Bachelor of Commerce Programme

Organizational Behaviour

Organizational Leadership

& Change Management
Organizational Leadership

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If any single idea is central to this book, it is that leadership is a process, not a position. The entire first part of the book explores that idea. One is not a leader—except perhaps in name only—merely because one holds a title or position. Leadership involves something happening as a result of the interaction between a leader and followers.

In Chapter 1 we define leadership and explore its relationship to concepts such as management and followership. We also suggest that better leadership is something for which everyone shares responsibility. In Chapter 2 we discuss how leadership involves complex interactions between the leader, the followers, and the situation they are in. We also present an interactional framework for conceptualizing leadership which becomes an integrating theme throughout the rest of the book. Chapter 3 looks at how we can become better leaders by profiting more fully from our experiences, which is not to say that either the study or the practice of leadership is simple. Part I concludes with a chapter examining basic concepts and methods used in the scientific study of leaders and leadership.
Chapter 1

Leadership Is Everyone’s Business

Introduction

In the spring of 1972, an airplane flew across the Andes mountains carrying its crew and 40 passengers. Most of the passengers were members of an amateur Uruguayan rugby team en route to a game in Chile. The plane never arrived. It crashed in snow-covered mountains, breaking into several pieces on impact. The main part of the fuselage slid like a toboggan down a steep valley, finally coming to rest in waist-deep snow. Although a number of people died immediately or within a day of the impact, the picture for the 28 survivors was not much better. The fuselage initially offered little protection from the extreme cold, food supplies were scant, and a number of passengers had serious injuries from the crash. Over the next few days, several of the passengers became psychotic and several others died from their injuries. Those passengers who were relatively uninjured set out to do what they could to improve their chances of survival.

Several worked on “weatherproofing” the wreckage, others found ways to get water, and those with medical training took care of the injured. Although shaken from the crash, the survivors initially were confident they would be found. These feelings gradually gave way to despair, as search and rescue teams failed to find the wreckage. With the passing of several weeks and no sign of rescue in sight, the remaining passengers decided to mount several expeditions to determine the best way to escape. The most physically fit were chosen to go on the expeditions, as the thin mountain air and the deep snow made the trips extremely taxing. The results of the trips were both frustrating and demoralizing; the expeditionaries determined they were in the middle of the Andes mountains, and walking out to find help was believed to be impossible. Just when the survivors thought nothing worse could possibly happen, an avalanche hit the wreckage and killed several more of them.

The remaining survivors concluded they would not be rescued and their only hope was for someone to leave the wreckage and find help. Three of the fittest passengers were chosen for the final expedition, and everyone else’s work was
directed toward improving the expedition’s chances of success. The three expe-
ditionaries were given more food and were exempted from routine survival ac-
tivities; the rest spent most of their energies securing supplies for the trip. Two
months after the plane crash, the expeditionaries set out on their final attempt to
find help. After hiking for 10 days through some of the most rugged terrain in the
world, the expeditionaries stumbled across a group of Chilean peasants tending
cattle. One of the expeditionaries stated, “I come from a plane that fell in the
mountains. I am Uruguayan . . .” Eventually, 14 other survivors were rescued.

When the full account of their survival became known, it was not without contro-
versy. It had required extreme and unsettling measures; the survivors had lived only
by eating the flesh of their deceased comrades. Nonetheless, their story is one of the
most moving survival dramas of all time, magnificently told by Piers Paul Read in
Alive (1974). It is a story of tragedy and courage, and it is a story of leadership.

Perhaps a story of survival in the Andes is so far removed from everyday expe-
rience that it does not seem to hold any relevant lessons about leadership for you
personally. But consider for a moment some of the basic issues the Andes survivors
faced: tension between individual and group goals, dealing with the different
needs and personalities of group members, and keeping hope alive in the face of
adversity. These issues are not so very different from those facing many groups
we’re a part of. We can also look at the Andes experience for examples of the emer-
gence of informal leaders in groups. Before the flight, a boy named Parrado was
awkward and shy, a “second-stringer” both athletically and socially. Nonetheless,
this unlikely hero became the best loved and most respected among the survivors
for his courage, optimism, fairness, and emotional support. Persuasiveness in
group decision making also was an important part of leadership among the Andes
survivors. During the difficult discussions preceding the agonizing decision to sur-
vive on the flesh of their deceased comrades, one of the rugby players made his
reasoning clear: “I know that if my dead body could help you stay alive, then I
would want you to use it. In fact, if I do die and you don’t eat me, then I’ll come
back from wherever I am and give you a good kick in the ass” (Read, 1974, p. 77).

The Purpose of This Book

Lives of great men all remind us
We can make our lives sublime
And, departing, leave behind us
Footprints on the sands of time.

Henry Wadsworth Longfellow

Few of us will ever be confronted with a leadership challenge as
dramatic as that faced by the Andes survivors. We may frequently
face, however, opportunities for leadership that involve group dy-
namics which are just as complex. The purpose of this book is to
help you be more effective in leadership situations by helping you
better understand the complex challenges of leadership.

More specifically, we hope this book will serve as a sort of guide
for interpreting leadership theory and research. The book describes
and critically evaluates a number of leadership theories and research articles, and also
offers practical advice on how to be a better leader. This book is designed to fill the
gap between books that provide excellent summaries of leadership research but little
practical advice on how to be a better leader and those that are not based on theory or
research but primarily offer just one person’s views on how to be a better leader (e.g.,
“how to” books, memoirs).
Three Leaders

One way we will bridge that gap between leadership research and more personalized accounts of leadership will be through personal glimpses of individual leaders. Dozens of different leaders are mentioned illustratively throughout the text, but three particular individuals will be a continuing focus across many chapters. They are Colin Powell, Peter Jackson, and Aung San Suu Kyi. Let us introduce you to them now.

Colin Powell

Until 2005, Colin Powell has been the United States secretary of state. No African American has ever held a higher position in the U.S. government. He is also a former chairman of the Joint Chiefs of Staff, the highest-ranking officer in the U.S. armed forces. He has commanded soldiers, advised presidents, and led a national volunteer movement to improve the future for disadvantaged youth. He is one of the most respected individuals inside or outside of government.

We might wonder whether his leadership of a national volunteer movement or the State Department differs in any way from his leadership of his country’s military forces. We might also wonder what there is about him that inspired so many to hope he would run for elective office himself. And we might wonder, was he always a great leader, or did even Colin Powell need to learn a few things along the way? These are some of the questions we will consider ahead. One thing, however, is virtually certain: Colin Powell will continue to exert strong leadership whatever his role.

Peter Jackson

When Peter Jackson read The Lord of the Rings trilogy at the age of 18, he couldn’t wait until it was made into a movie; 20 years later he made it himself. In 2004 The Lord of the Rings: The Return of the King took home 11 Academy Awards, winning the Oscar in every category for which it was nominated. This tied the record for the most Oscars ever earned by one motion picture.

Such an achievement might seem unlikely for a producer/director whose film debut was titled Bad Taste, which it and subsequent works exemplified in spades. Peter Jackson made horror movies so grisly and revolting that his fans nicknamed him the “Sultan of Splatter.” Nonetheless, his talent was evident to discerning eyes—at least among horror film aficionados. Bad Taste was hailed as a cult classic at the Cannes Film Festival, and horror fans tabbed Jackson as a talent to follow.

When screenwriter Costa Botes heard that The Lord of the Rings would be made into a live action film, he thought those responsible were crazy. Prevailing wisdom was that the fantastic and complex trilogy simply could not be believably translated onto the screen. But he also believed that “there was no other director on earth who could do it justice” (Botes, 2004). And do it justice he obviously did. What was it about the “Sultan of Splatter’s” leadership that gave others such confidence in his ability to make one
of the biggest and best movies of all time? What gave him the confidence to even try it? And what made others want to share in his vision? We’ll see.

Aung San Suu Kyi

In 1991 Suu Kyi already had spent two years under house arrest in Burma for “endangering the state.” That same year she won the Nobel Prize for Peace. Like Nelson Mandela, Suu Kyi stands as an international symbol of heroic and peaceful resistance to government oppression.

Until the age of 43, Suu Kyi led a relatively quiet existence in England as a professional working mother. Her life changed dramatically in 1988 when she returned to her native country of Burma to visit her sick mother. That visit occurred during a time of considerable political unrest in Burma. Riot police had recently shot to death hundreds of demonstrators in the capital city of Rangoon (the demonstrators had been protesting government repression!). Over the next several months, police killed nearly 3,000 people who had been protesting government policies.

When hundreds of thousands of pro-democracy demonstrators staged a protest rally at a prominent pagoda in Rangoon, Suu Kyi spoke to the crowd. Overnight she became the leading voice for freedom and democracy in Burma. Today she is the most popular and influential leader in her country even though she’s never held political office. What prepared this woman whose life was once relatively simple and contented to risk her life by challenging an oppressive government? What made her such a magnet for popular support? We’ll examine those and other questions in the chapters ahead.

What Is Leadership?

The Andes story and the lives of the three leaders we just introduced provide numerous examples of leadership. But just what is leadership? People who do research on leadership actually disagree more than you might think about what leadership really is. Most of this disagreement stems from the fact that leadership is a complex phenomenon involving the leader, the followers, and the situation. Some leadership researchers have focused on the personality, physical traits, or behaviors of the leader; others have studied the relationships between leaders and followers; still others have studied how aspects of the situation affect the ways leaders act. Some have extended the latter viewpoint so far as to suggest there is no such thing as leadership; they argue that organizational successes and failures often get falsely attributed to the leader, but the situation may have a much greater impact on how the organization functions than does any individual, including the leader (Meindl & Ehrlich, 1987).

Perhaps the best way for you to begin to understand the complexities of leadership is to see some of the ways leadership has been defined. Leadership researchers have defined leadership in many different ways:
The process by which an agent induces a subordinate to behave in a desired manner (Bennis, 1959).

Directing and coordinating the work of group members (Fiedler, 1967).

An interpersonal relation in which others comply because they want to, not because they have to (Merton, 1969).

Transforming followers, creating visions of the goals that may be attained, and articulating for the followers the ways to attain those goals (Bass, 1985; Tichy & Devanna, 1986).

The process of influencing an organized group toward accomplishing its goals (Roach & Behling, 1984).

Actions that focus resources to create desirable opportunities (Campbell, 1991).

The leader’s job is to create conditions for the team to be effective (Ginnett, 1996).

The ends of leadership involve getting results through others, and the means of leadership involve the ability to build cohesive, goal-oriented teams. Good leaders are those who build teams to get results across a variety of situations (Hogan, Curphy, & Hogan, 1994).

As you can see, these definitions differ in many ways, and these differences have resulted in various researchers exploring very different aspects of leadership. For example, if we were to apply these definitions to the Andes survival scenario described earlier, researchers adopting Munson’s definition would focus on the behaviors Parrado used to keep up the morale of the survivors. Researchers using Roach and Behling’s definition would examine how Parrado managed to convince the group to stage and support the final expedition. One’s definition of leadership might also influence just who is considered an appropriate leader for study. For example, researchers who adopted Merton’s definition might not be interested in studying Colin Powell’s leadership as an army general. They might reason that the enormous hierarchical power and authority of an army general makes every order or decision a “have to” response from subordinates. Thus, each group of researchers might focus on a different aspect of leadership, and each would tell a different story regarding the leader, the followers, and the situation.

Although such a large number of leadership definitions may seem confusing, it is important to understand that there is no single correct definition. The various definitions can help us appreciate the multitude of factors that affect leadership, as well as different perspectives from which to view it. For example, in Bennis’s definition, the word subordinate seems to confine leadership to downward influence in hierarchical relationships; it seems to exclude informal leadership. Fiedler’s definition emphasizes the directing and controlling aspects of leadership, and thereby may deemphasize emotional aspects of leadership. The emphasis Merton placed on subordinates’ “wanting to” comply with a leader’s wishes seems to exclude coercion of any kind as a leadership tool. Further, it becomes problematic to identify ways in which a leader’s actions are really leadership if subordinates voluntarily comply when a leader with considerable potential coercive power merely asks others to do something without explicitly threatening
them. Similarly, Campbell used the phrase desirable opportunities precisely to distinguish between leadership and tyranny.

All considered, we believe the definition provided by Roach and Behling (1984) to be a fairly comprehensive and helpful one. Therefore, this book also defines leadership as “the process of influencing an organized group toward accomplishing its goals.” There are several implications of this definition which are worth further examination.

Leadership Is Both a Science and an Art

Saying leadership is both a science and an art emphasizes the subject of leadership as a field of scholarly inquiry, as well as certain aspects of the practice of leadership. The scope of the science of leadership is reflected in the number of studies—approximately 8,000—cited in an authoritative reference work, Bass & Stogdill’s Handbook of Leadership: Theory, Research, & Managerial Applications (Bass, 1990). However, being an expert on leadership research is neither a necessary nor a sufficient condition for being a good leader. Some managers may be effective leaders without ever having taken a course or training program in leadership, and some scholars in the field of leadership may be relatively poor leaders themselves.

