foremost quite a committed, task-oriented leader.

- **Path-goal theory.** Of House's four main types of behaviour (directive, supportive, participative and achievement-oriented) we might conclude that Ian would have been rated as an achievement-oriented type of manager who set and demanded very challenging goals but then built the confidence of his followers to achieve them. However, he also set up a system that screened out followers who did not have the requisite traits and behaviours for success.

Transformational leadership theory points:

- **Transactional leadership not in evidence.** The case study gives no indication that Ian relied on transactional leadership to achieve his far-ranging changes in the department.
- **Transformational leadership actions.** Ian employed a number of techniques or actions that are commonly attributed to transformational leaders, to those who bring broad-ranging changes to organisations. He was well respected, he provided a vision, and he placed high expectations on his workforce. He also appeared to have gained the trust of his employees as well as of government ministers. He also got the workforce to approach problems in new ways by restructuring, causing managers to work more as a team than in their traditional silos. People also sensed his consideration for them, as all viewpoints seemed to be listened to, perhaps even when Ian would not have agreed with them.
- **Acting as a change agent.** In line with the above leadership actions, Ian can be seen as very similar to the 12 executives, studied by Tichy and DeVanna, who had implemented broad-ranging changes in their respective organisations. These executives recognised the need for change, seeing themselves as change agents, they created a vision for change, and then institutionalised the change.
- **Charisma.** We do not have much indication that Ian was highly charismatic in the traditional sense, as he was self-effacing and deflected any praise toward his team. However, as we look at the behavioural attributes of charismatic leaders as described by Conger and Kanungo, Ian exhibited many of those behaviours, such as articulating a vision, taking risks in how he reorganised the department, building trust in his followers, challenging the status quo, being sensitive to followers' viewpoints while keeping his focus on the bigger picture, and empowering others, as in the assignment of James Beresford to lead up the fine-collection project.

2 *Specific actions taken. Points regarding specific actions to be included in a model answer:*

- **Analysis.** Ian began his assignment trying to understand the department, its financial health and many of the employees.

- **Visioning.** In conjunction with his management team, Ian developed a new vision to provide inspiration and direction for the department as well as a new style of leadership.
- **Restructuring.** The department was restructured so that all courts were combined into one operation and directors' roles were cross-functional, thus promoting teamwork.
- **Leadership development.** A comprehensive leadership development process was implemented that included 12 'essential' leadership behaviours, assessment of all senior managers, reassignment or retirement of managers who did not match the behaviours, development plans for managers, coaching and performance management support, management training, and a leadership development programme with an external provider. In addition, recruitment procedures were changed to include the 12 behaviours as part of the selection criteria.
- **Modelling the way.** Ian set an example by going through the leadership assessment process himself. He also was seen as a 'straight arrow' who personally acted with integrity and required similar behaviours of others.
- **Empowerment.** By assigning a major project, i.e. fine-collections, to James Beresford, it was clear that Ian was willing to delegate major pieces of responsibility to others.

Additional actions. Examples of points that could be included are as follows but need not necessarily be limited to the following points if other ideas are contributing to what appear to be viable actions:

- **Establish KPIs.** Leaders could have been assigned key performance indicators for their efforts, complete with a feedback process to evaluate progress. Such a system would further target desired leadership behaviours.
- **A reward system.** Ian could have implemented a system or process that rewarded desired behaviours, both the 12 essential behaviours and the KPIs.
- **Push development throughout.** Substantial development was described for leaders in the case studies. That process of development could be pushed downwards to the benefit of all employees and departmental performance.
- **Implement an annual strategy process.** To support the ongoing vision, an annual process to review and develop strategy can be implemented, especially one that gathers widespread input from employees, ministers and the department's 'customers'.
- **Promote team working.** With the likelihood that future work systems will increasingly rely on multifunctional teamworking, a process to develop teamworking, through the way work is structured, supported by training and performance management systems, can be implemented to good effect.

3 *Points that should be covered:*

- **Departmental improvements came first...** The Department of Judicial Affairs had severe problems, which were effectively addressed by Ian through

his development of the leadership function: the ways in which leaders were assessed, recruited, developed, managed, motivated, promoted and so on.

- **... resulting in an improved departmental reputation.** These improvements were noted by others throughout government. Highly visible financial targets were met and exceeded. Ministers noted the improvements. Delegates from the department were accepted into the government's 'high potential' programme and the department began to be seen as an employer of choice by others within and outside government. All contributed to an enhanced reputation.
- **Organisational learning.** Government attempted to learn from Ian and the Department's successes, as ministers were convinced that Ian's approach could be implemented elsewhere. Therefore Ian was charged with a new professional skills project to be implemented throughout the civil service.

4 *Points addressing strategic leadership and successful change should include:*

- **Strategic vs. managerial leadership.** Strategic leadership is considered by many authors to be needed to implement change, whereas managerial leadership is required to maintain stability. Therefore Ian would have employed strategic leadership, as his changes were many and far-reaching.
- **Establishing direction: envisioning.** The strategy for the Department for Judicial Affairs was broad-ranging. It addressed service to the public (vs. service to the judiciary), financial control, a new style of leadership, and employee morale.
- **Configuring strategy and obtaining support through involvement.** Ian likely obtained considerable support for the strategy of change through several processes. First of all, the highly visible 'fine-collection problem' brought considerable pressure on the department to change but also signified ministers' support of Ian and the change process. His appointment by ministers to institute change gave him immediate positional power, but he did not adopt a dictatorial approach. Rather, Ian spent his initial few weeks learning about the department, getting to know people, and listening to their input and concerns. The vision was developed in conjunction with his senior team, which ensured their involvement and buy-in.
- **Facilitating strategy.** The case study illustrates several ways in which strategy was facilitated. The department was reorganised, therefore a new structure supported the change. Senior managers were reassigned roles so that they more readily worked cross-functionally and as members of a team vs. managers of their own areas with little regard to others.
- **Delivering strategy.** Ian pursued his new job with determination and integrity. But he also used the expertise of others. With the assignment of James Beresford to the fine-collections problem, good use was also made of cross-functional expertise led by an extremely able project manager. There is also evidence of specific targets being set and required, such as the percentage of fines collected and the reduction in departmental operating expenses.
- **Evaluating and changing strategy.** The case study, with its limited timeframe, does not indicate attention to the longer-term process of evaluating the strategy and making changes. However, any strategic leadership of change will need to include this process if change is to be sustainable in the long-term. Indeed, the

process may not be of making changes, but rather of constantly undergoing change.

- **The failure of strategy.** At any of the points described above, if the process was not followed effectively, the change process might have not been successful. If managerial leadership had been employed, the emphasis could well have been on simply trying to pursue existing processes more diligently, a process that would fly in the face of broad-scale change. A lack of a vision or direction would have not provided departmental employees with a view of how things could be different. Imposing a strategy without the input of others would not have got their support: thus efforts toward change would have been minimised. Any changes needed to be well facilitated, and structural changes (departmental reorganisation in this case) tend to have a profound influence on how work is accomplished. Delivery is key. Too often, strategic documents are agreed and published, but then filed as the organisation continues doing business as usual. Ian ensured, through his hard work, through new goals and processes and through his empowerment of others, that the changes came to fruition. Finally, in terms of evaluating and changing, we might well have concern in this case study that Ian would be taken from the department to pursue another area, and a new leader, without Ian's vision, might let the strategic change process languish, thus obviating long-term results.

Practice Final Examination 2

Case Study: Monk Enterprises Company

- 1 The module concludes that there are six key traits of successful leaders:

- (a) physical attractiveness;
- (b) intelligence;
- (c) confidence;
- (d) social skills;
- (e) integrity; and
- (f) desire to lead.

Mapping the leaders in the case onto these as follows:

Person	Physical attractiveness	Intelligence	Confidence	Social skills	Integrity	Desire to lead
Alan Cope	No data	At least middle	Middle	Low	No data, but probably middle	Must be high
Mary Sanderson	Probably high	Creative, high	High	Very high	Good	High
Geoffrey Michael	Yes	Middle	High	Middle	Good	Very high

Person	Physical attractive-ness	Intelligence	Confidence	Social skills	Integrity	Desire to lead
Simon Golbourne	No data	Middle	Middle	Middle	Good	High
Angela Brown	No data	High	High	High	Good	Middle

This mapping suggests that they all have some of the leadership traits required to match successful leaders.

The first leader of MEC, Mary Sanderson, was a creative team- and person-oriented leader with a sound competence. She also embodied the nature of the work of the organisation as she was also a successful dancer, teacher and author. Her view was a long-term building of capacity based upon research, development and delivery with strong customer orientation. She appears to be a team-oriented leader with a transformational style. Alan Cope seems to be an individualist.

The next three – Geoffrey Michael, Simon Golbourn and Angela Brown – were all ‘professional managers’ who did not have any connection with the core values and practices of the business. Indeed, Alan Cope had decided to appoint a leader who did not have those values in order to change the organisation’s values and practices into those of a publisher. Unfortunately the business went into decline.

Follower perspectives were reported by Kouzes and Posner 2002 to be a requirement, for leaders need to be honest, forward-looking, inspiring, competent, fair-minded, supportive, broad-minded and intelligent. It is unlikely that Mary, Geoffrey and Simon would see Alan Cope as inspiring, supportive or fair-minded. So the leader–follower relationships were strained.

Emotional intelligence: there is little evidence in the case about the EI of the leaders, but we might infer from their behaviour that Mary and probably Angela were more emotionally intelligent than the men.

Culture: the cultural context of Mary’s life and career was very different from that of the others. It is possible that she was ‘right’ about the educational world requiring an attentiveness to its culture. But all of the leaders were from the same national cultural context, so there is no reason to expect significant cultural differences between them. But note that professional cultures of learning can both include and exclude. It is likely that Geoffrey was never allowed in, but also that he excluded the professional from his new approach. There might also be a question about whether there was an issue of gender.

It is not clear from the case how the behaviour of the five individuals was influenced by the traits that they displayed. It could be that this was the one area of DTC that was problematic, and that the rest of Alan Cope’s leadership was very good.

- 2 Alan Cope’s behavioural approach affect the performance of the enterprise and has an effect on the other leaders.