This is not to say that knowing something about leadership research is irrelevant to leadership effectiveness. Scholarship may not be a prerequisite for leadership effectiveness, but understanding some of the major research findings can help individuals better analyze situations using a variety of perspectives. That, in turn, can give leaders insight about how to be more effective. Even so, because the skill in analyzing and responding to situations varies greatly across leaders, leadership will always remain partly an art as well as a science.

Leadership Is Both Rational and Emotional

Leadership involves both the rational and emotional sides of human experience. Leadership includes actions and influences based on reason and logic as well as those based on inspiration and passion. We do not want to cultivate leaders like Commander Data of Star Trek: The Next Generation, who always responds with logical predictability. Because people differ in their thoughts and feelings, hopes and dreams, needs and fears, goals and ambitions, and strengths and weaknesses, leadership situations can be very complex. Because people are both rational and emotional, leaders can use rational techniques and/or emotional appeals in order to influence followers, but they must also weigh the rational and emotional consequences of their actions.

A full appreciation of leadership involves looking at both these sides of human nature. Good leadership is more than just calculation and planning, or following a “checklist,” even though rational analysis can enhance good leadership. Good leadership also involves touching others’ feelings; emotions play an important role in leadership too. Just one example of this is the civil rights movement.
rights movement of the 1960s. It was a movement based on emotions as well as on principles. Dr. Martin Luther King, Jr., inspired many people to action; he touched people’s hearts as well as their heads.

Aroused feelings, however, can be used either positively or negatively, constructively or destructively. Some leaders have been able to inspire others to deeds of great purpose and courage. On the other hand, as images of Adolf Hitler’s mass rallies or present-day angry mobs attest, group frenzy can readily become group mindlessness. As another example, emotional appeals by the Reverend Jim Jones resulted in approximately 800 of his followers volitionally committing suicide.

The mere presence of a group (even without heightened emotional levels) can also cause people to act differently than when they are alone. For example, in airline cockpit crews, there are clear lines of authority from the captain down to the first officer (second in command) and so on. So strong are the norms surrounding the authority of the captain that some first officers will not take control of the airplane from the captain even in the event of impending disaster. Foushee (1984) reported a study wherein airline captains in simulator training intentionally feigned incapacitation so that the response of the rest of the crew could be observed. The feigned incapacitations occurred at a predetermined point during the plane’s final approach in landing, and the simulation involved conditions of poor weather and visibility. Approximately 25 percent of the first officers in these simulated flights allowed the plane to crash. For some reason, the first officers did not take control even when it was clear the captain was allowing the aircraft to deviate from the parameters of a safe approach. This example demonstrates how group dynamics can influence the behavior of group members even when emotional levels are not high.

(If you want some ham, you gotta go into the smokehouse.)

Huey Long, Governor of Louisiana

Leadership and Management

In trying to answer “What is leadership?” it is natural to look at the relationship between leadership and management. To many, the word management suggests words like efficiency, planning, paperwork, procedures, regulations, control, and consistency. Leadership is often more associated with words like risk taking, dynamic, creativity, change, and vision. Some say leadership is fundamentally a value-choosing, and thus a value-laden, activity, whereas management is not. Leaders are thought to do the right things, whereas managers are thought to do things right (Bennis, 1985; Zaleznik, 1983). Here are some other distinctions between managers and leaders (Bennis, 1989):

- Managers administer; leaders innovate.
- Managers maintain; leaders develop.
- Managers control; leaders inspire.
I. Leadership is Everyone’s Business

- Managers have a short-term view; leaders, a long-term view.
- Managers ask how and when; leaders ask what and why.
- Managers imitate; leaders originate.
- Managers accept the status quo; leaders challenge it.

Zaleznik (1974, 1983) goes so far as to say these differences reflect fundamentally different personality types, that leaders and managers are basically different kinds of people. He says some people are managers by nature; other people are leaders by nature. This is not at all to say one is better than the other, only that they are different. Their differences, in fact, can be quite useful, since organizations typically need both functions performed well in order to be successful. For example, consider again the civil rights movement in the 1960s. Dr. Martin Luther King, Jr., gave life and direction to the civil rights movement in America. He gave dignity and hope of freer participation in our national life to people who before had little reason to expect it. He inspired the world with his vision and eloquence, and changed the way we live together. America is a different nation today because of him. Was Dr. Martin Luther King, Jr., a leader? Of course. Was he a manager? Somehow that does not seem to fit, and the civil rights movement might have failed if it had not been for the managerial talents of his supporting staff. Leadership and management complement each other, and both are vital to organizational success.

With regard to the issue of leadership versus management, we take a middle-of-the-road position. We think of leadership and management as closely related but distinguishable functions. Our view of the relationship is depicted in Figure 1.1. It shows leadership and management as two overlapping functions. Although some of the functions performed by leaders and managers may be unique, there is also an area of overlap.

Leadership and Followership

One aspect of our text’s definition of leadership is particularly worth noting: Leadership is a social influence process shared among all members of a group. Leadership is not restricted to the influence exerted by someone in a particular role.
Chapter 1  Leadership Is Everyone’s Business

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position or role; followers are part of the leadership process, too. In recent years, both practitioners and scholars have emphasized the relatedness of leadership and followership. As Burns (1978) observed, the idea of “one-man leadership” is a contradiction in terms.

Thus, the question What is leadership? cannot be separated from the question What is followership? There is no simple line dividing them; they merge. The relationship between leadership and followership can be represented by borrowing a concept from topographical mathematics: the Möbius strip. You are probably familiar with the curious properties of the Möbius strip: When a strip of paper is twisted and connected in the manner depicted in Figure 1.2, it proves to have only one side. You can prove this to yourself by putting a pencil to any point on the strip and tracing continuously. Your pencil will cover the entire strip (i.e., both “sides”), eventually returning to the point at which you started. In order to demonstrate the relevance of this curiosity to leadership, cut a strip of paper. On one side write leadership, and on the other side write followership. Then twist the strip and connect the two ends in the manner of the figure. You will have created a leadership/followership Möbius strip wherein the two concepts merge one into the other, just as leadership and followership can become indistinguishable in organizations (adapted from Macrorie, 1984).

This does not mean leadership and followership are the same thing. When top-level executives were asked to list qualities they most look for and admire in leaders and followers, the lists were similar but not identical (Kouzes & Posner, 1987). Ideal leaders were characterized as honest, competent, forward looking, and inspiring; ideal followers were described as honest, competent, independent, and cooperative. The differences could become critical in certain situations, as when a forward-looking and inspiring subordinate perceives a significant conflict between his own goals or ethics and those of his superiors. Such a situation could become a crisis for the individual and the organization, demanding choice between leading and following.

Leadership on Stages Large and Small
Great leaders sometimes seem larger than life. Charles de Gaulle, a leader of France during and after World War II, was such a figure (see Highlight 1.1). Not all good leaders are famous or powerful, however, and we believe leadership can be best understood if we study a broad range of leaders, some famous and some not so famous. Most leaders, after all, are not known outside their own particular sphere or activity, nor should they be. Here are a few examples of leadership on
The Stateliness of Charles de Gaulle

Highlight 1.1

Certain men have, one might almost say from birth, the quality of exuding authority, as though it were a liquid, though it is impossible to say precisely of what it consists. In his fascinating book Leaders, former president Richard Nixon described the French president Charles de Gaulle as one of the great leaders he had met. Following are several aspects of de Gaulle’s leadership based on Nixon’s observations.

- **He conveyed stately dignity.** De Gaulle had a resolute bearing that conveyed distance and superiority to others. He was at ease with other heads of state but never informal with anyone, even close friends. His tall stature and imperious manner conveyed the message he was not a common man.

- **He was a masterful public speaker.** He had a deep, serene voice and a calm, self-assured manner. He used the French language grandly and eloquently. According to Nixon, “He spoke so articulately and with such precision that his message seemed to resonate apart from his words” (p. 59).

- **He played the part.** De Gaulle understood the role of theater in politics, and his meetings with the press (a thousand at a time) were like audiences with royalty. He staged them in great and ornate halls, and he deftly crafted public statements that would be understood differently by different groups. In one sense, perhaps, this could be seen as a sort of falseness, but that may be too narrow a view. Nixon reflected on this aspect of de Gaulle’s leadership: “General de Gaulle was a façade, but not a false one. Behind it was a man of incandescent intellect and a phenomenal discipline. The façade was like the ornamentation on a great cathedral, rather than the flimsy pretense of a Hollywood prop with nothing behind it” (p. 60).


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the small stage, where individuals influenced and helped their respective groups attain their goals.

- An elderly woman led an entire community’s effort to organize an advocacy and support group for parents of mentally ill adult children and provide sheltered living arrangements for these people. She helped these families while also serving an invaluable role in educating state legislators and social agencies about the needs of this neglected constituency. There had been numerous parents with mentally ill children in this community before, but none had had the idea or took the initiative to organize among themselves. As a result of this woman’s leadership, many adults live and work in more humane conditions than they did before.

- A seasoned air force sergeant took two young, “green” enlistees under her wing after they both coincidentally reported for duty on the same day. She taught them the ropes at work and took pride as they matured. One of them performed so well that he went on to be commissioned as an officer. Unfortunately, the sergeant discovered the other pilfering cash from the unit gift fund. Though it pained her to do so, the sergeant took action for the enlistee to be discharged from the service. Leadership involves significant intrinsic rewards such as seeing others blossom under your tutelage, but with its rewards also goes the responsibility to enforce standards of conduct.
• The office manager for a large advertising agency directed its entire administrative staff, most of whom worked in the reception area. His engaging personality and concern for others made everyone feel important. Morale in the office was high, and many important customers credit their positive “first impression” of the whole agency to the congeniality and positive climate among the office staff. Leaders set the tone for the organization, and followers often model the behaviors displayed by the leader. This leader helped create an office mood of optimism and supportiveness that reached outward to everyone who visited.

These examples are representative of the opportunities every one of us has to be a leader. To paraphrase John Fitzgerald Kennedy, we all can make a difference and each of us should try. However, this book is more than an exhortation for each of us to play a more active leadership role on the various stages of our lives. It is a review of what is known about leadership from available research, a review we hope is presented in a way that will foster leadership development. We are all more likely to make the kind of difference we want if we understand what leadership is and what it is not, how you get it, and what improves it (see Highlight 1.2 for a contrasting view of how much of a difference leaders really make). Toward that end, we will look at leaders on both the large and the small stages of life throughout the book. We will look at leaders on the world stage like Powell, Jackson, and Suu Kyi; and we will look at leaders on those smaller stages closer to home like principals, coaches, and managers at the local store. You also might want to see Highlight 1.3 for a listing of women leaders throughout history from many different stages.

The Romance of Leadership

Highlight 1.2

This text is predicated on the idea that leaders can make a difference. Interestingly, though, while people in the business world generally agree, not all scholars do.

People in the business world attribute much of a company’s success or failure to its leadership. One study counted the number of articles appearing in The Wall Street Journal that dealt with leadership and found nearly 10 percent of the articles about representative target companies addressed that company’s leadership. Furthermore, there was a significant positive relationship between company performance and the number of articles about its leadership; the more a company’s leadership was emphasized in The Wall Street Journal, the better the company was doing. This might mean the more a company takes leadership seriously (as reflected by the emphasis in The Wall Street Journal), the better it does.

However, the authors were skeptical about the real utility of leadership as a concept. They suggested leadership is merely a romanticized notion, an obsession people want and need to believe in. Belief in the potency of leadership may be a sort of cultural myth, which has utility primarily insofar as it affects how people create meaning about causal events in complex social systems. The behavior of leaders, the authors contend, does not account for very much of the variance in an organization’s performance. Nonetheless, people seem strongly committed to a sort of basic faith that individual leaders shape organizational destiny for good or ill.

Myths That Hinder Leadership Development

Few things pose a greater obstacle to leadership development than certain unsubstantiated and self-limiting beliefs about leadership. Therefore, before we begin examining what leadership and leadership development are in more detail, we will consider what they are not. We will examine several beliefs (we call them myths) that stand in the way of fully understanding and developing leadership.

Myth: Good Leadership Is All Common Sense

At face value, this myth says one needs only common sense to be a good leader. It also implies, however, that most if not all of the studies of leadership reported in
scholarly journals and books only confirm what anyone with common sense already knows.

The problem, of course, is with the ambiguous term common sense. It implies a common body of practical knowledge about life that virtually any reasonable person with moderate experience has acquired. A simple experiment, however, may convince you that common sense may be less common than you think. Ask a few friends or acquaintances whether the old folk wisdom “Absence makes the heart grow fonder” is true or false. Most will say it is true. After that ask a different group whether the old folk wisdom “Out of sight, out of mind” is true or false. Most of that group will answer true as well, even though the two proverbs are contradictory.

A similar thing sometimes happens when people hear about the results of studies concerning human behavior. On hearing the results, people may say, “Who needed a study to learn that? I knew it all the time.” However, several experiments by Slovic and Fischoff (1977) and Wood (1979) showed that events were much more surprising when subjects had to guess the outcome of an experiment than when subjects were told the outcome. What seems obvious after you know the results and what you (or anyone else) would have predicted beforehand are not the same thing. Hindsight is always 20/20.