Behavioural theory assumes that leaders are not ‘born’ with an inherent capability but that leadership behaviours can be learned. The early theorists such as McGregor

distinguished between leader behaviours, which involved attending to the task, and those that involved attending to the persons involved. There was also a debate about the nature of people at work – whether people were by nature lazy or by nature engaged actively in their work.

Blake and Mouton argued that the task and person orientation were not mutually exclusive and suggested five characteristic types of leadership style: impoverished, country club, organisational, authority centred and team leadership. They suggested that the team leadership style was the best way. However, there is no conclusive research to support this somewhat universal suggestion.

The four styles of Tannenbaum and Schmidt – telling, selling, consulting and participating – were suggestive of a need for leader flexibility in approach. The search for universally applicable leadership behaviours had led to consideration of the impact of the situation in which leadership is to be exercised.

Hersey and Blanchard took this further, with a model that leadership style choice should depend upon the level of development of the followers in relation to the task.

Fiedler's contingency model proposes that differing leadership styles will be effective in different situations depending upon leader-member relations, level of task structure, and positional power. As no leader can do all of the styles it is suggested that organisations place leaders in situations where their styles fit best.

The path-goal theory focuses upon the task to be accomplished and the motivation of the followers to accomplish the task. So leaders should choose behaviours to suit followers' needs and the needs of the work. The four leadership styles of House – directive, supportive, participative and achievement oriented – can be fitted to the nature of the task and the nature of the subordinates or followers.

In the case Alan Cope is a figure who intervenes directly in MEC to change its business model and its leadership. Here Cope is acting in concert with behavioural approaches to leadership. He is (as Fiedler suggested) also matching the leader styles to the expected task. He decided that the change of business model would mean that Mary would have to go. He appeared not to want to fire her (too popular with the staff? Too high a public profile?), so he engineered her resignation. Geoffrey (played hardball, a cost-cutter, margin enhancer) was appointed to work the new strategy of being a publisher, but when it faltered he was summarily fired. When the revised strategy of building a publisher by acquisition (the £10 million available) also stuttered, then Simon was also fired.

The rightness or otherwise of the strategic direction was not questioned. The appointment of Angela Brown (perhaps a case of unfair appointment but also a neat case of matching a leader style to the task) led to a dispassionate analysis of the business and, as it could not be recovered, it was dismantled.

Note that the staff got the message and set out to look for other jobs. When respected professionals leave an organisation and enter the labour market it creates strong signals that all is not well. When the professionals are highly respected such signals damage the reputation of the company and its products and services, and create doubts in customers' minds.

It seems that Alan Cope has only one style of leadership, which is essentially autocratic, and task centred, with little or no attention to the persons or to any relationship between him and them. He appears to view leaders as having capabilities that can be hired for use, as in the path-goal theory. Perhaps this arises from his view of himself as the strategic decision-maker, with the MEC managers being there to carry out his delegated instructions.

Inevitably this behaviour produces conflict with Mary, produces compliance in Geoffrey and Simon and also, but in a different way, compliance from Angela Brown, who was able to present a new if unhappy strategic choice. But perhaps by then Alan Cope was quite ready to bury a failure.

There was no possibility in the case of having a strategic dialogue (no consultation and no participation) between Alan Cope and the MEC managers. This meant that crucial insights into how the business actually worked with its customers was not considered.

You might want to suggest some wider choices of leadership behaviours to either AL Cope or the board of DTC. But this would require a quite significant change in the culture of DTC.

3 Leadership issues

- (a) No evident leadership development programme; there is no mention in the case of any designed and structured leadership development. It appears to take place by learning from experience and is local and personal; Mary was one successful example of that, and Alan Cope was another. But there was no preparation for the next steps. This was evident in the problems of Geoffrey and Simon.
- (b) Past success and present needs. While Alan Cope could rightly claim that his directive (transactional) leadership style had brought him success, it had also produced the failures at MEC.
DTC needs some better organisational leadership capacity to handle current problems.
- (c) Future needs. The organisation must equip itself to have the capabilities to ensure a sound future. This is an organisational problem, and to a lesser extent, a person problem.

What recommendations?

- (a) Stage 1. Conduct a scoping exercise.
Get the board and the CEO of DTC to understand the issues recognised above, to add to them, and to recognise the problem – a shortage of leadership if no shortage of talent. Then the board should be invited to consider the following question. What have been, what are, what may be the key requirements of future leadership in DTC? In what ways have these changed, and what are the implications for leadership development at DTC?
(It will be interesting to see whether the board handles this itself, or whether it also asks this question of the divisional managers and so on; some idea of the shape of the problem will emerge in the process.)

To check on the range of issues that arise consider the following list:

- from transactional to transformational;
- moving to change in an uncertain future;
- from ‘heroic’ individuals to leadership in high-performing teams;
- from more to less stable roles and structures;
- from more local to more global contexts with more complex structures;
- a shift from industrial era to include knowledge era capabilities;
- a shift in what people expect of their leaders and their organisations (follower needs and aspirations).

If these do not appear, then some way will have to be found to convince the board that they matter. If they do, then they create the agenda for a leadership development programme.

If the board concludes that there are significant problems and areas for work, then the following task is to develop a framework to support leadership development and succession planning that encompasses the total needs of the organisation.

Encourage the board to understand the thrust of the the leadership challenge (Kouzes and Posner, 2002)

Model the way:	be a role model to meet follower needs
Inspire a shared vision:	are we all together so that teams are encouraged
Challenge the process:	be open to learning to foster a learning culture
Enable others to act:	practise empowerment to release energy
Encourage the heart:	celebrate to meet needs for recognition and feelings of belonging

(b) Here is an outline of the issues in developing a programme.

- A programme that begins with the active commitment and involvement of the board and the top managers.
- Leadership linked with organisational strategy.
- What leadership competences are needed?
- Link with HR; OD processes especially team and individual development.
- Link with performance management practices, so rewards are congruent.
- Encourage a move from individual orientation to organisational focus.
- Maintain high levels of individual responsibility for learning and development from experience; make mentoring available.
- Internal and external links to be built in.

It is important to get a reasonable timeframe in focus for this process. It is likely to take a year to get any such programme up and running in ‘steady state’.

(c) Programme

The 'three-track' model of Kur and Bunning (Table 12.4) provides a good framework:

- Business track: to get managers to learn about the businesses
- Leadership track: to develop skills in leading individuals, teams and the organisation.
- Personal track: to understand personal traits, behaviours for enhanced self-leadership.

The first of these ensures that leadership learning is always challenged by emerging organisational practice. The second two link together to develop organisational, team and personal leadership capabilities.

(d) Cost estimates: you are not expected to do this, although a full tender would need it as well as other contractual issues.

(e) Programme evaluation processes.

Ensure that the board is provided with regular monitoring reports, and that there is a thorough independent evaluation provided after two years.

4 Success and failures

The demise of MEC was something of a failure for DTC; so the change in MEC strategy from its early days to being a publisher was a failure. The leadership of Alan Cope, Geoffrey Michael and Simon Golbourne must have some responsibility for this. The strategic change may have had great potential for DTC, but the leadership and the staff did not have either the will or the capability to carry it out. There was a clear lack of strategic alignment and hence problematic implementation. The question of whether the customers were prepared to deal with MEC as a publisher only seems not to have been examined.

The leadership of Angela Brown was successful in that she dealt with the problems as she inherited them.

The success in the case was Mary Sanderson, who took over MEC and nurtured it in a balanced way with a long-term approach to become an international organisation with a full-range capability maintaining its unique product capability through its research and development.

Strategic eras

We can locate two of the leaders in these eras.

Grand design	Alan Cope 'hardball'	Perhaps more reactive than they understood; the new approach was not innovative
	Geoffrey Michael Simon Golbourne	
Strategic positioning	Maybe Mary Sanderson	
Complexity	Mary Sanderson	Also a prospector

The case gives little evidence for Angela, but she appears to be analyst and positioner.

In most stages of the company development some strategic positioning analysis would have provided the basis for more informed and clearer strategic decisions.

DTC and then MEC needed to reconsider their strategic management and strategic leadership processes.

First, rethink the processes in terms of:

- configuring strategy, through proper analysis and strategic dialogue;
- facilitating strategy, providing the direction, influence, facilitation and empowerment;
- delivering strategy, via strategic alignment of resources;
- evaluating strategy, in order to learn; and
- changing strategy, in order to innovate successfully

The leader's role in strategic alignment is critical here. The tasks, processes and measures must be coherent (*see* Section 13.5.1).

But the heart of the leader's strategic role is to ensure that competitive advantage is maintained and rebuilt. Mary Sanderson had an intuitive understanding of what gave MEC, in her time, its strategic competitive advantage. Alan Cope did not understand it. So the publisher strategy was to enter a competitive market from the wrong end, disengaging with research and development capability, looking weaker as a result. Also Mary appeared to have been capable at strategic alignment of people, resources, processes in support of her build strategy. There was no attention from Geoffrey or Simon to such alignment.

It might be argued that only Geoffrey was prepared to play hardball, but his hardball was not 'strategic hardball', as the relentless pursuit of competitive advantage for the business. Perhaps a market-following publisher cannot find any long-term competitive advantage.

So we may conclude that Mary was a strategic leader with the building of competitive advantage and good strategic alignment. Alan Cope did none of those things, and set in motion the decline and end of MEC.

Appendix 3

Answers to Review Questions

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Module 2

Review Questions

True/False Questions

2.1 True 2.2 False 2.3 False 2.4 False 2.5 False

Multiple-Choice Questions

2.6 B 2.7 D 2.8 B 2.9 B 2.10 B

Case Study 2.1: The Greenfield Assignment

- 1 It is not likely that Gillian had thought through how the requirements for someone to manage a start-up operation dealing with contractors and semi-skilled workers might differ from those required of a marketing professional.
- 2 It is quite likely, and it is a mistake that is commonly made in organisations. For example, very often someone who is the most capable technical person is promoted to a leadership position that may require strong people skills rather than strong

technical skills. It is human nature to be subject to the 'halo effect', the view that if someone is successful in one area they will also be successful in most other areas.