The point might become clearer with a specific example you may now try. Read the following paragraph:

After World War II, the U.S. Army spent enormous sums of money on studies only to reach conclusions that, many believed, should have been apparent at the outset. One, for example, was that southern soldiers were better able to stand the climate in the hot South Sea islands than northern soldiers were.

This sounds reasonable, but there is just one problem; the statement above is exactly contrary to the actual findings. Southerners were no better than northerners in adapting to tropical climates (Lazarsfeld, 1949). Common sense can often play tricks on us.

Put a little differently, one of the challenges of understanding leadership may well be to know when common sense applies and when it does not. Do leaders need to act confidently? Of course. But they also need to be humble enough to recognize that others’ views are useful, too. Do leaders need to persevere when times get tough? Yes. But they also need to recognize when times change and a new direction is called for. If leadership were nothing more than common sense, then there should be few, if any, problems in the workplace. However, we venture to guess you have noticed more than a few problems between leaders and followers. Effective leadership must be something more than just common sense.

Myth: Leaders Are Born, Not Made

Some people believe being a leader is either in one’s genes or not; others believe that life experiences mold the individual, that no one is born a leader. Which view is right? In a sense, both and neither. Both views are right in the sense that innate factors as well as formative experiences influence many sorts of behavior, including leadership. Yet both views are wrong to the extent they imply leadership is ei-
ther innate or acquired; what matters more is how these factors interact. It does not seem useful, we believe, to think of the world as composed of two mutually exclusive types of people, leaders and nonleaders. It is more useful to address the ways in which each person can make the most of leadership opportunities he or she faces.

It may be easier to see the pointlessness of asking whether leaders are born or made by looking at an alternative question of far less popular interest: Are college professors born or made? Conceptually, the issues are the same, and here, too, the answer is that every college professor is both born and made. It seems clear enough that college professors are partly “born” since (among other factors) there is a genetic component to intelligence, and intelligence surely plays some part in becoming a college professor (well, at least a minor part!). But every college professor is also partly “made.” One obvious way is that college professors must have advanced education in specialized fields; even with the right genes one could not become a college professor without certain requisite experiences. Becoming a college professor depends partly on what one is “born with” and partly on how that inheritance is shaped through experience. The same is true of leadership.

More specifically, research indicates that many cognitive abilities and personality traits are at least partly innate (McGue & Bouchard, 1990; Tellegen, Lykken, Bouchard, Wilcox, Segal, & Rich, 1988; McCrae & Foster, 1995). Thus, natural talents or characteristics may offer certain advantages or disadvantages to a leader. Take physical characteristics: A man’s above-average height may increase others’ tendency to think of him as a leader; it may also boost his own self-confidence. But it doesn’t “make” him a leader. The same holds true for psychological characteristics which seem related to leadership. The very stability of certain characteristics over long periods of time (e.g., at school reunions people seem to have kept the same personalities we remember them as having years earlier) may reinforce the impression that our basic natures are fixed, but different environments nonetheless may nurture or suppress different leadership qualities.

Myth: The Only School You Learn Leadership from Is the School of Hard Knocks

Some people skeptically question whether leadership can develop through formal study, believing instead it can only be acquired through actual experience. It is a mistake, however, to think of formal study and learning from experience as mutually exclusive or antagonistic. In fact, they complement each other. Rather than ask whether leadership develops from formal study or from real-life experience, it is better to ask what kind of study will help students learn to discern critical lessons about leadership from their own experience. Approaching the issue in such a way

If you miss seven balls out of ten, you’re batting three hundred and that’s good enough for the Hall of Fame. You can’t score if you keep the bat on your shoulder.

Walter B. Wriston, Chairman of Citicorp, 1970–1984

Progress always involves risks. You can’t steal second base and keep your foot on first.

Frederick B. Wilcox
recognizes the critical role of experience in leadership development, but it also admits that certain kinds of study and training can improve a person’s ability to discern critical lessons about leadership from experience. It can, in other words, help accelerate the process of learning from experience.

We would argue that one of the advantages of formally studying leadership is that formal study provides students with a variety of ways of examining a particular leadership situation. By studying the different ways researchers have defined and examined leadership, students can use these definitions and theories to better understand what is going on in any leadership situation. For example, earlier in this chapter we used three different leadership definitions as a framework for describing or analyzing the situation facing Parrado and the remaining survivors of the plane crash, and each definition focused on a different aspect of leadership. These frameworks can similarly be applied to better understand the experiences one has as both a leader and a follower. We think it is very difficult for leaders, particularly novice leaders, to examine leadership situations from multiple perspectives, but we also believe developing this skill can help you become a better leader. Being able to analyze your experiences from multiple perspectives may be the greatest single contribution a formal course in leadership can give you.

An Overview of This Book

In order to fill the gaps between leadership research and practice, this book will critically review the major theories of leadership as well as provide practical advice about improving leadership. As our first steps in that journey, the next three chapters of the book describe how: (a) leadership is an interaction between the leader, the followers, and the situation; (b) leadership develops through experience; and (c) leadership can be assessed and studied. The remainder of the book uses the leader–follower-situation interaction model described in Chapter 2 as a framework for organizing and discussing various theories and research findings related to leadership. The chapters in Part II focus on the leader, beginning with an examination of the issues of power and influence, then of ethics, values, and attitudes. Other chapters look at theories and research concerning the leader: how good and bad leaders differ in personality, intelligence, creativity, and behavior. Part II concludes by looking at charismatic leadership. Part III primarily focuses on the followers; it summarizes the research and provides practical advice on such topics as motivating subordinates and using delegation. Part IV examines how the situation affects the leadership process. Part V looks at several dozen specific leadership skills, including practical advice about handling specific leadership challenges. While Part V represents in one sense the “end” of the book, you may want to start reading about and practicing some of the skills right now.

Nurture your mind with great thoughts. To believe in the heroic makes heroes.
Benjamin Distraeli, British prime minister, 1874–1880
Summary

Although many definitions of leadership exist, we define leadership as the process of influencing others toward achieving group goals. The chapter also looks at the idea that leadership is both a science and an art. Because leadership is an immature science, researchers are still struggling to find out what the important questions in leadership are; we are far from finding conclusive answers to them. Even those individuals with extensive knowledge of the leadership research may be poor leaders. Knowing what to do is not the same as knowing when, where, and how to do it. The art of leadership concerns the skill of understanding leadership situations and influencing others to accomplish group goals. Formal leadership education may give individuals the skills to better understand leadership situations, and mentorships and experience may give individuals the skills to better influence others. Leaders must also weigh both rational and emotional considerations when attempting to influence others. Leadership sometimes can be accomplished through relatively rational, explicit, rule-based methods of assessing situations and determining actions. Nevertheless, there is also an emotional side of human nature that must be acknowledged. Leaders are often most effective when they affect people at both the emotional level and the rational level. The idea of leadership as a whole-person process can also be applied to the distinction often made between leaders and managers. Although leadership and management can be distinguished as separate functions, a more comprehensive picture of supervisory positions could be made by examining the overlapping functions of leaders and managers. Leadership does not occur without followers, and followership is an easily neglected component of the leadership process. Leadership is everyone’s business and everyone’s responsibility. Finally, learning certain conceptual frameworks for thinking about leadership can be helpful in making your own on-the-job experiences a particularly valuable part of your leadership development. Thinking about leadership can help you become a better leader than you are right now.

Key Terms

- leadership, 6
- management, 9
- followership, 12

Questions

1. We say leadership involves influencing organized groups toward goals. Do you see any disadvantages to restricting the definition to organized groups?
2. How would you define leadership?
3. Are some people the “leader type” and others not the “leader type”? If so, what in your judgment distinguishes them?
4. Identify several “commonsense” notions about leadership that, to you, are patently self-evident.
5. Does every successful leader have a valid theory of leadership?
6. Would you consider it a greater compliment for someone to call you a good manager or a good leader? Why? Do you believe you can be both?
7. Do you believe leadership can be studied scientifically? Why or why not?
8. To the extent leadership is an art, what methods come to mind for improving one’s “art of leadership”?

Activity

Describe the best leader you have personally known, or a favorite leader from history, a novel, or a movie.

Minicase

“Richard Branson Shoots for the Moon”

The Virgin Group is the umbrella for a variety of business ventures ranging from air travel to entertainment. With close to 200 companies in over 30 countries, it is one of the largest companies in the world. At the head of this huge organization is Richard Branson. Branson founded Virgin over 30 years ago and has built the organization from a small student magazine to the multibillion-dollar enterprise it is today.

Branson is not your typical CEO. Branson’s dyslexia made school a struggle and sabotaged his performance on standard IQ tests. His teachers and tests had no way of measuring his greatest strengths—his uncanny knack for uncovering lucrative business ideas and his ability to energize the ambitions of others so that they, like he, could rise to the level of their dreams.

Richard Branson’s true talents began to show themselves in his late teens. While a student at Stowe School in England in 1968, Branson decided to start his own magazine, Student. Branson was inspired by the student activism on his campus in the sixties and decided to try something different. Student differed from most college newspapers or magazines; it focused on the students and their interests. Branson sold advertising to major corporations to support his magazine. He included articles by Ministers of Parliament, rock stars, intellectuals, and celebrities. Student grew to become a commercial success.

In 1970 Branson saw an opportunity for Student to offer records cheaply by running ads for mail-order delivery. The subscribers to Student flooded the magazine with so many orders that his spin-off discount music venture proved more lucrative than the magazine subscriptions. Branson recruited the staff of Student for his discount music business. He built a small recording studio and signed his first artist. Mike Oldfield recorded “Tubular Bells” at Virgin in 1973—the album sold 5 million copies. Virgin records and the Virgin brand name were born. Branson has gone on to start his own airline (Virgin Atlantic Airlines was launched in 1984), build hotels (Virgin Hotels started in 1988), get into the personal finance business (Virgin Direct Personal Finance Services was launched in 1995), and even enter the cola wars (Virgin Cola was introduced in 1994). And those are just a few of the
highlights of the Virgin Group—all this while Branson has attempted to break world speed records for crossing the Atlantic Ocean by boat and by hot air balloon.

As you might guess, Branson’s approach is nontraditional—he has no giant corporate office or staff and few if any board meetings. Instead, he keeps each enterprise small and relies on his skills of empowering people’s ideas to fuel success. When a flight attendant from Virgin Airlines approached him with her vision of a wedding business, Richard told her to go do it. He even put on a wedding dress himself to help launch the publicity. Virgin Brides was born. Branson relies heavily on the creativity of his staff—he is more a supporter of new ideas than a creator of them. He encourages searches for new business ideas everywhere he goes and even has a spot on the Virgin Website called “Got a Big Idea?”

In December 1999, Richard Branson was awarded a knighthood in the Queen’s Millennium New Year’s Honours List for “services to entrepreneurship.” What’s next on Branson’s list? He recently announced that Virgin was investing money in “trying to make sure that, in the not too distant future, people from around the world will be able to go into space.” Not everyone is convinced that space tourism can become a fully fledged part of the travel industry, but with Branson behind the idea it just may fly.

1. Would you classify Richard Branson as a manager or a leader? What qualities distinguish him as one over the other?
2. As mentioned earlier in this chapter, followers are part of the leadership process. Describe the relationship between Branson and his followers.
3. Identify the myths of leadership development that Richard Branson’s success helps to disprove.

Leadership Involves an Interaction between the Leader, the Followers, and the Situation

Introduction

In Chapter 1, we defined leadership as the process of influencing an organized group toward accomplishing its goals. In this chapter, we will expand on this definition by introducing and describing a three-factor framework of the leadership process. We find this framework to be a useful heuristic both for analyzing various leadership situations and for organizing various leadership theories and supporting research. Therefore, the remainder of this chapter is devoted to providing an overview of the framework, and many of the remaining chapters of this book are devoted to describing the components of the framework in more detail.

Looking at Leadership through Several Lenses

In attempting to understand leadership, scholars understandably have spent much of their energy studying successful and unsuccessful leaders in government, business, athletics, and the military. Sometimes scholars have done this systematically by studying good leaders as a group (see Bennis & Nanus, 1985; Astin & Leland, 1991), and sometimes they have done this more subjectively, drawing lessons about leadership from the behavior or character of an individual leader such as Martin Luther King, Jr., Bill Gates, or Hillary Clinton. The latter approach is similar to drawing conclusions about leadership from observing individuals in one’s
own life, whether it be a high school coach, a mother or father, or one’s boss. It may seem that studying the characteristics of effective leaders is the best way to learn about leadership, but such an approach tells only part of the story.

Consider an example. Suppose a senior minister was told by one of his church’s wealthiest and consistently most generous members that he should not preach any more prochoice sermons on abortion. The wealthy man’s contributions were a big reason a special mission project for the city’s disadvantaged youth had been funded, and we might wonder whether the minister would be influenced by this outside pressure. Would he be a bad leader if he succumbed to this pressure and did not advocate what his conscience dictated? Would the minister be a bad leader if his continued public stand on abortion caused the wealthy man to leave the church and withdraw support for the youth program?