- 3 His people skills and the ability to network and form relationships where favours were exchanged seemed to be his key skills. And those skills served him well both in his sales job and later in his marketing positions. He appeared to flourish in a setting where his naturally outgoing personality and ability to make friends was a clear asset. However, such skills were not as effective in dealing with contractors and a semi-skilled workforce. The culture was different, and ensuring that contractors met standards and deadlines required a much firmer, even dominant type of personality. Francois attempted to gain cooperation through friendship and doing favours. He needed, then, a firmer approach, perhaps some strong negotiating skills, and an attention to detail. He also appeared to be reluctant to delegate work or bring outside assistance, such as that offered by HR.

Case Study 2.2: The Divisional Managers

- 1 Phillip would likely be assessed as being high in personality traits such as self-confidence, trusting others, conscientiousness, extroversion, attention to detail, receptiveness to new ideas, involving others, altruism and so on. Therefore his management style met Leanne's needs and was conducive to her growth and development while working for Phillip.

Paul, on the other hand, would more likely be characterised by personality traits such as low levels of trust, high expediency, high need for control, high need for approval, and low ability to perceive emotional responses of others. The result, of course, was an unethical person who curried the favour of his boss while treating the company unethically and losing the respect of his followers.
- 2 Most people will have experiences of working for two managers who had equal levels of success but who managed quite differently because of differences in their characteristics as people. It is also likely that one of the managers will be preferred over the other one because of the individual follower's needs or values.
- 3 It is unlikely that Paul had a high level of emotional intelligence. EI implies that there is considerable ability to read the emotional responses of others and a concern for others in supporting job accomplishment and personal satisfaction. Paul appeared to have little ability in this regard as he dealt with his followers while providing somewhat of a façade to his boss.
- 4 Looking at the most common traits of physical attractiveness, intelligence, confidence, social skills, integrity and the desire to lead, neither leader was completely endowed with all traits. Both leaders appeared to be intelligent, with a desire to lead. Phillip was not particularly attractive but was confident, had social skills and appeared to have integrity. Paul was more attractive, but his appearance evidently suffered from poor health practices, and his social skills and integrity were sadly wanting.

Module 3

Review Questions

True/False Questions

3.1 False 3.2 False 3.3 True 3.4 False 3.5 True

Multiple-Choice Questions

3.6 C 3.7 D 3.8 A 3.9 B 3.10 D

Case Study 3.1: Charles, the Pharmacists and the Medical Supplies Department

- 1 In retrospect, the reason for Charles' failure was his almost total reliance on one style of management: S4, Delegation. The Medical Supplies staff members were far different from his pharmacists. They were hired primarily as unskilled employees, with only limited education. They were required to learn an operation that involved the inventory of ward supplies followed by a picking operation in a central supply area, then transporting the supplies by cart to the wards in order to restock depleted stores.

At one level, many of the tasks were relatively simple, but there were also the requirements to follow complex infection control procedures, to be able to understand which supplies were critical for the particular ward, to be very precise in the picking operations, to deal with oft-times harried nursing staff and so on. Being paid a minimum wage and often having learned English as a second language, employees in the department required a different leadership style. Most employees would have been diagnosed, at least initially as D1, Enthusiastic Beginners or D2, Disillusioned Learners. Charles' highly 'hands off' and delegative style was inappropriate for such employees and consequently, ineffective.

- 2 Contingency theory would have assessed the situation through three variables: leader-member relations (poor), task structure (high), and position power (strong). In response, an individual with an LPC score or preferred leadership style of 'high relationship motivated' would be the most appropriate style of leader. As Charles' primary method was to delegate, and only get involved as followers came to him with problems, his style was likely to be 'low relationship motivated' and therefore a mismatch for the challenge posed by the Medical Supplies department.
- 3 Both behavioural leadership theories –situational leadership and Fiedler's contingency leadership – might provide insight, as well as trait leadership theory.

We might first begin by better understanding the followers who worked in the Medical Supplies Department and the requirements of their job. It would then become obvious that the job requires someone who will need to invest time and effort consistently in setting and defining high standards of performance, monitoring that performance, and providing support and coaching to individuals who will

not have had high levels of education and training and also might not have much self-confidence.

It would then be appropriate to think deeply about Charles (or any other candidate) to determine whether the individual had the traits *and* desire to expend such leadership effort to turn the department's performance around. In this case, it might have become apparent to us (as well as Charles himself) that Charles would not find it rewarding to devote that level of attention and support to 18 disillusioned staff members. However, if Charles had understood the challenge and had wanted to tackle it, he could very likely benefit from training to learn the appropriate leadership behaviours.

Case Study 3.2: Simply the Best

- 1 It is not clear that Adrian's sought-after behaviours are still relevant. In addition, it may be that it is simply not possible for any one person to achieve all of those skills. It could well be time for Adrian to conduct an exercise that identifies the attributes that are most relevant to the bank as it has grown over the years.
- 2 There may be a number of other reasons for the turnover rate, some of which might be discovered through conducting exit interviews. Some possibilities might include, but not be limited to the following:
 - The graduates have unrealistic expectations of how quickly they will be able to move up in the bank.
 - The training has not met their expectations.
 - Remuneration is not competitive.
 - The culture has been difficult for them to deal with.
- 3 Path-goal theory proposes that people will be motivated to achieve a goal to the extent that they feel the goal is achievable combined with the desirability of the goal. If we assume that the goal is to pursue a career at InterBank, it is obvious that many people are not motivated toward that goal. Path-goal theory therefore suggests that either a career at InterBank has not proven to be that desirable or that, if desirable, it does not seem to be achievable. An additional consideration is that such a career, although achievable at InterBank, is perceived to be more readily achieved through other employers.
- 4 Key steps for Adrian to consider are:
 - (a) Identify the characteristics that will best discriminate in selecting graduates who will stay with InterBank and make a positive contribution. Of course these might include traits and behaviours that might be defined as competencies, an approach used by many organisations. However, it might also include more general characteristics such as a willingness to learn and adapt.
 - (b) Ensure that expectations are realistic for graduates – that they are not 'oversold' on InterBank, its challenges, rewards and opportunities for promotion.
 - (c) Ensure that there is a cultural fit between the potential employee and InterBank, that the environment is one that can be appreciated by the individual.

- (d) Assess the quality of training and support given to the graduates to not only build their skill level but also help them fit smoothly into the organisation.
- (e) Compare the process and rewards of working at InterBank with competitors that have attracted graduates away from InterBank to see whether things such as salary and benefits need to be enhanced.

Module 4

Review Questions

True/False Questions

4.1 False 4.2 False 4.3 False 4.4 False 4.5 False

Multiple-Choice Questions

4.6 A 4.7 C 4.8 D 4.9 A 4.10 B

Case Study 4.1: Turnaround Ted

- 1 Ted was hired because of his track record at other companies in turning companies around. However, that track record in itself could have been cause for concern, as Ted did not seem to stay long at any given company. This would not be in keeping with the finding of Collins, who found that executives of 'Good to Great' companies were usually promoted internally and tended to stay at their company for a long time.

Ted was likely initially viewed as a transformational leader because he had evidently been successful in transforming other companies. And he did start with a vision. However, what may have initially been seen as charisma, so important to transformational leaders, evidently did not last. He was inconsistent in the ways he reorganised, and did not seem to be sensitive to the company culture or the needs of the employee population. By brining in outside managers, a 'gang of four' emerged and became the subject of derision. At the end of the day, Ted did not engage the hearts and minds of his followers, leading to his resignation and move to another troubled firm.
- 2 The vision was probably initially received with enthusiasm, because it seemed logical and had a strong democratic overtone. However, in time, it fell by the wayside, because Ted did not seem to pay attention to the vision himself. One characteristic of transformational leaders is that they are successful role models and appear to be competent. Ted was clearly not a role model, and in time was not thought to be competent. He seemed to lose interest in the day-to-day running of the company, leaving it to subordinates who were not well respected.
- 3 The results speak for themselves, as Gardiner continued to decline and Ted was forced to leave.

- 4 Referencing the information that we have regarding transformational leadership, Ted certainly appeared to begin well with the creation of a vision. However, there would be a number of areas for improvement in Ted's methods of leading:
- Although Ted created a vision, it is not clear that followers felt that they had helped create that vision. Therefore, it is not likely that the values and philosophy of the employees were particularly affected by the new vision.
 - Ted certainly did not set a strong example, and in fact came to be seen as an enigma. He did not listen well, was not sensitive to the needs of his employees, claimed to be democratic but was not and so on.
 - Trust therefore came to be a factor – a key aspect of the transformational leader. Ted claimed to be hands-on but was quite hands-off in his leadership.
 - Ted also did not seem to know his own strengths and limitations.
 - Finally, there was little evidence that Ted had been successful in institutionalising change, as people learned just to keep their heads down with the hope that things would blow over.

Case Study 4.2: Dorothy and the Warehouse SWAT Team

- 1 Although she appears to be self-effacing and relatively low-key, Dorothy would clearly be a transformational leader. By starting with the purpose or vision of Helping Hands, she provides a purpose and inspiration for people who have come there largely because they want to support such initiatives. The vision has strong moral overtones. She seems to be very involving of her people and relies on them to make many decisions about how the work is to be organised, thus making them feel valued and important in achieving the goal.
- Dorothy is also clearly very hands-on, pitching in like everyone else. She has high expectations of her people, but also makes them feel that they can meet their own personal needs as well, during their eight week commitment to Helping Hands. And there is little doubt that her followers would see her as being very competent.
- 2 The vision is, above all, service to the clients who will benefit from Helping Hands' support. Dorothy not only speaks about it, but asks her SWAT team to be involved in it by hearing the stories of clients first-hand and then deciding how they feel they can best support the vision.
- 3 Of course they are initially there for a number of reasons, experience, pay, to volunteer and so on. But they have chosen to do their work at Helping Hands so they have their needs for doing an altruistic type of work. They also have their needs met to work in a team and are also encouraged to be creative and innovative in how they do that work. They can also meet personal interest areas for the types of work which they either feel comfortable with or want to learn such as clothing, painting, appliance repair and so on. The followers have their needs met at many levels.
- 4 It is unlikely that the four full-time employees would not experience Dorothy's leadership in the same way. Her style seems to be a part of her approach to people, and she has found it to be successful. There is no reason to think that she would use a significantly different approach to dealing with her full-time employees.

Module 5

Review Questions

True/False Questions

5.1 False 5.2 False 5.3 False 5.4 True 5.5 False

Multiple-Choice Questions

- 5.6 The correct answer is C. **C** is the correct answer according to Brown and Thornborrow's research.
- 5.7 The correct answer is C. **C** is the correct answer. Relationship-oriented followers work better with leaders who also work with relationships. But note that leaders can work effectively with both task and with relationships together.
- 5.8 The correct answer is C. **C** is the correct answer. For regressive processes are rooted in primary urges and in distress. Do not underestimate the consequences of distress in organisations. If there is rich mutual understanding it lies in the subconscious or unconscious connectedness between leaders and followers in regressive relations.
- 5.9 The correct answer is B. **B** is the correct answer. Because that is how Popper defined them. But note that brand images are powerful symbols for members of an organisation, and do play a role in a common understanding. Also, the degree to which corporate symbols (including letterheads, styles, manuals, dress codes) permeate an organisation does have some impact upon the degrees of attachment that people have to both the symbols and to the organisation.
- 5.10 The correct answer is C. **C** is the correct answer. Because servant leadership is about common purposes that are not just those of the leaders. But you might note that in many organisations built around a common ideology the pursuance of the ideals in the ideology does provide considerable intrinsic reward, and that such organisations do not offer the highest pay; indeed they sometimes provide very little material reward. Also there are regressive organisations where some people are indeed merely servants to follow instructions. The Brown and Thornborrow findings suggest that a large number of people at work are content to be servants.

Case Study 5.1: Marlowe Business Services

- 1 This case shows how an organisation was effectively destroyed by a leader who did not understand exemplary followers. Astrid, who was also leader, was a very capable and effective person working developmental relationships in a developing enterprise. It shows how selecting followers who did what the CEO wanted without much engagement led from a developmental relationship, via symbolic into regressive relationships and to a regressive business spiral.

Your answer should include the following points:

A.

1. Mick Molloy came with preconceived ideas of what it took to build an effective organisation. He wanted to cut off the creative lifeblood of the business, believing that he could buy in knowledge and then compete in a knowledge centred business. 'He was a trader in human relationships'; Astrid worked with developmental relationships.
2. Molloy set out to undermine Astrid with her managers. Crude and destructive stuff.
3. Molloy then provoked her resignation. More crude stuff. But note that the research staff are shifting from exemplary followers to alienated followers.
4. Molloy has set the organisation on a path away from developmental relationships.

B.

1. Grange (survivor, 'yes' man?) sets out to stress the commercial and leaves the R&D staff outside the top team. This selection of followers in the team is symbolic of the new order, but not a shift into symbolic leader–follower relations with all the senior staff. Grange also gets an unwelcome market downturn to manage. Things begin to slide.
2. Molloy, true to form, sacks Grange. Relations are beginning to deteriorate.
3. Head-hunters episode demonstrates that Molloy is getting it wrong again.
4. Sid Green seems to be another regressive step to a 'yes' man follower. Disaster follows as the inspectors make it clear that the MBS business cannot function without a sound R&D effort. The followers have become alienated and the exodus of staff begins to become serious, threatening the viability of the enterprise. Regressive relations are now well established.
5. The finances continue to deteriorate, and Sid Green joins the growing list of ex-heads of MBS. Harry Brown minds the 'shop' in a passive way.

C.

1. Ted Jones and example of 'unfair employment'. More staff leave, and Sid goes too. The company has now imploded. The consultants pronounce the death, and what is left of the inheritance is parcelled out to another division.
2. Astrid's last words underline the story.

Module 6

Review Questions

True/False Questions

6.1 False 6.2 True 6.3 True 6.4 False 6.5 False

Multiple-Choice Questions

- 6.6 The correct answer is A. None of these answers is wholly correct, but **A** is the best because deep conflict does diminish performance. B is not strictly the case because

behaviour is shaped by more than organisational culture, for individuals walk in and out of organisations. Leaders can do C anyway, independent of culture, but they might choose those who agree with the culture. There are circumstances when strength is better than flexibility, but the reverse is also true, so D needs many caveats.

- 6.7 The correct answer is B. A is wrong, because organisational culture on its own cannot do so. C is possibly true because of the relationship of culture to values and hence goals following from those values. D is possibly correct because organisational culture through the behaviour of people and their disputes and debates can contribute to changes in national and regional cultures, but the links here are long and tenuous. So **B** is more correct, because culture does shape acceptable leader behaviours (at all levels), but an understanding that leaders can also influence and shape organisational culture must accompany this.
- 6.8 The correct answer is B. Schein argued that **B** was one of the strategies open to leaders in the embedding of organisational culture because it influences both behaviour and understanding. A may be helpful, but as a single approach is too limited, and C is to give in to local values that might severely limit the capabilities of the organisation. D is simply irrelevant.
- 6.9 The correct answer is A, D. **A** is correct because all theories are culturally specific. However, B is not the case, because the theories can be taken from their origin and interpreted and used in a new setting. But when they are, the theories can become subtly different. This may mean that some theorists' claims to cultural specificity rest too much on cultural differences and not enough on cultural similarities. And, following that line of argument, C is wrong because, if there are sufficient similarities, theories can be constructed and tested. Of course the GLOBE studies claim to have discovered a strongly observed set of patterns based upon the same constructs. This opens up a debate about the nature of culture and whether the GLOBE studies are either observing enough of the cultures to be able to differentiate or whether they are observing culture at all. **D** is also correct and similar to A.
- 6.10 The correct answer is A. The GLOBE and some other studies do indicate substantial support for the universal idea of leadership behaviours, so **A** has some good support. B must be a fallacy because the leaders decisions would be uninformed. C has a universal idea that all people respond to any clear leadership, but this also has in it the assumption that all people are followers of the 'survivors, yes people and sheep' kinds and do not have any way of deciding for themselves about the quality of leadership offered. D is not the case.

Case Study 6.1: Sierra Television

- 1 This case shows how the internal culture and leadership of an organisation was changed as it struggled to cope with changes in its environment. It began as an entrepreneurial-led innovation, became product led, and then became financially led. These external changes were also aspects of a wider cultural change in the society as

it slowly removed control and public and collective concern for television and passed the problem on to the market via a policy of liberalisation. This took place in the UK, a masculine country with a preference for low power distance, low uncertainty avoidance and individualism, (Hofstede).

Your answers should include the following points:

A.

1. Culture, meaning the arts, should not be confused with organisational cultures.
2. Sierra was founded by an entrepreneur who, seeing a market opportunity, brought together a team to bid for a franchise. The core leadership was financial. But it was considered that programme quality and credibility were central to the bid success.
3. In the early days Sierra made so much money that it could satisfy shareholders and 'indulge' the production staff who sought to make excellent programmes. The internal culture became programme led, with arts and drama, news and documentaries being central to quality, an emphasis on entertainment and less emphasis on education. The culture, as a package of traits, was centred upon those things and those kinds of people. The financial staff were there to support. The core leadership at Sierra was embedded in the programme production cultures.
4. The second phase, even with the loss of half of the area, was a continuation of the first.

B.

1. The external world allowed Sierra to down play the education role and concentrate on information and entertainment. There was an implicit threat in the government behaviour in rejecting the bids of established franchises. The government was signalling that the licence to print money was no longer acceptable.
2. The consequence was that Tom Redding began to exert cost control and to 'wrest' control of the budgets. Then there was a shift in culture from being programme led to being programme led subject to financial disciplines.
3. The culture swung further towards finance when it was suggested that programmes were bought in rather than home-made.
4. The next stage of having to bid real money for the franchise finally shifted the culture towards a financially driven world and gave leadership to the finance staff and to the commercial manager, Mary Kaldbeck. Then an accountant was named as CEO. Sierra moved its culture and leadership to match external demands.

Here culture and effective leadership emerged in relation to the changing culture of the environment. Does this have to be the case? Could Sierra have found another way to manage in relation to its changing environment? But you might consider that there were some complex organisational politics involved as well. Would things have happened like this in a Latin country or an Asian country that you know?

Module 7

Review Questions

True/False Questions

7.1 False 7.2 False 7.3 False 7.4 True 7.5 False

Multiple-Choice Questions

- 7.6 The correct answer is B. It does appear that women as a group (and beware assuming that group characteristics fit any individual) are better than men at relationships because of **B**. It is not true that men are not interested in relationships but it is, in some cultures, correct to claim that women are better at relationships because they are socialised into a collaborative and supportive role. D is just patronising.
- 7.7 The correct answer is C. The research evidence in the module was that when men and women were of equal emotional intelligence then they were equally likely to be transformational leaders, so **C** is correct. But it is also true that women tend to have higher emotional intelligence than men, and so A has some substance – but note that transformational leadership and democratic style are not the same thing. It is not the case that men are more attuned to autocracy than women. D is not true of all women, nor is it more likely to be true in organisations.
- 7.8 The correct answer is E. **E** is the correct answer. Appelbaum concluded that women's and men's leadership styles were different, and that there was no difference in their effectiveness. But the perception of women as less effective than men was based not upon any facts but upon assumptions and expectations that had been the products of socialisation. So none of the choices is correct, for A is not true, and B and D are a matter of perception that may become a self-fulfilling prophecy by only choosing male leaders.
- 7.9 The correct answer is C. If you accept the arguments that these new conditions create the need for a more female style of leadership then you would accept that **C** is correct. But this is subject to the caveats that the demographic studies of Kakabadse suggest that women are as effective as men, given similar circumstances. But if you accept that emotional intelligence is required as well, then women are more likely to have higher levels of it, and hence be more likely to be transformational and to meet the new conditions. A may be true, but is not relevant, and B may be true but is not sufficient. D depends upon your view of strong – but autocratic leadership is not enough here.
- 7.10 The correct answer is A. This is the difficult question of the double bind, that if women are not like males then they are not seen as leaders, but if they do they are not seen as women. So **A** could be correct, if you can accept the ethical slip about identity and integrity that is implied. B might also be correct, as the 'woman' would

be deskilled about her femaleness and perhaps not be able to use her emotional intelligence. C has some strength as an answer because others would see copying, and the woman would be viewed as unoriginal. D is a fantasy that some men have.