Although we can learn much about leadership by looking at leaders themselves, the preceding example suggests that studying only leaders provides just a partial view of the leadership process. Would we really know all we wanted to about the preceding example if we knew everything possible about the minister himself? His personality, his intelligence, his interpersonal skills, his theological training, his motivation? Is it not also relevant to understand a bit more, for example, about the community, his parishioners, the businessman, and so on? This points out how leadership depends on several factors, including the situation and the followers, not just the leader’s qualities or characteristics. Leadership is more than just the kind of person the leader is or the things the leader does. Leadership is the process of influencing others toward the achievement of group goals; it is not just a person or a position.

If we use only leaders as the lens for understanding leadership, then we get a very limited view of the leadership process. We can expand our view of the leadership process by adding two other complementary lenses: the followers and the situation. However, using only the followers or the situation as a lens also would give us an equally limited view of the leadership process. In other words, the clearest picture of the leadership process occurs only when we use all three lenses to understand it.

The Interactional Framework for Analyzing Leadership

Perhaps the first researcher formally to recognize the importance of the leader, follower, and situation in the leadership process was Fred Fiedler (1967). Fiedler used these three components to develop his contingency model of leadership, a theory of leadership that will be discussed in more detail in Chapter 12. Although we recognize Fiedler’s contributions, we owe perhaps even more to Hollander’s (1978) transactional approach to leadership. We call our approach the interactional framework.
There are several aspects of this derivative of Hollander’s (1978) approach that are worthy of additional comment. First, as seen in Figure 2.1, the framework depicts leadership as a function of three elements—the leader, the followers, and the situation. Second, a particular leadership scenario can be examined using each level of analysis separately. Although this is a useful way to understand the leadership process, we can have an even better understanding of the process if we also examine the interactions among the three elements, or lenses, represented by the overlapping areas in the figure. For example, we can better understand the leadership process if we not only look at the leaders and the followers but also examine how leaders and followers affect each other in the leadership process. Similarly, we can examine the leader and the situation separately, but we can gain even further understanding of the leadership process by looking at how the situation can constrain or facilitate a leader’s actions and how the leader can change different aspects of the situation in order to be more effective. Thus, a final important aspect of the framework is that leadership is the result of a complex set of interactions among the leader, the followers, and the situation. These complex interactions may be why broad generalizations about leadership are problematic; there are many factors that influence the leadership process (see Highlight 2.1).

An example of one such complex interaction between leaders and followers is evident in what has been called in-groups and out-groups. Sometimes there is a high degree of mutual influence and attraction between the leader and a few subordinates. These subordinates belong to the in-group and can be distinguished by their high degree of loyalty, commitment, and trust felt toward the leader. Other subordinates belong to the out-group. Leaders have considerably more influence with in-group followers than with out-group followers. However, this greater degree of influence also has a price. If leaders rely primarily on their formal authority to influence their followers (especially if they punish them), then leaders risk losing the high levels of loyalty and commitment followers feel toward them.
Followership Styles

Highlight 2.1

The concept of different styles of leadership is reasonably familiar, but the idea of different styles of followership is relatively new. The very word follower has a negative connotation to many, evoking ideas of people who behave like sheep and need to be told what to do. Robert Kelley (1992), however, believes that followers, rather than representing the antithesis of leadership, are best viewed as collaborators with leaders in the work of organizations.

Kelley believes that different types of followers can be described in terms of two broad dimensions. One of them ranges from independent, critical thinking at one end to dependent, uncritical thinking on the other end. According to Kelley, the best followers think for themselves and offer constructive advice or even creative solutions. The worst followers need to be told what to do. Kelley’s other dimension ranges from whether people are active followers or passive followers in the extent to which they are engaged in work. According to Kelley, the best followers are self-starters who take initiative for themselves, whereas the worst followers are passive, may even dodge responsibility, and need constant supervision.

Using these two dimensions, Kelley has suggested five basic styles of followership:

1. Alienated followers habitually point out all the negative aspects of the organization to others. While alienated followers may see themselves as mavericks who have a healthy skepticism of the organization, leaders often see them as cynical, negative, and adversarial.

2. Conformist followers are the “yes people” of organizations. While very active at doing the organization’s work, they can be dangerous if their orders contradict societal standards of behavior or organizational policy. Often this style is the result of either the demanding and authoritarian style of the leader or the overly rigid structure of the organization.

3. Pragmatist followers are rarely committed to their group’s work goals, but they have learned not to make waves. Because they do not like to stick out, pragmatists tend to be mediocre performers who can clog the arteries of many organizations. Because it can be difficult to discern just where they stand on issues, they present an ambiguous image with both positive and negative characteristics. In organizational settings, pragmatists may become experts in mastering the bureaucratic rules which can be used to protect them.

4. Passive followers display none of the characteristics of the exemplary follower (discussed next). They rely on the leader to do all the thinking. Furthermore, their work lacks enthusiasm. Lacking initiative and a sense of responsibility, passive followers require constant direction. Leaders may see them as lazy, incompetent, or even stupid. Sometimes, however, passive followers adopt this style to help them cope with a leader who expects followers to behave that way.

5. Exemplary followers present a consistent picture to both leaders and coworkers of being independent, innovative, and willing to stand up to superiors. They apply their talents for the benefit of the organization even when confronted with bureaucratic stumbling blocks or passive or pragmatist coworkers. Effective leaders appreciate the value of exemplary followers. When one of the authors was serving in a follower role in a staff position, he was introduced by his leader to a conference as “my favorite subordinate because he’s a loyal ‘No-Man.’ ”

Exemplary followers—high on both critical dimensions of followership—are essential to organizational success. Leaders, therefore, would be well advised to select people who have these characteristics and, perhaps even more importantly, create the conditions that encourage these behaviors.
There is even a theory of leadership called Leader-Member Exchange Theory that describes these two kinds of relationships and how they affect the types of power and influence tactics leaders use (Graen & Cashman, 1975).

We will now examine each of the three main elements of the interactional framework in turn.

The Leader

This element primarily examines what the leader brings as an individual to the leadership equation. This can include unique personal history, interests, character traits, and motivation. Peter Jackson’s effectiveness as a leader has been due in large part to a unique combination of personal qualities and talents. One associate, for example, called him “one of the smartest people I know,” as well as a maverick willing to buck the establishment. Jackson is also a tireless worker whose early successes were due in no small part to the combination of his ambition and dogged perseverance (Botes, 2004).
Leaders are not all alike, but they do tend to share many common characteristics. Research has shown that leaders differ from their followers, and effective leaders differ from ineffective leaders, on various personality traits, cognitive abilities, skills, and values (Stogdill, 1948, 1974; Hogan, Curphy, & Hogan, 1994; Lord, De-Vader, & Allinger, 1986; Kanter, 1983; Baltzell, 1980). Another way personality can affect leadership is through temperament, by which we mean whether the leader
Leadership is a Process, Not a Position

is generally calm or is instead prone to emotional outbursts. Leaders who have calm dispositions and do not attack or belittle others for bringing bad news are more likely to get complete and timely information from subordinates than are bosses who have explosive tempers and a reputation for killing the messenger.

Another important aspect of the leader is how he or she achieved leader status. Leaders who are appointed by superiors may have less credibility with subordinates and get less loyalty from them than leaders who are elected or emerge by consensus from the ranks of followers. Often, emergent or elected officials are better able to influence a group toward goal achievement because of the power conferred on them by their followers. However, both elected and emergent leaders need to be sensitive to their constituencies if they wish to remain in power.

More generally, a leader’s experience or history in a particular organization is usually important to her or his effectiveness. For example, leaders promoted from within an organization, by virtue of being familiar with its culture and policies, may be ready to “hit the job running.” In addition, leaders selected from within an organization are typically better known by others in the organization than are leaders selected from the outside. That is likely to affect, for better or worse, the latitude others in the organization are willing to give the leader; if the leader is widely respected for a history of accomplishment, then she may be given more latitude than a newcomer whose track record is less well known. On the other hand, many people tend to give new leaders a fair chance to succeed, and newcomers to an organization often take time to learn the organization’s informal rules, norms, and “ropes” before they make any radical or potentially controversial decisions.

A leader’s legitimacy also may be affected by the extent to which followers participated in the leader’s selection. When followers have had a say in the selection or election of a leader they tend to have a heightened sense of psychological identification with her, but they also may have higher expectations and make more demands on her (Hollander & Offermann, 1990). We also might wonder what kind of support a leader has from his own boss. If followers sense their boss has a lot of influence with the higher-ups, then subordinates may be reluctant to take their complaints to higher levels. On the other hand, if the boss has little influence with higher-ups, subordinates may be more likely to make complaints to these levels.

The foregoing examples highlight the sorts of insights one can gain about leadership by focusing on the individual leader as a level of analysis. Even if we were to examine the individual leader completely, however, our understanding of the leadership process would be incomplete.

The Followers

Followers are a critical part of the leadership equation, but their role has not always been appreciated. For example, one can look at history and be struck by the contributions of extraordinary individual leaders. Does the relative inattention to their followers mean the latter made no contributions themselves to the leadership process? Wasn’t Mr. Spock’s logic an important counterbalance to Captain Kirk’s intuition on Star Trek? Wasn’t the Lone Ranger daring partly because he knew he could count on Tonto to rescue him from impossible situations (Jones, 2003).
Even the major reviews of the leadership literature show that researchers have paid relatively little attention to the roles followers play in the leadership process (see Bass, 1981, 1990; Stogdill, 1974). However, we know that the followers’ expectations, personality traits, maturity levels, levels of competence, and motivation affect the leadership process too (Sutton & Woodman, 1989; Burke, 1965; Moore, 1976; Scandura, Graen, & Novak, 1986; Sales, Levanoni, & Saleh, 1984).

Impressive as Aung San Suu Kyi is as a populist leader, it is impossible to understand her effectiveness purely in terms of her own personal characteristics. It is impossible to understand it independent of her followers—the people of Burma. Her rapid rise to prominence as the leading voice for democracy and freedom in Burma must be understood in terms of the living link she represented to the country’s greatest modern hero—her father. He was something of a George Washington figure in that he founded the Burmese Army in 1941 and later made a successful transition from military leadership to political leadership. At the height of his influence, when he was the universal choice to be Burma’s first president, he was assassinated. Suu Kyi was two years old. Stories about his life and principles indelibly shaped Suu Kyi’s own life, but his life and memory also created a readiness among Suu Kyi’s countrymen for her to take up his mantle of leadership.

The nature of followers’ motivation to do their work is also important. Workers who share a leader’s goals and values, and who feel intrinsically rewarded for performing a job well, might be more likely to work extra hours on a time-critical project than those whose motivation is solely monetary.

Even the number of followers reporting to a leader can have significant implications. For example, a store manager having three clerks working for him can spend more time with each of them (or on other things) than can a manager responsible for eight clerks and a separate delivery service; chairing a task force with five members is a different leadership activity than chairing a task force with eighteen members. Still other relevant variables include followers’ trust in the leader and their confidence (or not) that he or she is interested in their well-being.

Changing Roles for Followers

The preceding examples illustrate just a few ways in which followers compose an important and complementary level of analysis for understanding leadership. Such examples should point out how leadership must be understood in the context of a particular group of followers as well as in terms of an individual leader. Now, more than ever before, understanding followers is central to understanding leadership. That is because the leader–follower relationship is in a period of dynamic change (Lippitt, 1982; Block, 1992; Hollander, 1994). One reason for this changing relationship is an increasing pressure on all kinds of organizations to function with reduced resources. Reduced resources and company downsizing have reduced the number of managers and increased their span of control, which in turn leaves followers to pick up many of the functions traditionally performed by leaders. Another reason is a trend toward greater power sharing and decentralized authority in organizations, which in turn creates greater interdependence among organizational subunits and increased need
For collaboration among them. Furthermore, the nature of problems faced by many organizations is becoming so complex and the changes are becoming so rapid that more and more people are required to solve them.

These trends suggest several different ways in which followers can take on new leadership roles and responsibilities in the future. For one thing, followers can become much more proactive in their stance toward organizational problems. When facing the discrepancy between the way things are in an organization and the way they could or should be, followers can play an active and constructive role collaborating with leaders in solving problems. In general, making organizations better is a task that needs to be “owned” by followers as well as by leaders. With these changing roles for followers, it should not be surprising to find that qualities of good followership are statistically correlated with qualities typically associated with good leadership. One recent study found positive correlations between the followership qualities of active engagement and independent thinking and the leadership qualities of dominance, sociability, achievement orientation, and steadiness (Tanoff & Barlow, 2002).

In addition to helping solve organizational problems, followers can better contribute to the leadership process by becoming better skilled at “influencing upward.” Because followers are often at the level where many organizational problems occur, they can provide leaders with relevant information so that good solutions are implemented. Although it is true that some leaders need to become better listeners, it is also true that many followers need training in expressing ideas to superiors more clearly and positively. Still another way followers can assume a greater share of the leadership challenge in the future is by staying flexible and open to opportunities. The future portends more change, not less, and followers who face change with positive anticipation and an openness to self-development will be particularly valued and rewarded (Senge, 1990).

Thus, to an ever increasing degree, leadership must be understood in terms of both leader variables and follower variables, as well as the interactions among them. But even that is not enough. In addition to understanding the leader and the followers, we must also understand the particular situations in which leaders and followers find themselves.

The Situation

The situation is the third critical part of the leadership equation. Even if we knew all we could know about a given leader and a given set of followers, leadership makes sense only in the context of how the leader and followers interact in a given situation (see Highlight 2.2).

The situation may be the most ambiguous aspect of the leadership framework since it can refer to anything from the specific task a group is engaged in all the way to broad situational contexts such as the remote predicament of the Andes survivors.
Chapter 2  Leadership Involves an Interaction between the Leader, the Followers, and the Situation

Berkeley in the 1960s

Highlight 2.2

The 1960s were a period of dissent and conflict, and perhaps even today no place epitomizes the decade more than Berkeley, California. But Berkeley did not always have a radical reputation.

The Berkeley campus of the huge University of California system had not always been a center of student protest and large-scale demonstrations. For a long time, it had been relatively sedate and conservative, even if also quite large; more than 20,000 students attended Berkeley in 1960. Campus leaders were clean-cut students who belonged to fraternities and sororities. Berkeley changed, however, in the fall of 1964 when a relatively small number of students launched what became known as the Free Speech Movement. Subsequent protests at other campuses across the country, and later globally, are traceable to the Free Speech Movement at Berkeley. One of its leaders was Mario Savio.

The sources of conflict and radicalism at Berkeley were many, including civil rights and the Vietnam War. But protest in Berkeley first erupted over the issue of whether students could solicit donations and distribute political materials near campus. Whether students could solicit donations or distribute materials on campus had been settled earlier; they could not. In response to having been ordered off campus, however, some student groups set up card tables just off campus, between the university’s impressive Sproul Plaza and Berkeley’s Telegraph Avenue, with its exciting and bohemian milieu of bookstores and coffeehouses.

Perhaps because their appearance so near the campus offended university officials—the student workers were rarely dressed or groomed in the clean-cut image favored by conservative administrators—even this activity eventually was prohibited. Outraged, a few students defiantly set up tables back in Sproul Plaza, right in the heart of the campus. Disturbed at this open rebuke to its authority, the university directed police to arrest one of the disobedient students. It was October 1, 1964, the birth of the Free Speech Movement.

Presumably, university officials believed this show of force on their part would dishearten the band of student protesters and break them up. As the arrested student got into the waiting police car, however, someone shouted, “Sit down!” and hundreds of other students immediately did just that. They sat down on the plaza right where they were, effectively blocking the car’s movement. The police and administration had never before confronted such massive defiance, and for 32 hours the car stayed put (with the “prisoner,” Jack Weinberg, inside) while demonstrators used its roof as a podium from which to speak to the crowd. One who climbed up to speak several times, and who clearly had a gift for energizing the crowd, was Mario Savio. In many ways, the Free Speech Movement, which pitted a rigid university bureaucracy against increasing numbers of alienated students, became a confrontation between just two people: Mario Savio and the university’s brilliant but aloof president, Clark Kerr. It was not, however, a fair fight.

As W. J. Rorabaugh has observed, Kerr didn’t stand a chance. The student activists were prepared for war, and Kerr wasn’t. He was out of touch with the sentiments of increasing numbers of students, sentiments that in part were a direct result of the university’s continuing neglect of undergraduate education at the expense of graduate study and government-sponsored research.

The students, on the other hand, had a clear objective—the freedom to be politically active on campus (i.e., free speech). Furthermore, many were politically experienced, seasoned by their participation in civil rights marches in the South. They understood the politics of protest, crowd psychology, the importance of the media, and how to maintain spirit and discipline in their own ranks. Thus, many ingredients for a successful social movement were present. All that was needed was a spark to ignite them and a leader to channel them.

Mario Savio was not a typical undergraduate. His commitment to social reform already was deep, and his experiences were broad. Raised in a devout Catholic family, he had worked in rural Mexico for a church relief organization and had taught in a school for black children in Mississippi. He was proud, cocky, and defiant. It was his ability to articulate his rage,
Berkeley in the 1960s (continued)

However, that set Savio apart. He could give words and reason to the frustration and anger others were only feeling. Interestingly, Savio was a very different person in private than in public. In private, he seemed cold, hesitant, and self-doubting, but in front of a crowd he could be inspiring.

He may have been at his best at protest rally in December 1964. Here is what it was like to be in Berkeley in the 60s, listening to a new kind of student leader, one giving voice to the sense of powerlessness and frustration with modern life, which would be a common theme in student revolts throughout the rest of the decade:

> There is a time when the operation of the machine becomes so odious, makes you so sick at heart, that you can’t take part; you can’t even passively take part, and you’ve got to put your bodies upon the gears and upon the wheels, upon the levers, upon all the apparatus and you’ve got to make it stop. And you’ve got to indicate to the people who run it, to the people that own it, that unless you’re free, the machines will be prevented from working at all (Rorabaugh, p. 31).

Earlier that year, Savio had written, “I’m tired of reading history. Now I want to make it.” He did. Try to analyze the emergence of Mario Savio in terms of the interactional framework.


Colin Powell

We can also understand the interactional framework better by looking more closely at Colin Powell’s situation (Powell, 1995). In November of 1992, Bill Clinton had been elected president but had not yet assumed office. He asked to see Colin Powell, then chairman of the Joint Chiefs of Staff. Powell’s political affiliation and preferences at that time were unknown, but he had served faithfully under Presidents Reagan and Bush and had successfully orchestrated a wartime victory for President Bush in Operation Desert Storm.

The president-elect began by complimenting Powell about a speech he had made, and inquired about a few matters of national defense. Clinton particularly asked for Powell’s thoughts about a possible nominee to secretary of defense; in other words, about the general’s potential next boss. Clinton was inclined to name Congressman Les Aspin, pointedly complimenting Aspin’s intelligence. Despite Clinton’s evident intent to name Aspin, however, Powell said he had reservations about the nomination. He, too, complimented Aspin’s intelligence but expressed concern that Aspin’s disorganized management style would be inappropriate for a person having responsibility for such a large bureaucracy. The two went on to discuss other issues for over an hour, but when Powell rose to leave there was one more thing he needed to say. He felt he needed to address a political promise Clinton had made during the presidential campaign: a promise to end the ban on gays in the military. He said the senior military leadership didn’t want it lifted, military people in general didn’t want it lifted, and most in Congress didn’t want it lifted. The concern, Powell stressed, was privacy. He wondered how the ban could be made to work in the close circumstances of living in army barracks or on naval ships. He asked the president-elect not to make this issue the first priority of the new administration.
Despite Powell’s counsel, however, it did become so, and a highly controversial one at that. Through both private negotiation and public media questioning, both Powell and Clinton remained committed to their respective positions. Eventually, a compromise policy, popularly known as “don’t ask, don’t tell,” was instituted that is still considered hopelessly flawed by many on both sides. But now let us look at this situation from the perspective of the interactional framework.

First of all, note how much more complex the situation of their meeting was than a mere first meeting between two successful men. One of them was the top military leader in the world at that time, the other would soon be his commander in chief by virtue of free election in a constitutional government which subordinates the military to civilian authority (just to be clear, this is not the case for most countries throughout history). In their first face-to-face meeting, which would set the tone for their future working relationship, Powell disagreed with several proposals favored by Clinton (frank and open disagreement, of course, is often the sign of a constructive relationship, and that is most likely the way the counsel was both given and received). Perhaps more significantly, both felt obligated to different courses of action and to different groups of stakeholders. Clinton, as a politician and new world leader, must also have been concerned about how the controversy would affect national and international perceptions of his leadership and credibility.

So just what was the situation here? It was the constitutionally mandated nature of their authority relationship. It was the interpersonal context of one person giving unpopular feedback or advice to someone else. It was the very real pressure being exerted on each man independently by different constituencies having different agendas. It was all these things, and more. Leadership, here as everywhere, involves the leader, the followers, and the complex situation they’re a part of.

Are Good Women Leaders Hard to Find?

One important case in point of the complex interactions among leaders, followers, and the situation involves women in leadership roles. In this section we’ll examine the extent to which women are taking on greater leadership responsibility than ever before, whether there are differences in the effectiveness of men and women in leadership roles, and what explanations have been offered to explain differences between men and women in being selected for and succeeding in positions of leadership. This is an area of considerable academic research and popular polemics, as evident in many recent articles in the popular press that claim a distinct advantage for women in leadership roles (e.g., Conlin, 2003).

Aung San Suu Kyi also has quite strong opinions herself on this subject. She said, “It is the woman who has to manage the household and I cannot accept the fact that a woman leader can’t be given the leadership position in a country. That’s why I am of the opinion that if a woman rules Burma, there will be progress in all sectors of the country.”

It is clear that women are taking on leadership roles in greater numbers than ever before. That’s certainly true in government. In the U.S. Senate, for example, 42 percent of the women who have ever served there were holding office in 2003 (White House Project, 2002). Around the world, 43 of the 59 women ever to serve
as presidents or prime ministers came into office since 1990 (Adler, 1999; de Zarate, 2003). The increasing proportion of women in leadership is evident outside of government as well. In 1972 women held 18 percent of managerial and administrative positions in the United States, but by 2002 the figure had risen to 46 percent (U.S. Bureau of Labor Statistics, 1982, 2002).

While these statistics are important and promising, however, the fact is that problems still exist which constrain the opportunity for capable women to rise to the highest leadership roles in organizations (see Highlight 2.3). Many studies have been done considering this problem, a few of which we’ll examine here.

In a classic study of sex roles, Schein (1973, 1975) demonstrated how bias in sex role stereotypes created problems for women moving up through these managerial roles. Schein asked male \((n = 300)\) and female \((n = 167)\) middle managers to complete a survey on which they rated various items on a five-point scale in terms of how characteristic they were of \((a)\) men in general, \((b)\) women in general, or \((c)\) successful managers. Schein found a high correlation between the ways both male and female respondents perceived “males” and “managers,” but no correlation between the ways the respondents perceived “females” and “managers.” It was as though being a manager was defined by attributes thought of as masculine. Furthermore, it does not appear that the situation has changed much over the past two decades. In 1990, management students in the United States, Germany, and Great Britain, for example, still perceived successful middle managers in terms of characteristics more commonly ascribed to men than to women (Schein & Mueller, 1990). One area where much less overlap between leadership qualities and those we associate with being feminine—an inclination toward consensus-building, to be communal, expressive, nurturing. That’s why for many people it was rather disturbing that I was prime minister. A woman wasn’t supposed to be prime minister. I wasn’t entitled to be there.

You’ve said that having women in leadership is more important now than ever. Why now?

We’re living in a time when we see the frightening limitations of masculine cultures. Cultures that are totally masculine can give rise to fundamentalisms—they can be intolerant, narrow, violent, corrupt, antidemocratic. That’s at a state level. At a corporate level, a macho culture made Enron possible.

views do seem to have changed over time involves women’s perceptions of their own roles. In contrast to the earlier studies, women today see as much similarity between “female” and “manager” as between “male” and “manager” (Brenner, Tomkiewicz, & Schein, 1989). To women, at least, being a woman and being a manager are not a contradiction in terms.

There also have been many other studies of the role of women in management. In one of these, Breaking the Glass Ceiling (Morrison, White, & Van Velsor, 1987), researchers documented the lives and careers of 78 of the highest-level women in corporate America. A few years later the researchers followed up with a small sample of those women to discuss any changes that had taken place in their leadership paths. The researchers were struck by the fact that the women were much like the senior men they had worked with in other studies. Qualitatively, they had the same fears: They wanted the best for themselves and for their families. They wanted their company to succeed. And, not surprisingly, they still had a drive to succeed. In some cases (also true for the men) they were beginning to ask questions about life balance—was all the sacrifice and hard work worth it? Were 60-hour workweeks worth the cost to family and self?

Looking more quantitatively, however, the researchers expected to find significant differences between the women who had broken the glass ceiling and the men who were already there. After all, the popular literature and some social scientific literature had conditioned them to expect that there is a feminine versus a masculine style of leadership, the feminine style being an outgrowth of a consensus/team-oriented leadership approach. Women, in this view, are depicted as leaders who, when compared to men, are better listeners, more empathic, less analytical, more people oriented, and less aggressive in pursuit of goals.