Case Study 7.1: Cathy Campbell

- 1 This case is about a competent and successful woman leader in a film unit. It demonstrates that Cathy was able to shift her leadership behaviour in relation to the task and perhaps to the role expected of her by others. Cathy is good at transactional leadership, ensuring that the work gets done, and a lot of it is by compiling short-term internal and external contracts for service to her production.

But she also seems to have high emotional intelligence in her quick and perceptive pick-up of people. She uses this to give individual attention, but does not approach transformational leadership.

The leadership processes in the case appear to be about behaviour to get the job done. Cathy had learned that she had to behave differently in the two phases. She was a collaborative leader in the bidding phase; then in the planning phase she became a directive leader/delegator coupled with a negotiator for resources inside and outside a complex organisation.

In parallel she was leading/following in relation to the client and its requirements. She was also able to seek a consultative process with all the client staff who were to be involved in the film. This was an example of exercising leadership inside another organisation.

In the production phase she became directive, making all the key decisions, and having to manage complexity and anxiety for everyone so that the schedules could be kept. She also did some boundary leadership by ensuring that each person coming into the production arenas was briefed and brought in to the schedule, and also that there was a debrief as they left.

In the post-production phase she ensured that the film or videotapes were compiled into the film or programme.

She did not find time to provide leadership to her trainee personal assistant.

- 2 In Pounder and Coleman's categories:

National culture. The UK is masculine and individualist, so Cathy could have been influenced in how to do leadership in her role by the far greater number of male producers. This influencing was itself a kind of workplace socialisation into a pattern of behaviour. Further the nature of the organisation was that it worked by short-term projects, so she had to have the skills of a project manager. The organisational demographics provide a particularly useful insight in this case. The work to be done and the expectations of the 'crew' shaped the role and the leadership. It seems that Cathy could use her female quickness of perception about people to help her cope more smoothly but the leadership she was expected to exercise shaped the leadership she did exercise. This is not to say that she was programmed herself but it is to demonstrate that her femaleness took second place to work and others' role expectations.

In a sense it might be observed that Cathy took something of a ‘male’ role in the case as a means of remaining successful. You might find it interesting to know that outside work she was a gifted musician and choir leader.

Module 8

Review Questions

True/False Questions

8.1 False 8.2 False 8.3 True 8.4 False 8.5 False

Multiple-Choice Questions

8.6 A 8.7 D 8.8 D 8.9 A 8.10 B

Case Study 8.1: The Divisional Managers

1 It can be argued that Leanne, although perhaps not as unethical as Paul, was clearly unethical herself. And on two accounts. First of all, she complied with Paul’s request. Secondly, she did not inform others of Paul’s behaviour.

2 She could have taken several courses of action. One would have been to express to Paul her discomfort with padding her expense account, and then refuse to do so. She might have also reported her concerns to Paul’s manager, Human Resources or other appropriate departments.

Unfortunately, unless there was concern from senior management about such behaviour, Leanne will have likely jeopardised herself, leaving herself open for some sort of retribution from Paul as well as from others who were benefiting from the padded expense accounts.

3 Of course, the typical process of developing and publishing value statements, codes of conduct, whistle-blower policies and so on might have been a start. Additionally, training programmes might have been developed to spread the message, and ethical behaviours might be included in other leadership programmes that are offered in the company.

But all of those procedures can be effective only if the senior management team itself is scrupulous both in its behaviours and in its monitoring of behaviours of others in the organisation.

Such moral character – Jackson’s ‘moral virtues’ – must be developed and supported in existing leaders, and should be a portion of the selection criteria as leaders are brought into the organisation.

Case Study 8.2: The Nurse and the Sales Rep

- 1 Yes, at least for Eileen, although there is not likely to be the same dilemma for her employer. Eileen's dilemma is between two opposing views:
 - (a) Her employer is paying her to sell its products to the customer. Because Eileen is accepting their salary and will benefit from any earned bonuses, she has agreed to put her hat in Burman-Hillar's ring, and needs to support their purposes.
 - (b) She knows the nursing profession, and is convinced that the money could be used more effectively for other aspects of patient care. She feels that she still has a duty of consideration for patients.
- 2 There would be several considerations for a salesperson in making a decision as to how much product to sell the customer.
 - (a) First of all, what level of utility would the customer get from the product/service? If the product/service is useless, or even of very little use, it would be unethical to push the sale. If the product/service is partly useful, the decision is more difficult.
 - (b) Can the customer reasonably be expected to make an informed decision about the decision to buy? Selling a product/service to a very well-informed customer is obviously quite different, ethically, from selling to a first-time or naïve customer. Indeed, part of the selling process, particularly in this situation, is to educate and then support the customer in making a well-informed decision.
 - (c) A third point would be to consider the longer-term impact of any decision on the relationship between Burman-Hillar and its customers. If the customer is pleased with the product/service, it is very different from a customer who at some time in the future feels they have been 'had'.

Although no prescription can be given for such decisions, the test is, 'Given a thoughtful consideration of the above points, how would an honest person act?'

- 3 Indeed, it could be argued that Eileen is still approaching her job from the standpoint of seeing her highest priority as patient care. As she has moved employers, her priorities are now with the hospital's supplier, not the hospital. To fail to enhance sales is not fulfilling the spirit of her contract with her new employer.

On the other hand, as discussed in the previous question, there is still a duty of care, so that the relationship with the customer is seen as a win-win and is not predatory.

- 4 Lawrence can point out that Burman-Hillar has an outstanding reputation and is considered to be an ethical company. Eileen herself experienced such professionalism when she was a customer in the hospital. Furthermore, neither the company nor Lawrence would ask anyone to do something unethical.

Lawrence might also walk through the points in the second question above to help Eileen see whether a decision would be unethical.

It must also be clear that there are no black-and-white issues, but there are shades of grey. And why is she more able to make decisions about what the customer needs than the customer?

Ultimately, some people have personal value systems that conflict with the profit-making sector. If Eileen is such a person, she may wish to consider whether she should stay with Burman-Hillar or return to health care.

Module 9

Review Questions

True/False Questions

9.1 False 9.2 True 9.3 False 9.4 False 9.5 False

Multiple-Choice Questions

9.6 C 9.7 A 9.8 B 9.9 B 9.10 C

Case Study 9.1: What Should I Do With a Team Like This?

- 1 The 'team' is most accurately diagnosed as being in the norming stage, although it is difficult to think of it as a team because of its two established subgroups or cliques, which are engaged in a subversive level of conflict. Roles are established and work usually gets done. However, it also exhibits many of the characteristics of the storming stage, because there is still conflict and personal attacks. However, that conflict does not come out into the open; confrontation is avoided, and people with concerns talk about each other but not to each other.

- 2 Aruna should voice her concerns to the whole group, avoiding blame but so that each team member is aware that the type of behaviour that resulted in the missed court appointment was not acceptable and would not be tolerated. She should then use the team to develop and support methods to prevent such occurrences in the future.

It would also likely be helpful to rearrange the office physically so that the two cliques are not clustered together, and to enhance communication among everyone. Aruna may also wish to insist that job rotation is implemented to develop the individual as well as to provide an increased depth of experience for the department. The details of the new system could be assigned to a taskforce with members from each of the cliques.

She should also support and reinforce team behaviours, and be intolerant when individuals come to complain about other individuals. As a concern is voiced, Aruna should insist that the individual confront the situation while working for a win-win solution. In group meetings 'devil's advocates' should be encouraged. Time should be set aside for team meetings on a regular basis, perhaps with periodic team development meetings held outside of the workplace.

Through it all, Aruna should act with unquestioning fairness and integrity so that each individual trusts her but also understands the standards of behaviour expected of them as team members.

Case Study 9.2: The New Supervisor

- 1 As an individual engineer, Wendell was a D4, Peak Performer. Appropriately, Burton employed an S4 Delegating style with Wendell during this time. However, when Wendell became a supervisor, he was clearly a D1, Enthusiastic Beginner, but Burton continued to use a Delegating style of leadership so Wendell never learned the responsibilities, skills or techniques require of a leader. In time, as pressure continued, Wendell moved into Development Level 2, Disillusioned Learner, but Burton was no more effective then, just putting more pressure on Wendell to perform but maintaining a Delegating style.
- 2 Burton has made several poor decisions. As he promoted Wendell to team leader, Burton should have assumed Directing and then Coaching styles of leadership to ensure Wendell understood his new role, had learned the techniques of supervision, and received reinforcement and praise as he developed. It might have also been appropriate for Wendell to attend some training, but this would have only been helpful if Burton provided ongoing support and direction for Wendell upon his return.

As it became apparent that Wendell was not assuming the role of leader and, indeed, was preventing his team from participating as fully as they could, Burton continued to use a Delegating style, putting pressure on Wendell to improve but then failing to give him the support and particularly the specific direction he needed. In short, Burton consistently failed to provide Wendell with the type of leadership that would help him be effective.

- 3 Burton must commit to moving into an S2, Coaching style of leadership with Wendell. He will need to be very clear not only that Wendell's department is not performing acceptably but also that Wendell is not performing as a leader for the team.

It may be helpful for Wendell to understand the situational leadership model, both from the standpoint of how Burton will be dealing with him for the time being and for Wendell to understand how to provide leadership to his staff. It will require considerable time, as Burton may, for example, need to sit with Wendell for a period of time each day to assist him in planning his work schedule, deciding what work is to be assigned to his followers, what work to take on himself, how to follow up on task completion and more.

Burton may back off a bit when things are moving more smoothly, but should continue to monitor things closely for a time while providing recognition for Wendell's successes, and support when he is less successful.

Ultimately, if Wendell is unable to make the transition from engineer to engineer supervisor successfully, Burton will need to ask him to move back into an engineering role and search elsewhere for an engineering supervisor.