In examining women in leadership positions, the researchers collected behavioral data, including ratings by both self and others, assessment center data (gathered from leadership development programs at the Center for Creative Leadership), and their scores on the California Psychological Inventory. Contrary to the stereotypes and popular views, however, there were no statistically significant differences between men’s and women’s leadership styles. Women and men were equally analytical, people oriented, forceful, goal oriented, empathic, and skilled at listening. There were other differences between the men and women, however, beyond the question of leadership styles. The researchers did find (and these results must be interpreted cautiously because of the relatively small numbers involved) that women had significantly lower well-being scores, their commitment to the organizations they worked for was more guarded than that of their male counterparts, and the women were much more likely to be willing to take career risks associated with going to new or unfamiliar areas of the company where women had not been before.

Continued work with women in corporate leadership positions has both reinforced and somewhat clarified these findings. For example, the lower scores for women with regard to their ratings of general well-being may reflect the inadequacy of their support system for dealing with day-to-day issues of living. This is tied to the reality for many women that in addition to having roles in their companies they remain chief caretakers for their families. Further, there may be additional pressures of being visibly identified as proof that the organization has women at the top.
Other types of differences—particularly those around “people issues”—are still not evident. In fact, the hypothesis is that such supposed differences may hinder the opportunities for leadership development of women in the future. For example, turning around a business that is in trouble or starting a new business are two of the most exciting opportunities a developing leader has to test her leadership abilities. If we apply the “women are different” hypothesis, then the type of leadership skills needed for successful completion of either of these assignments may well leave women off the list of candidates. However, if we accept the hypothesis that women and men are more alike as leaders than they are different, then women will be found in equal numbers on the candidate list.

Research on second-generation managerial women suggest many of them appear to be succeeding because of characteristics heretofore considered too feminine for effective leadership (Rosener, 1990). Rosener’s survey research identified several differences in how men and women described their leadership experiences. Men tended to describe themselves in somewhat transactional terms, viewing leadership as an exchange with subordinates for services rendered. They influenced others primarily through their organizational position and authority. The women, on the other hand, tended to describe themselves in transformational terms. They helped subordinates develop commitment for broader goals than their own self-interest, and described their influence more in terms of personal characteristics like charisma and interpersonal skill than mere organizational position.

According to Rosener such women leaders encouraged participation and shared power and information, but went far beyond what is commonly thought of as participative management. She called it interactive leadership. Their leadership self-descriptions reflected an approach based on enhancing others’ self-worth and believing that the best performance results when people are excited about their work and feel good about themselves.

How did this interactive leadership style develop? Rosener concluded it was due to these women’s socialization experiences and career paths. As we indicated above, the social role expected of women has emphasized they be cooperative, supportive, understanding, gentle, and service-oriented. As they entered the business world, they still found themselves in roles emphasizing these same behaviors. They found themselves in staff, rather than line, positions, and in roles lacking formal authority over others such that they had to accomplish their work without reliance on formal power. What they had to do, in other words, was employ their socially acceptable behavioral repertoire in order to survive organizationally.

What came easily to women turned out to be a survival tactic. Although leaders often begin their careers doing what comes naturally and what fits within the constraints of the job, they also develop their skills and styles over time. The women’s use of interactive leadership has its roots in socialization, and the women interviewees firmly believe that it benefits their organizations. Through the course of their careers, they have gained conviction that their style is effective. In fact, for some it was their own success that caused them to formulate their philosophies about what motivates people, how to make good decisions, and what it takes to maximize business performance. (p. 124)
Rosener called for organizations to expand their definitions of effective leadership—to create a wider band of acceptable behavior so that both men and women will be freer to lead in ways which take advantage of their true talents. The extent of the problem is suggested by data from a study looking at how CEOs, almost all male, and senior female executives explained the paucity of women in corporate leadership roles. Figure 2.2 compares the percentages of CEOs versus female executives who endorsed various possible explanations of the situation. It is clear that the CEOs attributed it primarily to inadequacies in the quantity and quality of experience of potential women candidates for the top spots, while the females themselves attributed it to various forms of stereotyping and bias.

A recent study sheds additional light on factors that impact the rise of women in leadership positions (Eagly & Carli, 2003). It identifies four general factors that explain the shift toward more women leaders.

The first of these is that women themselves have changed. That’s evident in the ways women’s aspirations and attitudes have become more similar to those of men over time. That’s illustrated in findings about the career aspirations of female university students (Astin, Parrott, Korn & Sax, 1997), women’s self-reports of traits
such as assertiveness, dominance and masculinity (Twenge, 1997, 2001), and the value that women place on characteristics of work such as freedom, challenge, leadership, prestige, and power (Konrad, Ritchie, Lieb, & Corrigal, 2000). The second factor is that leadership roles have changed, particularly with regard to a trend toward less stereotypically masculine characterizations of leadership. Third, organizational practices have changed. A large part of this can be attributed to legislation prohibiting gender-based discrimination at work, as well as changes in organizational norms that put a higher priority on results than an “old boy” network. Finally, the culture has changed. This is evident, for example, in the symbolic message often intended by appointment of women to important leadership positions, one representing a departure from past practices and signaling commitment to progressive change.

Leadership and Management Revisited

In Chapter 1 we looked at the relationship between leadership and management, and between leaders and managers. While these terms are not mutually exclusive, they do refer to a person’s distinctive style and approach. Even in a particular role, two people may approach it differently; one more like a leader, the other more like a manager. The governor of one state, for example, may function more as a leader, whereas the governor of another state may function more as a manager (and not because there’s anything different about the two states). It will be helpful to revisit those concepts in the context of the interactional framework.

Let’s begin by reviewing some of the distinctions Bennis makes between leaders and managers.
Chapter 2  Leadership Involves an Interaction between the Leader, the Followers, and the Situation  39

Leaders  
Innovate  
Develop  
Inspire  
Long-term view  
Ask what and why  
Originate  
Challenge the status quo  
Do the right things  

Managers  
Administer  
Maintain  
Control  
Short-term view  
Ask how and when  
Initiate  
Accept the status quo  
Do things right  

Bennis is hardly alone in contrasting leaders and managers. Numerous other scholars echo the idea of a basic distinction between leadership and management. Kotter (1990), for example, described management in terms of coping with complexity, and leadership in terms of coping with change. Kotter noted how managerial practices and procedures can be traced to the 20th-century phenomenon of large organizations and the need to bring order and consistency to their functioning. Renewed interest in leadership, on the other hand, springs from the challenge of maintaining organizational success in an increasingly dynamic world. He said most U.S. corporations today, for example, are overmanaged and underled; but that “strong leadership with weak management is no better” (p. 103). Fairholm (1991) emphasized still other differences between leadership and management when he wrote that leadership and management are different in purpose, knowledge base, required skills, and goals. We distinguish leaders as more personal in their orientation to group members than managers. They are more global in their thinking. Leaders, we suggest, focus on values, expectations, and context. Managers, on the other hand, focus on control and results. Leaders impact followers and constituent groups in a way that allows volitional activity of followers, not through formal authority mechanisms . . . Managers give clear direction, make solitary assignments, and work hard for cooperation. The leader communicates indirectly, gives overlapping and ambiguous assignments, and sometimes sets employees up for internecine strife—to test loyalty and the leader’s personal strength. Leaders value cooperation, not just coordination. They foster ideas of unity, equality, justice, and fairness in addition to efficiency and effectiveness, the bastions of management value. (p. 40)

Such differences are just what our framework is all about—interactions. In other words, the differences between leaders and managers, or between leadership and management, involve more than just differences between types of individuals. The differences extend to how such individuals interact with their followers and the situations they confront. Let’s explore how these distinctions affect the other two elements of the framework.

Leader-Follower-Situation Interactions

Leaders create environments within which followers’ innovations and creative contributions are welcome. Followers feel a stake in shaping something new, not just maintaining a status quo. Leaders also encourage growth and development in their
followers in ways broader than what we might call mere job training (e.g., encouraging a follower to take on something really new, something that would stretch the follower but may involve failure on the task; or taking on a developmental experience not directly tied to the follower’s present job requirements). Leaders generally are more interested in the big picture of followers’ work, and tend to assess their followers’ performance less formally and less in terms of specific criteria than managers, and more in terms of holistic, personal, idiosyncratic, or intuitive criteria. Leaders motivate followers more personally and through more personal and intangible factors (e.g., through inspiration, or the reward of just being able to work with the leader, or on a particular project). Leaders redefine the parameters of tasks and responsibilities, both for individual followers and for the entire group. In that sense, leaders actively change the situations they’re in rather than just optimize their group’s adaptation to it. They are forever “moving outside the constraints of structure” (Fairholm, p. 39). Such redefinitions also may occur through taking a long-term rather than a short-term perspective, through accentuating critical values or ends, or by marshaling energy to cope with some new threat.

Manager-Follower-Situation Interactions
Managers are more likely to emphasize routinization and control of followers’ behavior. This might be expressed in terms of greater emphasis on making sure followers conform to policies or procedures (“doing it the way we’ve always done it”) or in a tendency to assign narrower rather than broader tasks for followers to perform. It might be expressed in lesser degrees of decision-making discretion or autonomy given to followers, as in a manager’s tendency to review details of work for them. Managers tend to assess their followers’ performance in terms of explicit, fairly specific job descriptions. Managers motivate followers more with extrinsic, even contractual consequences, both positive and negative. Managers tend to accept the definitions of situations presented to them. They might be unlikely, for example, to reorient a group’s task or mission in a whole new direction; or to change the whole culture of an organization. When managers do change things, they would be more likely to effect change officially, through control tactics such as developing new policies or procedures.

In reading the preceding paragraphs, it may seem to you that it’s better to be a leader than a manager (or, perhaps, vice versa). But such a conclusion would ignore important characteristics of the followers. In some situations leaders are successful and managers are not, but in other situations the opposite is true. Consider, for example, one of Bennis’s prototypical leaders: an inspiring individual having a vision of major institutional change that can be achieved only through the energy and creativity of committed followers. Such an inspiring individual may be thwarted, nonetheless, unless her followers share her value-based vision. If they are motivated primarily by economic incentives and are satisfied with their present lot, then the leader may fail to achieve her vision. The whole idea of interaction is that the effectiveness of any particular leader approach can be understood only in the context of certain follower and situational conditions. To return to Bennis’s distinctions, managers emphasize stability whereas leaders emphasize change. Managers
emphasize consistency and predictability in follower behavior (doing what’s expected, doing things right), whereas leaders emphasize changing followers. That may mean transforming them or getting them to do more than they thought they could or thought they would. We’ll see a similar distinction in Chapter 13 when we contrast transactional and transformational leadership (Bass, 1985).

Leadership, Management, and the Disney Brothers

Walt Disney is surely one of the most familiar names in the world. Roy Disney is not. Roy was Walt’s brother, and he played a vital but different role in the success of the Disney enterprises. In many ways you can think of the differences between them in terms of the distinctions we’ve been making between leadership and management. In many ways Walt was the creative leader, Roy the manager or “financial guy.” The success of the Disney enterprises was due to their complementary contributions, and their story provides an interesting illustration of how leaders interact with their followers and situations differently than managers do (Snyder, Dowd, & Houghton, 1994).

One of Walt’s distinctive qualities was his drive to experiment and find new ways to improve motion picture quality. He was an innovator himself, but even more importantly he encouraged his staff to be innovative. His studio was always “on the move.” He wanted it to be on the technological cutting edge of animation art and never fall prey to a cut-and-dried way of doing things. From the early days, Walt handled the creative side of Disney productions whereas Roy handled the job of securing financing for their cartoons. Walt was never interested in making money as an end in itself, but rather as a means to producing ever-better films. He would not compromise his sense of film quality to increase profit. In fact, he was a gambler willing to risk all for an idea he believed in. Walt’s enthusiasm for the creative process was infectious and spread to his staff, who themselves were more dedicated to their art than to the bottom line. Walt’s staff believed they were pioneers who were changing the very nature of mass media. He created an energetic and informal environment; he resisted rigid procedures and bureaucracy, yet his staff believed he ran the best studio in the world. One way Walt inspired such commitment among his followers was through his own commitment to their development and creative involvement in the studio’s work. He brought out the best in them, a quality of work beyond what they believed themselves capable of. He wanted all the people working for him to feel they were making indispensable contributions to the overall project. He encouraged his staff to use their own skills to devise original solutions to challenges rather than merely find out what he wanted them to do.

An interesting case in point of the difference between a leader’s and manager’s orientation may be in the disagreement Walt and Roy Disney had over Walt’s idea of a new amusement park. What we now know as Disneyland, and may incorrectly assume looked like a surefire success as soon as Walt proposed it, was initially opposed by Roy. Roy thought it was just another one of Walt’s crazy ideas, and was only willing to risk $10,000 of studio money on what he thought was a harebrained project. Trusting his own vision more than his brother’s risk-averse conservatism, Walt scraped together the money needed to finance Disneyland—in part by borrowing on his own life insurance. Even after Walt’s death the differences between him and his brother illustrate what’s different between leadership and management. Without Walt’s creative leadership, the studio fell under the management of
“Roy men” who produced moderately successful but uninspired formula pieces for two decades. Only under Michael Eisner, a “Walt man” who understands popular culture, did the studio regain a leading place in American business.

A Final Word
Fairholm (1991) argued that organizations may need two different kinds of people at the helm: good leaders and good managers. He wrote, “We need competent, dedicated managers to provide continuity of process, to insure program productivity, and to control and schedule the materials needed for production or service delivery. We also need people who can infuse the organization with common values that define the organization, determine its character, link it to the larger society, and ensure its long-term survival” (p. 41). This view is certainly consistent with the success the two Disney brothers had bringing distinctive but complementary sets of competencies and values to their studio. But do examples like this prove that leaders and managers represent inherently different sorts of talents and interests? We think Kotter (1990) is on solid ground when he advises organizations preparing people for executive jobs to “ignore the recent literature that says people cannot manage and lead” (p. 104). He said they should try to develop leader-managers. In other words, it may be useful to distinguish between the functions of leadership and management but still develop those complementary functions in the same individuals.

This point may be particularly important with regard to developing the talents of younger leader-managers. It would seem inappropriately narrow and limiting for a young person to define himself or herself as “the manager type” or “the leader type.” Premature self-definitions of being a leader or manager present such reductio ad absurdum eventualities as foreclosing real developmental opportunities (e.g., “I guess I shouldn’t seek that student body position since it’s a leadership role, and I’m really more the management type”) or as inappropriate reactions to the sorts of job responsibilities typical for a person early in her career (e.g., “Boss, you’ve been giving me too many management-type tasks, and I see myself more as a leader around here”). It seems prudent to note the commonalities—as shown in Figure 1.1—between leadership and management and not focus exclusively on the differences between them, especially in the early stages of a person’s professional development.

There Is No Simple Recipe for Effective Leadership

As noted previously, it is important to understand how the three domains of leadership interact—how the leader, the followers, and the situation are all part of the leadership process. Understanding their interaction is necessary before you can draw valid conclusions from the leadership you observe around you. When you see a leader’s behavior (even when it may appear obviously effective or ineffective to you), you should not automatically conclude something good or bad about the leader, or what is the right way or wrong way leaders should act. You need to think about the effectiveness of that behavior in that context with those followers.
As obvious as the above sounds, we often ignore it. Too frequently, we just look at the leader’s behavior and conclude that he or she is a good leader or a bad leader apart from the context. For example, suppose you observe a leader soliciting advice from subordinates. Obviously, it seems unreasonable to conclude that good leaders always ask for advice or that leaders who do not frequently ask for advice are not such good leaders. The appropriateness of seeking input from subordinates depends on many factors, such as the nature of the problem or the subordinates’ familiarity with the problem. It may be that the subordinates have a lot more experience with this particular problem, and soliciting their input is the correct action to take in this situation.

Consider another example. Suppose you hear that a leader disapproved a subordinate’s request to take time off to attend to family matters. Was this bad leadership because the leader did not appear to be “taking care of her people”? Was it good leadership because she did not let personal matters interfere with the mission? Again, you cannot make an intelligent decision about the leader’s actions by just looking at the behavior itself. You must always assess leadership in the context of the leader, the followers, and the situation.

The following statements about leaders, followers, and the situation make the above points a bit more systematically.

• A leader may need to respond to various followers differently in the same situation.
• A leader may need to respond to the same follower differently in different situations.
• Followers may respond to various leaders quite differently.
• Followers may respond to each other differently with different leaders.
• Two leaders may have different perceptions of the same followers or situations.

Conclusion: Drawing Lessons from Experience

All of the above leads to one conclusion: The right behavior in one situation is not necessarily the right behavior in another situation. It does not follow, however, that any behavior is appropriate in any situation. Although we may not be able to agree on the one best behavior in a given situation, we often can agree on some clearly inappropriate behaviors. Saying that the right behavior for a leader depends on the situation is not the same thing as saying it does not matter what the leader does. It merely recognizes the complexity among leaders, followers, and situations. This recognition is a helpful first step in drawing meaningful lessons about leadership from experience.

Summary

Leadership is a process in which leaders and followers interact dynamically in a particular situation or environment. Leadership is a broader concept than that of leaders, and the study of leadership must involve more than just the study of leaders as individuals. The study of leadership must also include two other areas: the
followers and the situation. In addition, the interactive nature of these three domains has become increasingly important in recent years and can help us to better understand the changing nature of leader–follower relationships and the increasingly greater complexity of situations leaders and followers face. Because of this complexity, now, more than ever before, effective leadership cannot be boiled down to a simple and constant recipe. It is still true, however, that good leadership makes a difference, and it can be enhanced through greater awareness of the important factors influencing the leadership process.

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**Key Terms**

- interactional framework, 23
- leader, 24
- followers, 24
- situation, 24
- in-group, 24
- out-group, 24
- independent, critical thinking, 25
- dependent, uncritical thinking, 25
- active followers, 25
- passive followers, 25
- Leader-Member Exchange Theory, 26
- interactive leadership, 36
- interactions, 39

**Questions**

1. According to the interactional framework, effective leader behavior depends on many variables. It follows there is no simple prescription for effective leader behavior. Does this mean effective leadership is merely a matter of opinion or subjective preference?

2. Generally, leaders get most of the credit for a group’s or an organization’s success. Do you believe this is warranted or fair?

3. What are some of the other characteristics of leaders, followers, and situations you could add to those listed in Figure 2.1?

**Skills**

Leadership skills relevant to this chapter include:

- Building effective relationships with superiors.
- Building effective relationships with peers.

**Activity**

In this activity you will explore connotations to the words leadership and management. Divide yourselves into small groups and have each group brainstorm different word associations to the terms leader and leadership or manager and management. In addition, each group should discuss whether they would prefer to work for a manager or for a leader, and why. Then the whole group should discuss similarities and differences among the respective perceptions and feelings about the two concepts.

**Minicase**

“Can Disney Save Disney?”

The Disney name identifies an institution whose $22 billion in annual sales make it the world’s largest media company. It was Walt Disney’s creative leadership that established the Disney company as one of the leaders in American business. Walt
Disney and his brother Roy started Disney Brothers Studio in Hollywood in 1923. Artistically, the 1930s were Disney’s best years. Walt Disney embraced new advances in color and sound, and pushed his team of enthusiastic young artists to pursue the most sophisticated techniques of the day. Disney risked everything on his first feature film, Snow White and the Seven Dwarfs, released in 1937. Audiences loved it. His focus on the positive and the life-affirming themes he incorporated into all his work provided much-needed smiles and laughter for audiences during the depths of the Great Depression.

Roy Disney became chairman after Walt died of lung cancer in 1966. In 1971 Roy died and his son, Roy E. Disney, became the company’s principal individual shareholder. In 1984 new CEO Michael Eisner and president Frank Wells ushered in an era of innovation and prosperity. They instituted marathon meetings for generating creative ideas, forcing everyone to work grueling hours. The approach worked and for the first 10 years of his tenure, Eisner was considered a genius. He revived Disney’s historic animation unit, invested in the theme parks, led the expansion into Europe, and breathed new life into the company by partnering with cutting-edge companies like Pixar and Miramax. Eisner built Disney into a formidable media powerhouse, boosting its profits sixfold and sending its share price soaring almost 6,000 percent.

But more recent years have been challenging for Eisner and the Disney company. Eisner’s initial magical effect has lost its shine and his more recent actions and decisions have had less-than-desirable effects on the company. Roy Disney, the last of the founding family to work at the company, quit the board in 2003 and began a campaign to try and oust Eisner. In his letter of resignation Disney asserted that Eisner has become an ineffective leader, claiming that Eisner consistently “micro-manages” everyone resulting in loss of morale. He saw Eisner’s cost-conscious decisions to shut down an Orlando animation studio and cut costs at theme parks as resulting in “creative brain drain” and creating the perception that the company is looking for “quick buck” solutions rather than long-term value. Disney also cited Eisner’s inability to maintain successful relationships with creative partners like Pixar and Miramax (both contracts with these studios were not renewed) and his lack of a succession plan as dangerous to the future of the company.

Disney has found a lot of support in his plan to “SAVE DISNEY.” In the spring of 2004 stockholders supported Disney by voting against Eisner’s re-election as president. Eisner still maintains his position as CEO and has expressed his intention to hold on to that position until his contract expires in 2006.

1. Consider Walt Disney’s effectiveness in terms of the three domains of leadership—the leader, the followers, and the situation. For each domain name factors that contributed to Disney’s success.

2. Now think about Michael Eisner’s leadership effectiveness. Name factors within the three domains of leadership that might be responsible for controversy now surrounding Disney.

Part II focuses on the leader. The effectiveness of leadership, good or bad, is typically attributed to the leader much more than to the other elements of the framework. Sometimes the leader is the only element of leadership we even think of. One great leader’s views were clear enough about the relative importance of leaders and followers:
Men are nothing; it is the man who is everything . . . It was not the Roman army that conquered Gaul, but Caesar; it was not the Carthaginian army that made Rome tremble in her gates, but Hannibal; it was not the Macedonian army that reached the Indus, but Alexander.

*Napoleon*

Because the leader plays such an important role in the leadership process, the next four chapters of this book review research related to the characteristics of leaders, and what makes leaders effective. Part II begins with a chapter on power and influence since those concepts provide the most fundamental way to understand the process of leadership. Chapter 6 then looks at the closely related issues of leadership and values. In Chapter 7 we consider what aspects of personality are related to leadership, and in Chapter 8 we examine how all these preceding variables are manifested in effective or ineffective leader behavior.
Leadership and Values

Introduction

In the previous chapter, we examined many different facets of power and its use in leadership. The topics in this chapter go hand in hand with understanding the role of power in leadership. That is because leaders can use power for good or ill, and the leader’s personal values may be one of the most important determinants of how power is exercised or constrained. For example, a political leader may be able to stir a group into a frenzy (and become even more popular) by identifying a scapegoat to blame for a community’s or nation’s problems, but would it be right? Is it ever right for a political leader to stir a populace into a frenzy? And what standards should govern the application of such power? Or, a person may be promoted to leadership positions of ever-greater responsibility and reward, but at a cost of broken relationships in his family life; would you choose that trade-off?

The mere possession of power, of any kind, leads inevitably to ethical questions about how that power should and should not be used. The challenge of leadership becomes even more complex when we consider how individuals of different backgrounds, cultures, and nationalities may hold quite different values yet be thrown into increasingly closer interaction with each other as our world becomes both smaller and more diverse. This chapter will explore these fascinating and important aspects of leadership.

Leadership and “Doing the Right Things”

In Chapter 1, we referred to a distinction between leaders and managers that says leaders do the right things whereas managers do things right (Bennis, 1985). But just what does the “right things” mean? Does it mean the “morally right” things? The “ethically right” things? The “right things” for the company to be successful? And who’s to say what the “right things” are?

Leaders face dilemmas that require choices between competing sets of values and priorities, and the best leaders recognize and face them with a commitment to doing what is right, not just what is expedient. Of course, the phrase doing what is
right sounds deceptively simple. Sometimes it will take great moral courage to do what is right, even when the right action seems clear. At other times, though, leaders face complex challenges that lack simple black-and-white answers. Whichever the case, leaders set a moral example to others that becomes the model for an entire group or organization, for good or bad. Leaders who themselves do not honor truth do not inspire it in others. Leaders mostly concerned with their own advancement do not inspire selflessness in others. Leaders should internalize a strong set of ethics, principles of right conduct or a system of moral values.

Both Gardner (1990) and Burns (1978) have stressed the centrality and importance of the moral dimension of leadership. Gardner said leaders ultimately must be judged on the basis of a framework of values, not just in terms of their effectiveness. He put the question of a leader’s relations with his or her followers or constituents on the moral plane, arguing (with the philosopher Immanuel Kant) that leaders should always treat others as ends in themselves, not as objects or mere means to the leader’s ends (which, however, does not necessarily imply that leaders need to be gentle in interpersonal demeanor or “democratic” in style). Burns (1978) took an even more extreme view regarding the moral dimension of leadership, maintaining that leaders who do not behave ethically do not demonstrate true leadership.

Whatever “true leadership” means, most people would agree that at a minimum it would be characterized by a high degree of trust between leader and followers. Bennis and Goldsmith (1997) describe four qualities of leadership that engender trust. These qualities are vision, empathy, consistency, and integrity. First, we tend to trust leaders who create a compelling vision: who pull people together on the basis of shared beliefs and a common sense of organizational purpose and belonging. Second, we tend to trust leaders who demonstrate empathy with us—who show they understand the world as we see and experience it. Third, we trust leaders who are consistent. This does not mean that we only trust leaders whose positions never change, but that changes are understood as a process of evolution in light of relevant new evidence. Fourth, we tend to trust leaders whose integrity is strong, who demonstrate their commitment to higher principles through their actions.

Another important factor impacting the degree of trust between leaders and followers involves fundamental assumptions people make about human nature. Several decades ago, Douglas McGregor (1966) explained different styles of managerial behavior on the basis of their implicit attitudes about human nature, and his work remains quite influential today. McGregor identified two contrasting sets of assumptions people make about human nature, calling these Theory X and Theory Y.