Module 10

Review Questions

True/False Questions

10.1 False 10.2 True 10.3 False 10.4 False 10.5 False

Multiple-Choice Questions

10.6 A 10.7 D 10.8 C 10.9 B 10.10 C

Case Study 10.1: The Cell Manufacturing Project

- 1 He could reward people informally with praise and recognition. He could have used coercive power for any of the team who reported directly to him as their boss. He could also use coercive power with other team members, but it would likely have taken non-productive forms such as criticism, anger or humiliation – all of which he would scrupulously avoid to maintain the dignity and support of his followers. He had a considerable amount of legitimate power, as he had the support of Peter, the MD of the company. His referent power would likely have been moderate, but he would have considerable expert power because of his previous reputation and the publicised reasons for his being brought into Technico enterprises.
- 2 He challenged the process by moving to a whole new system – cell manufacturing – rather than tinkering with the existing process. He also seemed to ask others to think of ways in which the process could be improved, inviting critique and innovation. He began the process by painting a vision of what the outcomes would be, and invited people to take a share in pursuing that vision. He was enabling by assigning major pieces of the puzzle to various experts from facilities – HR, IT and so on – playing to their strengths and interests. He appeared to be a good role model, as he managed the project, got people involved and so on. His level of integrity must have been high to gain the support and maintain the enthusiasm. And he was more than encouraging by providing for external tours, talking up his team, providing them with recognition, all topped off with the banquet provided for his team just before the launch of the first cell.

Case Study 10.2: Mistress Mary

- 1 With her job title, she had legitimate power and used it to reorganise her department and to speak at executive meetings. She had access to reward power but evidently did not use it. Conversely, she seemed to be willing to use coercive power, as evidenced by her ‘assuming you want to work here’ comment to Hank. She obviously had no referent power, and her expert power was far too limited in her role as she was expert only in the area of training.
- 2 She did challenge the process by deciding to reorganise her department. However, by neglecting to involve her team in that process she missed an opportunity for a shared vision. She seemed to be willing to delegate, giving each person four areas of

responsibility, but because of her limited expert power, the reassignment of responsibilities seemed ill-thought out to her three subordinates. There is little evidence that she was encouraging to others.

- 3 A first challenge for Mary will be to become more expert in her job. She evidently was a successful manager at head office in her specialty area, but she now has many more areas to manage, and highly technical ones such as labour law. She will also have to improve her attitude about attaining that expertise, as much of it she found boring, and technical questions were often shuttled downward to her subordinates. If she is not able to commit to this first step, she will not likely be successful.

By the same token, she will also need to climb a steep learning curve to learn about the business. Pierre also needs to be very direct with her about how she is perceived by the other executives so that she is aware that she cannot influence merely by being assertive; her contributions need to be thought out and meaningful to the other executives. She will need to admit that she is in a learning mode and begin listening a great deal.

Her abrupt and dismissive approach to her staff, implying that she will use coercive power in addition to legitimate power, is distressing for her staff, and she must address that approach immediately. She will need to gain their trust and respect, and a key part of that will be for her to have the integrity to admit she has been ineffective and ask for their support in putting things right.

If we also compare her leadership approach with the leadership behaviours identified by Kouzes and Posner, it is clear she has much to do in that area as well. There is little evidence of a shared vision for her department, she is certainly not a role model, she has managed relatively poorly, and rather than being encouraging, her approach seems to be discouraging.

Mary has much to learn and overcome if she is to be successful.

Module 11

Review Questions

True/False Questions

11.1 False 11.2 True 11.3 True 11.4 True 11.5 False

Multiple-Choice Questions

11.6 B 11.7 B 11.8 D 11.9 A 11.10 B

Case Study 11.1: Obermar Logistics

- 1 It has been highly centralised. The two principals in the organisation are clearly quite competent, but it is not clear that they have developed additional leadership support in an expanded leadership team. The function itself has not developed that much, in

that some individuals such as Jamie and Peter don't evidently see much future for growth at Obermar.

- 2 Many of the changes identified in the organisation under 'new age' organisations are likely changing Obermar's business environment. The business world is certainly expanding and becoming more complex, while the competition has intensified. Workers are evidently expecting more from their workplace, and must be increasingly knowledgeable. It is likely that if Obermar is to be successful, it will have to adapt other new age characteristics such as transformational leadership, reliance on teams, flexible organisation structure and more.
- 3 Of course there are no easy answers, but first and foremost Obermar should expand the size and depth of its executive leadership function so that other talented individuals are brought into the circle of influence, which heretofore has primarily been dominated by Deric and Klaus.

They should then focus on developing and implementing a leadership development process that includes the appropriate HR and performance management support systems, such as recruitment criteria, developing competencies, assessment processes, succession planning, development planning and performance feedback.

They will also need to spend considerable 'hands-on' time with the developing leaders through mentoring, coaching, participating in leadership development processes and more. As suggested in the module, they must focus on the overall leadership function at Obermar, rather than on the development of individual leaders.

Case Study 11.2: Developing Departmental Leadership

- 1 It is certainly likely that Acme needs to focus on leadership development, as it appears that it has been somewhat neglected in the past. Reilly appears, however, to have been unaware of it himself, and places the source of the concern with a couple of his directors rather than himself, personally. So, from that standpoint, his assessment might be more accurate if he saw it not only as a personal concern but also as one that should have been brought up in years past.
Reilly is likely to be correct in his assessment that there is a considerable amount of talent within Acme that could well be a source of future leadership.
- 2 Not really. The real issue is the overall concept of leadership development at Acme. Training may support development aims, but the whole leadership development function should be addressed rather than simply offering enhanced training opportunities.
- 3 She should take an approach that proposes developing the overall leadership function, and therefore the systems that support that development. This will involve a close review of the performance management system and then the development of appropriate HR systems to support consistent and effective development. This will involve many of the processes and approaches discussed in the module, such as developing a competency framework, finding ways to assess potential and needs, building specific development processes, and more.

Consuela must also recognise that this is not a process that she is likely to be able to sell to Reilly on her own, and she should garner the support of Julia and other executives. In essence, she will be providing leadership to the total organisation, as discussed in Module 10.

Module 12

Review Questions

True/False Questions

12.1 True 12.2 True 12.3 False 12.4 False 12.5 False

Multiple-Choice Questions

12.6 D 12.7 C 12.8 A 12.9 A 12.10 B

Case Study 12.1: Developing Executives at Packerton plc

- 1 He may wish to begin by questioning the validity of the purposes of the current process, the actual content of the programmes. For example, the competencies are 'long standing', and it may well be that they need to be reviewed in light of the demanding business environment in which Packerton finds itself.

Steve may also wish to gain inputs from those who have been a part of the leadership development process, perhaps even getting in touch with leaders who have left Packerton in order to gain insight into why they found other places more attractive.

It will also be important for Steve to assess the overall collection of programmes, policies, processes and systems that support the development of the leadership function, such as university involvement, the support for career path assignments, feedback and development planning systems, the involvement of senior management, and other in-house systems that support learning and development.

- 2 There is little obvious evidence of much skill practice and feedback in the programme, although it may be found as Steve looks further into specific programme designs.

The rotational assignments for participants in the graduate intake programme, and the expert content of ED1 and ED2, indicate that there is an effort to provide a broader view of Packerton to delegates, thus presumably presenting a more comprehensive view of the total enterprise and its business strategy. Social learning may also be available through enhanced interactions with senior executives who participate in the programmes.

With the information given, there is no indication as to how well the process caters to different learning styles. However, there is a clear indication of an action learning project during ED2, and there may be further uses of this process, as Steve employed the process himself in his production job.

- 3 There is no right or wrong design for the programme at Packerton, but it is clearly in need of improvement as the company struggles in the light of competition, as leaders leave the company and as others are hired from the outside.
- The executive development process will probably benefit from an initial review of the competences that Packerton requires. This will not only affect the aims of formal leadership development processes but should also impact on hiring criteria as well as on performance review and development planning.
- It may also be that the traditional four-step process is inadequate and should be enhanced. The focus should be on continual development, year in and year out, for the leadership, as opposed to the discrete processes involved.
- A more comprehensive assessment process, including 360° feedback, psychometric testing and so on, could be incorporated into the process so that leaders begin developing self-management skills.
- Of course, external expertise could be brought into the programme, and Packerton may wish to review the level at which it encourages its leaders to pursue advanced business degrees, as this will broaden thinking and bring new ideas into the organisation.
- Senior management involvement will be critical, and a formalised mentoring programme would be an asset. It is likely that more support for specialised job assignments designed to provide a breadth of view for participants will also be helpful.
- An outcome of any such programme would be an overall expectation of a learning organisation led by learning executives who not only support development but are actively involved themselves.

Case Study 12.2: Leadership Development at the Riverside Call Centre

- 1 It is more likely a culture issue of 'how we do things around here'. It is unlikely that a training programme would address the problem. It might support broader-ranging changes, but it will not be effective on its own. If we review Schein's five culture-embedding mechanisms from Module 6, it will be evident that the change needs to emanate from the leaders of the organisation in terms of what types of behaviours they themselves model, promote and reward.
- 2 The focus should be on moving the leadership approach from what is very likely a highly transactional leadership style to a more transformational one. This would be supported by the employee attitude survey, which shows that employees do not feel valued or appreciated.
- Therefore it will be important to spend time defining the approach that is required of Riverside's leaders, perhaps through the development of a competency model. Then, when leaders understand the changing requirements, there should be substantial evaluation, feedback and support for them in incorporating the new behaviours. This can incorporate any variety of the many development tools, such as assessment centres, 360° feedback, psychometrics, performance management systems, individualised development planning and so on. Selection criteria for new leaders should emphasise the types of leaders required, and existing leaders who are unable to

adapt to the new requirements should be moved into positions where they can be more successful.

- 3 Behaviourism will be a key influence, as skills are developed over time, and they are supported and recognised in order to reinforce their application. Social learning theory will also be quite important, as the executive staff will need to model and support appropriate behaviours, and the process should cascade downward.

As leaders are asked to move to a more transformational style of leadership, they will also be required to strengthen their understanding of the many reasons and forces that are influencing Riverside and the added requirements of leaders to empower and manage through teams. Therefore the cognitive complexity of the emerging leadership role will also be apparent.

Module 13

Review Questions

True/False Questions

13.1 False 13.2 True 13.3 True 13.4 False 13.5 False

Multiple-Choice Questions

- 13.6 The correct answer is A. There is a truth about A, which is that however well you do, if your competitors do better then you are relatively worse off. Southern and Western were firmly in the positioning era, whereas SMS was in the reactive part of the planning era. None of them was into the complexity era. But each of them did do some of the five roles of configuring (Southern and Western), facilitating (Southern), delivering (Southern, Western and SMS at first), evaluating (no evidence), and changing (no evidence, but you might see some possibility of that in Southern and Western). And David Ineson was not playing hardball. So the best answer is **A**, with some support for C.
- 13.7 The correct answer is B. Strategic leaders in the design and planning era were concerned with making plans, but some at least were prepared to change them. So A is not correct. They were concerned with good analysis, so **B** is correct. The seeking of full commitment might or might not have been central to what was a somewhat top-down approach, so C is not wholly correct, and neither is D, but there was a tendency to seek stability.
- 13.8 The correct answer is B, D. This question is concerned with where to start as a strategic leader in a new post with a lot of problems that require immediate attention. The central problem is that you do not really know the causes of the problems. However, A seems to assume that the position is defensible, so is a misleading place to begin. C is a rather autocratic approach where only the new CEO takes decisions, and this will suffer from the problems of lack of knowledge. So the best answer is a combination of B, which will give insight into the strategic position and a sense of ownership, together with D, which will give the quickest assessment of the senior

managers and their capability. This could lead on to changes everywhere, to the development of strategic alignment and strategic capability and hence to the ability to cope with greater complexity.

- 13.9 The correct answer is B, C. This is a question of strategic positioning. A is to adopt a defender strategy, but this cannot last very long. B is to adopt a conscious positioning strategy in relation to the businesses. C has the advantage of combining an analysis and learning approach with attention to changing the current strategy. The best answer would be a combination of B and C. However, you would be right to be uneasy about the degree to which it is possible to carry through the five stages of strategic leadership. D is a policy of risk avoidance and is of no value, because change will happen.
- 13.10 The correct answer is B. **B** is the correct answer. The development of leaders and leadership is the heart of this book. If you think that strategic leadership is context-free, then you might answer A. After all, headhunters or executive search companies do offer such a service. B is correct if you think that strategic leadership can be learned only from a process of disciplined learning and development, as described in the introductory module, in the context of the business. If you are a believer in emergence of talent then you will choose C, but here you will have to try to understand what led to success and whether those qualities and capabilities will serve at the strategic level. Did the person, himself or herself, understand what they had been successful at? From the standpoint of the positioning school and the complexity era C is rather unlikely. Although B might have echoes of the design school, it does appear to be the best option. D negates the idea of leadership effectiveness, but there is some truth in the idea of 'lucky' leaders and 'unlucky' leaders.

Case Study 13.1: Milking the Market

- 1 This case demonstrates the different ways in which leaders respond to changes in their business environment, and in how strategic leadership is exercised.

The milk business is essentially processing of raw milk into milk for human consumption or milk products. There were two radical changes in the case: the market for the supply of milk was being deregulated as part of a liberalisation policy, and the market for milk and milk products was being concentrated rapidly by the actions of supermarkets. Strategic response was essential.

Your answer should include the following points:

A. Southern Dairies

David Ineson has made a major strategic move. He has decided on a clear strategic goal and clear strategic alignment of markets, productions, resources and staff. It was also a clear competitive positional strategy to ensure market position. The risk was very high, but all the operational goals of the strategic alignment were accomplished. However, the market became even more competitive, so the result was market position gained but no strategic competitive advantage gained.

B. Western Dairies

Helen Jones is in a bit of a bind. She is in a local supply market and a narrow part of the milk products market. The strategy here was to gain competitive position (but not advantage) by alignment to become a very efficient processor and using brand, quality and innovation to remain independent. At the worst they will be able to sell out at a good price. But this is very reactive strategic leadership: a little planning, and a hint of a positioning strategy to come. It is unconvincing to some of the board members and we hope, to you as well.

C. Suburban Milk Supplies

Phillip Andrews seems to know that the business cannot survive in the new market conditions: it is too small, and has too little financial resource (or leadership resource either) to build its way out of its strategic dead-end. There was no strategic consideration or strategic alignment or how to extract a good price upon sale. This was passive reactive leadership, ensuring failure.

The three companies had quite different approaches. What they could not see is the degree to which their major customers were playing their own versions of strategic hardball. By purchasing strategies, including imports, the customers were driving down costs faster than even Southern could match. There was either no space or no consideration of playing hardball in return. But note that the cases were written about the first stage of liberalisation and market concentration. The second stage may see some counter-hardball strategies.

None of these firms had moved beyond the positioning stage to consider the complexity issues and how strategic partnerships, alliances and so on could be mobilised for competitive advantage.

To some degree the leaders of Western and Suburban were caught in the history of their organisations (path dependence), but Southern demonstrates that such a state is not necessary. The case therefore does underline the importance of strategic leadership in the same industry.

The case example above demonstrates the significance of the views of both Stacey and Hamel that, in our view, are a restatement of the need for established firms to engage in entrepreneurial business activity. The idea of a firm as being a stable state punctuated by episodes of strategic change is familiar from the design and positioning era, but admitting elements of chaos, turbulence inside and outside the organisation as well as acknowledging the complexities of organisational structures, processes and people does reshape our expectations of strategic leaders.

Module 14

Review Questions

True/False Questions

14.1 False 14.2 True 14.3 True 14.4 True 14.5 False

Multiple-Choice Questions

- 14.6 The correct answer is C. A is not necessarily the case, and neither is B, but from the arguments of Adams that, other things being equal, if something is made safer then, because the propensity to take risks is unchanged, higher levels of risk will be taken, **C** is correct. D is not true, because shareholders can balance a portfolio.
- 14.7 The correct answer is D. This question implies that the company sets out to keep its labour costs as low as it can and does not contribute to any employee health plan. The reaction of the city is to insist that it will not carry some of the health risk for your employees. There is an ethical issue here as well (*see* Module 8). A might be necessary, as any concession would lead to a short-term rise in labour costs. B would depend on the likelihood of success in following A. Moving straight to C would mean a company-wide change in employment policy, and would lead to higher labour costs in the short-term, but might cut sickness, absence, turnover and employment costs. **D** would fit very well with the individualist stance that the company has. This contrasts with the necessarily hierarchist and perhaps egalitarian stance of the city.
- There are issues in Module 16 that would be of interest here.
- 14.8 The correct answer is C. Again, risk stance is at the centre of this question, as well as ethics (Module 8) and the impact of social and environmental issues on leadership (Module 16). The risk of A is that your company has to accept an outcome that it did not influence. The risk of B is that you believe that any new work on watertable contamination would lead to your company being found to be a polluter. But, if so, then the risk of economic exposure is there, so being involved as in **C**, even with a 'watching brief', would be enable some leadership to be exercised over these risks and their consequences. Risk can be mitigated here. If your company does have an ethical policy on external risk control then there is an opportunity to contribute to regulations to help lift industry standards and practice towards your levels. There is also the wider aspect of strategic leadership here, for if globalisation is a real issue in your industry then some attention must be given to global risks of regulation. The risk society debate is also at the heart of this question, for you have to consider where responsibility for tackling risk lies.
- 14.9 The correct answer is A, B, C, D. This is a question about the alignment of your risk stance with that of the company. There are no right answers, but A would be a prudent and necessary step. You might assume that a flour business was well understood, but there will be all the usual risk management issues to understand. What problems would you envisage if your risk stance was opposite to that of the company? Can an egalitarian survive in an individualist climate? So B would make life simpler for you. C has a different kind of problem, for it would create some stress. If you were a hierarchist risk manager and your boss was an individualist, then there would be scope for conflict and perhaps learning. D is tempting, but all industries become old but need leading.

- 14.10 The correct answer is B. **B** is the correct answer. Hanif knows that the shifts in small probabilities are one aspect of system analysis but that the scale of consequences is another. He also knows that the kind of sophisticated statistical analysis that has produced the new data on risk is both arcane and complex, baffling to most managers. He is faced with a dilemma that is ethical and professional. He has to exercise leadership in the setting.

To advise A would be unethical. Knowledge cannot be not known. Also, if there was an accident and an inquiry he would be exposed as incompetent, even if his bosses might secretly prefer him to bury the report. He faces personal risks. If he really is caught with the dilemma of whether to pass the report on or bury it, it means that his trust in the organisation is lower than he might consider acceptable, so D may be an option. Writing to the CEO is to take the role of whistle-blower on this new risk, and implies that he fears that the report would be suppressed or discredited. You will know that whistle-blowers may perform an ethical service but the act puts an end to their careers. Advising Hanif to pass the responsibility to his boss seems a sensible thing to do unless Hanif thinks that his boss would actually hide or discredit the report or remove it from consideration by a variety of appropriate delaying processes. Then the dilemmas return.

This question is also part of the risk society debate.

Case Study 14.1: Ashburn Windows

- 1 This case is about the relationship of risk and leadership. In Douglas and Wildavsky's categories Henry is an individualist, who does not consider risk analysis to be helpful. He is not open to understanding his own managerial limitations or, if he does understand them, he is unwilling to make an appointment that would include some equity sharing as well as risk sharing. He also has a limited understanding of the health and safety issues and his exposure to legal action if he does not follow the new guidelines. Henry appears to be somewhat autocratic in his leadership.

Henry's individualist stance may be contrasted with the hierarchist stance of the venture capital fund. At first the fund introduced Henry to Simon Davies as a capable marketing director. Henry had rebuffed that proposal because he was unwilling to meet Simon's wish for an equity share. The window business does need a risk analysis, even from a hierarchist stance, but Henry's individualism will not allow it.

The business appears to benefit from the risk society considerations. The onset of global warming and the need to reduce fossil fuel emission makes energy conservation more important (as does the cost of energy). But Henry does not consider any risk outside his own, so he is unable to understand how his business will be able to continue and flourish in a changing environment. So there is a market, and it may well grow. But the market-competitive intensity is increasing, posing survival risks to Henry. There is also a technological risk that his costs will come under further pressure, probably undermining his ability to compete at all.

- 2 The relocation and the increase in capacity was a very difficult strategic decision for Henry. But it has been less successful than had been hoped for or expected. There appear to be economies of scale. Henry's individualism has not led him to understand his competitive position. The business comes under more price pressure, and the venture capital fund, seeing a lower likelihood of their exit strategy being realised have decided to put real pressure on Henry. The fund may well have taken discreet soundings among Henry's managers. The fund basically tells him that, as he will not listen to their advice on how to manage the business, they are seeking to sell their stake. The fund's risk analysis has led it to see a need for a new strategic direction, in this case a merger of Henry's business with that of a rival. Henry is given two or three days to think it over. Henry does not appear to understand that the fund has reached the end of the road with him. The venture capital fund's stance has been followed through by a leadership decision to exit from their involvement.
- Henry's sense of the choices include that he might get some relief from the pressures of the risks of his current business but, true to his individualism, he would seek another business opportunity. He can see that the fund would have done its financial homework on the proposed merger, and may well have done more than that. The other company might be prepared to buy out the fund's holding in Henry's business. The bank might also be willing to add to the pressure for Henry to sell the business. He also dreams of a fight by a counter-offer, but he would not get the backing of the current venture capital fund.
- 3 Maddy has asked the right questions. She does not ask Henry to change, but to see where he is in relation to others and act accordingly. Maddy seems to understand that there is a risk of failure for Henry, which might be very damaging to him. But (a) Henry is only dimly aware of his risk stance and could not define it but he lives it; (b) his stance was not compatible with venture capital fund in the stage of development in the case; (c) Henry is an individualist and will not take partners, and (d) Henry is unlikely to have considered the risk stance of his managers and staff.

Module 15

Review Questions

True/False Questions

15.1 True 15.2 False 15.3 False 15.4 True 15.5 True

Multiple-Choice Questions

- 15.6 The correct answer is D. A is unnecessary restrictive, and denies much other leadership research. B is substantially the case, but this would offend positivists, who would claim that they do social research. C is not true, and **D** is substantially true but does not mean that other kinds of research are not examinable.

- 15.7 The correct answer is A. **A** is the correct answer. Whether B is right depends not upon the method but upon the insight and sensitivity of the researchers, and C is not true. Again, the degree of sensitivity of the researcher is crucial for D. Although E may be true, it does not mean that some simple constructs are unhelpful.
- 15.8 The correct answer is A. Managers often get cross with what they see as the minutiae of academic research. By its nature, academic knowledge is slowly gained and developed. So the authors would answer **A**, but the impatient among us might well think that B is more correct but academics would deny it. As to C, it presumes that we know what the global leadership practice is, and we do not. D may be so, but it can be made clear.
- 15.9 The correct answer is B. The lack of international cross-national studies of leaders is real enough, and it might be because of **B** – it is too expensive. But it is difficult to get access, and Hofstede’s famous study came about from one multinational company being willing to sponsor it inside itself. It is true that many studies have been local, as in A, but probably not for that reason. C is not entirely true, as the wealth of studies indicates, and one of the points about behavioural research is that it is less likely to be culture specific and hence is easier to study.
- 15.10 The correct answer is A, B, C, D. If you are a positivist you might agree with all of these statements, but if not you might quarrel with them all except A, for which I am grateful, because there has been much good research done in the USA from which we can all learn. But B depends upon what kind of causes and consequences you seek to study. Elements of behaviour may well follow B but values, meanings and the insight into experience would certainly not. The matter of ‘scientific’ does depend entirely on your epistemological stance.

Module 16

Review Questions

True/False Questions

- 16.1 False 16.2 True 16.3 True 16.4 True 16.5 False

Multiple-Choice Questions

- 16.6 The correct answer is A. The approach of critical studies of leadership is certainly **A**, and might possibly achieve **C** as well. It should not undermine practical approaches, but some leaders might feel that it undermines them. There is no reason to think that it would undermine strategic leadership, unless the strategic leadership was of the egocentric or autocratic variety, or was so caught up in personal power struggles that any insight might be feared.

- 16.7 The correct answer is A. Well, it depends on what the prevailing leadership style is. As Patrick Roger wrote of an evangelical: 'He had in full measure the unscrupulousness of the truly righteous.' This suggests that an organisation that sees itself as a servant organisation might still be infused with more personal stances as to who was the most effective servant or what was the most effective way to serve. **A** might certainly be expected at first, and **B** is a strong possibility unless the process of change was very carefully and cleverly managed. There is no reason to think that C would occur unless the purposes of the organisation were such as to gain an enthusiastic response. We do not see that increasing the shareholders wealth would be an appropriate goal for servant leadership, but increasing the health of a community might. D is a misreading of servant and service.
- 16.8 The correct answer is E. **E** is the correct answer. The assumption in the question here is of leaders who transcend any constraint upon their behaviour. You may think that it is right that leaders can have all the power, and that any constraint would produce bad outcomes. But as Winston Churchill famously observed that democracy was a terrible system of governance that had many problems but it was still better than all the other forms of governance. So constitutional limits do constrain what leaders can do, and although great leaders do amend rules and constitutions they do not do so on their own terms. The role of monarch (single source of authority) is not acceptable in a society, but in some cases it appears to be the case in commercial organisations with over-mighty CEOs who have only performance as the criterion for survival. You might consider the ethics of this. In an open society the courts can be used to constrain leaders. D is not true, the best leaders take lots of advice and manage effective follower relationships.
- 16.9 The correct answer is E. **E** is the correct answer. This question invites you to consider culture and leadership, and how you would respond to a new environment. The choices are beguiling, for A is a process of adaptation to local circumstance that may not be effective; B is a process of leadership colonisation that may not be effective; C offers you a role as a spectator, which may not help them or you; and D, which seems to be the best option, offers an engagement between your and their leadership understanding and experience to produce modifications in both directions that could produce a new synthesis and an effective outcome. But this assumes that the cultural gaps are not very large. If you were from a very low power distance culture moving into a high power distance culture you might need to adjust more to them than they to you. But the question of power to change a top management team might need to be resolved. There are ethical issues here, and there are also strategic issues too, for the parent company might need to change the subsidiary rapidly so that it operates in the same cultural assumptions as the parent. This would mean forcing a strategic change on the subsidiary. As you can see, there are no correct answers here but many issues to consider.
- 16.10 The correct answer is B. **B** is the correct answer. This question is about culture, gender, power and the processes of change. Option D is a power play to force the change by the fear of losing face. Option A puts the leader in an autocratic position that may suit her/him but can hardly deal with the subtlety of the gender issues. Choice C could be a useful aspect of an overall approach, and might well be a sensible move in a context that handles the anxiety that it would provoke. Choice E

is to engage in the real politique of the organisation to ensure that any proposals do not upset the CEO, but has the disadvantage of biasing any proposals, which will offend some people and undermine the integrity of any solution to the perceived problem. Option B has the great advantage of getting the gender issues into the configuration and implementation processes, and focuses the task onto strategic change. B seems to be a good approach to include the authority of the staff. However, you will have to consider the current state of the organisation power distribution, the nature of leadership in use, and the likelihood of significant resistance.

Case Study 16.1: Life Alive

- 1 Your answer should cover the following points:

This case is about how values infuse leadership and the processes by which leaders are chosen. It contrasts the issue of authority with that of power in a turbulent context where changing understandings in the society are being carried into Life Alive and severely disturbing established assumptions. One of the more interesting aspects of the events described in the case is how some actors used the authority given to them by the constitution of the organisation to exercise their authority and make a choice of leader that challenges assumptions about what kind of person should be chosen.

A further aspect of the case is how strongly ambitious people will struggle and fight for leadership positions. The rewards of leadership are many, the formal authority is great, and the informal authority and social and political power are probably even greater. The case describes the rewards (and of course obligations) of a leader in Life Alive. But it was a prize sought by many.

Note that the origins of Life Alive are in the colonial era, now some 50 years in the past, but still exert considerable influence over the organisation. Note too how the two groups had come to an informal truce about areas of influence, exerting power without authority over the organisation and its work. These 'comfortable' assumptions were shattered by Mkunga's election.

The tribal assumptions were also challenged by the election representing a potential break with social tradition in the post-post-colonial era of the country. Mary voices these, and she was supported by the fact that the wholly unconstitutional process of the special area meeting had implicitly rejected that interference by voting solidly to support Mkunga. The civil courts upheld the legality of the process by which Mkunga was elected. The other assumption that was shattered was that the faction leaders thought that their people were as firm in their factional views as themselves. The election committee demonstrated that this was just not true. This was a very sharp rebuff to the faction leaders, and undermined their assumptions of followers (here being exemplary rather than sheep).

The conflict about leadership lets us see some of the issues of power. Even the outrageous accusations of bribery (witchcraft, too, in the actual case history) as well

as resorting to physical violence towards opponents might surprise you. But conflicts about leadership are always a bit visceral, and organisational politics are not polite. You might consider how the leadership of your own organisation was chosen, or the leaders of any other organisation that you belong too. There are assumptions that these democratic or constitutional processes are a mere cover for the oligarchy to replicate itself. But the case demonstrates a shock to that assumption. Once elected, the leader in Life Alive appears to become a kind of monarch in his area, with wide authority and power. Monarchies are noted for their groups of courtiers who jostle for position. Mkunga had been one of these and expected to succeed.

That the events in this case were so disturbing does support Deetz's observations about why some people have the privileges of leadership and others are obedient in a mode of self-organised acceptance of the 'way things are'. There were assumptions in the case of the kinds of followers that the leaders had come to expect.

You can profit by taking each of the modules in this book in turn and using this case study as a vehicle for reflection.

1. The effect of the two traditions was to maintain a kind of leadership apartheid which ensured that a 'Founder' person could not be considered for a leadership position in a Trad area, producing blockage on talent and perpetuating the divisions.
2. It was the degree of adherence to Founder or Trad values, high education, experience in full-time professional work and having support of the electorate. Mkunga's election broke three of these four determinants. He also broke the tribal membership requirement. So it is changing!
3. This was complex; early selection to professional training and role, years of experience in a local area, tribal and group identity. But not much further evidence was given of how political skills and leadership capability were developed. There was no systematic leadership development programme.
4. Mkunga is likely to find effectiveness difficult as his 'followers' are mostly not exemplary, with a significant group alienated. He is likely to be paralysed in any change programme by the opposition. There was no evidence that he had change leadership skills.
5. It suggests that many followers (exemplary-alienated) do not see that the division into Founders and Trad are important and that the followers are seeking change.

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