In the simplest sense, Theory X reflects a more pessimistic view of others. Managers with this orientation rely heavily on coercive, external-control methods to motivate workers such as pay, disciplinary techniques, punishments, and threats. They assume people are not naturally industrious or motivated to work. Hence, it is the manager’s job to minimize the harmful effects of workers’ natural laziness.
and irresponsibility by closely overseeing their work and creating external incentives to do well and disincentives to avoid slacking off. Theory Y, on the other hand, reflects a view that most people are intrinsically motivated by their work. Rather than needing to be coaxed or coerced to work productively, such people value a sense of achievement, personal growth, pride in contributing to their organization, and respect for a job well done. Peter Jackson’s leadership was clearly consistent with a Theory Y view of human nature. When asked, “How do you stand up to executives?” Jackson answered, “Well, I just find that most people appreciate honesty. I find that if you try not to have any pretensions and you tell the truth, you talk to them and you treat them as collaborators, I find that studio people are usually very supportive.”

But are there practical advantages to holding a Theory X or Theory Y view? Evidently there are. There is evidence that success more frequently comes to leaders who share a positive view of human nature. Hall and Donnell (1979) reported findings of five separate studies involving over 12,000 managers that explored the relationship between managerial achievement and attitudes toward subordinates. Overall, they found that managers who strongly subscribed to Theory X beliefs were far more likely to be in their lower-achieving group.

One behavior common to many good leaders is that they tend to align the values of their followers with those of the organization or movement; they make the links between the two sets more explicit. But just what are values? How do values and ethical behavior develop? Is one person’s set of standards better or higher than another’s? These are the sorts of questions we will address in this section.

What Are Values?

Values are “constructs representing generalized behaviors or states of affairs that are considered by the individual to be important” (Gordon, 1975, p. 2). When Patrick Henry said, “Give me liberty, or give me death,” he was expressing the value he placed upon political freedom. The opportunity to constantly study and learn may be the fundamental value or “state of affairs” leading a person to pursue a career in academia. Someone who values personal integrity may be forced to resign from an unethical company. Thus, values play a fairly central role in one’s overall psychological makeup and can affect behavior in a variety of situations. In work settings, values can affect decisions about joining an organization, organizational commitment, relationships with co-workers, and decisions about leaving an organization (Boyatzis & Skelly, 1989). It is important for leaders to realize that individuals in the same work unit can have considerably different values, especially since we cannot see values directly. We can only make inferences about people’s values based on their behavior.

Some of the major values that may be considered important by individuals in an organization are listed in Table 6.1. The instrumental values found in Table 6.1 refer to modes of behavior, and the terminal values refer to desired end states (Rokeach, 1973). For example, some individuals value equality, freedom, and having a comfortable life above all else; others may believe that family security and salvation are important goals to strive for. In terms of instrumental values, such individuals may think that it is important always to act in an ambitious, capable,
and honest manner, whereas others may think it is important only to be ambitious and capable. We should add that the instrumental and terminal values in Table 6.1 are only a few of those Rokeach has identified.

How Do Values Develop?

According to Massey (1979), each person’s values reflect the contributions of diverse inputs, including family, peers, the educational system, religion, the media, science and technology, geography, and current events (see Figure 6.1). Although one’s values can change throughout one’s life, they are relatively firmly established by young adulthood. Figure 6.2 represents the building blocks of leadership skills as a pyramid, and you can see that values are on the bottom of the pyramid (along with interests, motives, lifelong goals, personality traits and preferences, and intelligence). All of the attributes in that bottom row are relatively enduring and permanent; they serve as a foundation to other attributes of leadership that are less enduring and thus more modifiable. At the top of the pyramid are leadership skills and competencies that can be developed through practice.

Massey used the term value programming to highlight the extent to which forces outside the individual shape and mold personal values. He analyzed changes in the value-programming inputs that characterized each of the decades since the 1920s and related them to dominant and distinctive values held among people who were value-programmed during those respective periods.

### TABLE 6.1

<table>
<thead>
<tr>
<th>Terminal Values</th>
<th>Instrumental Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>An exciting life</td>
<td>Being courageous</td>
</tr>
<tr>
<td>A sense of accomplishment</td>
<td>Being helpful</td>
</tr>
<tr>
<td>Family security</td>
<td>Being honest</td>
</tr>
<tr>
<td>Inner harmony</td>
<td>Being imaginative</td>
</tr>
<tr>
<td>Social recognition</td>
<td>Being logical</td>
</tr>
<tr>
<td>Friendship</td>
<td>Being responsible</td>
</tr>
</tbody>
</table>


### FIGURE 6.1

Some influences on the development of personal values.

Boyatzis and Skelly (1989), Maccoby (1983), and Massey (1979) have all said that the pervasive influence of broad forces like these tend to create common value systems among people growing up at a particular time that distinguish them from people who grow up at different times. There are, of course, significant differences among individuals within any generational group, but these authors emphasized differences between groups. They attributed much of the misunderstanding between older leaders and younger followers to the fact that their basic value systems were formulated during quite different social and cultural conditions, and these analyses offer a helpful perspective for understanding how differences in values can add tension to the interaction between some leaders and followers.

One indication of the ways times continue to change, in fact, is that the phrase older leaders and younger followers, as used above, is no longer so universally applicable as it once seemed. There are increasing numbers of younger leaders who have older followers, which makes an appreciation of generational differences more important than ever. Zemke (2001) is another researcher who has looked at differences in values across generations, and how those value differences impact their approaches to work and leadership. Here is his delineation of four generations of workers, each one molded by distinctive experiences during their critical developmental periods:

**The Veterans** (1922–1943): Veterans came of age during the Great Depression and World War II, and represent a wealth of lore and wisdom. They’ve been a stabilizing force in organizations for decades, even if they are prone to digressions about “the good old days.”

**The Baby Boomers** (1942–1960): These were the postwar babies who came of age during violent social protests, experimentation with new lifestyles, and pervasive questioning of establishment values. But they’re graying now, and don’t like to think of themselves as “the problem” in the workplace even though they frequently are. Boomers still have passion about bringing participation, spirit, heart, and humanity to the workplace and office. They’re also concerned about creating a level playing field for all, but they hold far too many meetings for the typical Gen Xer.

**The Gen Xers** (1960–1980): Gen Xers grew up during the era of the Watergate scandal, the energy crisis, higher divorce rates, MTV, and corporate downsizing; many were
latchkey kids. As a group they tend to be technologically savvy, independent, and skeptical of institutions and hierarchy. They are entrepreneurial and they embrace change (Baldwin & Trovas, 2002). Having seen so many of their parents work long and loyally for one company only to lose their job to downsizing, Xers don’t believe much in job security; to an Xer, job security comes from having the kinds of skills that make you attractive to an organization (Foley & LeFevre, 2001). Hence, they tend to be more committed to their vocation than to any specific organization. In fact, the free-agency concept born in professional sports also applies to Xers, who are disposed to stay with an organization until a better offer comes along. Among the challenges they present at work is how to meet their need for feedback despite their dislike of close supervision. Xers also seek balance in their lives more than preceding generations; they work to live rather than live to work. (Also see Highlight 6.1)

The Nexters (1980+): This is your generation, so any generalizations we make here are particularly risky. In general, however, Nexters share an optimism born, perhaps, from having been raised by parents devoted to the task of bringing their generation to adulthood; they are the children of soccer moms and Little League dads. They doubt the wisdom of traditional racial and sexual categorizing, perhaps not unexpected from a generation rich with opportunities like having Internet pen pals in Asia whom they can interact with any time of the day or night.

Researchers at The Center for Creative Leadership have also been interested in Gen Xers and how their values impact the leadership process at work. One clear finding from this research involved the distinctively different view of authority held by Xers than previous generations. “While past generations might have at least acknowledged positional authority, this new generation has little respect for and less interest in leaders who are unable to demonstrate that they can personally produce. In other words, this generation doesn’t define leading as sitting in meetings and making profound vision statements, but instead as eliminating obstacles and giving employees what they need to work well and comfortably” (Deal, Peterson, & Gailor-Loflin, 2001). Gen Xers expect managers to “earn their stripes,” and not be rewarded with leadership responsibilities merely because of seniority. Often that attitude is interpreted as an indication of disrespect toward elders in general, and bosses in particular. It may be more accurate, however, to characterize the attitude as one of skepticism rather than disrespect. Such skepticism could have arisen from the fact that Generation X grew up during a time when there were relatively few heroes or leaders it could call its own. It also might have arisen from growing up in an environment of such pervasive marketing that anything smacking of “hype” is met with suspicion (Deal, Peterson, and Gailor-Loflin). That skepticism is also evident in the fact that 53 percent of them believe that the soap opera General Hospital will be around longer than Medicare, and that a majority of them are more likely to believe in UFOs than that Social Security will last until their retirement (Foley & LeFevre).

Lest we overemphasize the significance of intergenerational differences, however, we should consider the results of a scientific sampling of over 1,000 people living in the United States (Ladd, 1994) which found little evidence of a generation gap in basic values.
Indeed, the director of one of the largest polling organizations in the world called the results some of the most powerful he had seen in 30 years of public-opinion research. They showed, he said, “that even though young people buy different CDs and clothes, they do not buy into a set of values different from their elders” (Ladd, p. 50).

Thus, while it’s true that experiences unique to particular generations help explain certain values characteristic of people in one generation, people from different generations still share many of the same values. But what might explain value differences within a given age group? Actually, they’re the same factors depicted in Figure 6.1 which Massey used to explain value differences across generations. There may be significant differences in the value-programming experiences of teenagers from the same generation based on factors like their family’s religious affiliation and involvement, the norms of the particular peer group they associate with, their formal education, and so on.

Given all of this research on work values and how values develop, there are several issues worth commenting on further. First, like the title of this book, values are the result of education and experience. Values develop fairly early in life; education and religious, family, societal, and peer experiences play key roles in the development of a leader’s values. Second, once established, it is relatively difficult to change a
leader’s values. If a person valued money, helping others, or being the center of attention while growing up, then it is very likely that they will find these same activities to be personally motivating as an adult leader. (Third, because it is difficult to change people’s underlying values, it’s probably unrealistic to expect that university level ethics courses or character development programs will change one’s underlying values.) Perhaps the only way to get leaders and followers to adhere to standards that run counter to their values is to have well-established and enforced codes of conduct, where the benefits of compliance far outweigh the costs of noncompliance (Curphy, Gibson, Macomber, Calhoun, Wilbanks, & Burger, 1998). Unfortunately, as we have seen with the numerous scandals of Wall Street over the past several years, many corporations appear to have poorly established or nonenforced codes of conduct.

Values and Leadership

How Values Impact Leadership

Because values play such a central role in a person’s psychological makeup, they have a profound effect on leadership. First and foremost, it is important to understand that values play a key role in the choices made by leaders (Curphy, 2003; England & Lee, 1974). Values are a primary determinant in what data are reviewed by leaders and

What Would You Do?

**Highlight 6.2**

Here are several situations in which values play a large part in determining your response. How would you act in each one, and by what principles or reasoning process do you reach each decision?

- Would you vote for a political candidate who was honest, competent, and agreed with you on most issues if you also knew that person was alcoholic, sexually promiscuous, and twice divorced?
- Assume that as a teenager you smoked marijuana once or twice, but that was years ago. Would you answer truthfully on an employment questionnaire if it asked whether you had ever used marijuana?
- Your military unit has been ambushed by enemy soldiers and suffered heavy casualties. Several of your soldiers have been captured, but you also captured one of the enemy soldiers. Would you torture the captured enemy soldier if that were the only way of saving the lives of your own soldiers?
- Terrorists have captured a planeload of tourists and threatened to kill them unless ransom demands are met. You believe that meeting the ransom demands is likely to lead to the safe release of those passengers, but also likely to inspire future terrorist acts. Would you meet the terrorists’ demands (and probably save the hostages) or refuse to meet the terrorists’ demands (and reduce the likelihood of future incidents)?
- If you were an elementary school principal, would you feel it was part of your school’s responsibility to teach moral values, or only academic subject matter?
- Assume that you have been elected to your state’s legislature, and that you are about to cast the deciding vote in determining whether abortions will be legally available to women in your state. What would you do if your own strong personal convictions on this issue were contrary to the views of the majority of the people you represent?

**Source:** Adapted from Stock (1991).

---

*Cicero*  
So near is a falsehood to truth that a wise man would do well not to trust himself on the narrow edge.
how they define problems. Leaders with strong Commercial values are likely to focus on financial results and shortcomings; those with strong Aesthetic values are more likely to review quality indicators. Values also affect the solutions generated and the decisions made about problems. For example, followers with strong Security values will offer solutions that help ensure a stable and predictable work environment. But if the leader had a strong Recognition value, she might be more likely to choose a riskier solution that would thrust her in the spotlight. In addition, values often influence a leader’s perceptions of individual and organizational successes as well as the manner in which these successes are achieved. Leaders with strong Science values will define organizational success differently than those with strong Power values.

Values also help leaders choose right from wrong, and between ethical and unethical behavior. Along these lines, research has shown that leaders with strong Commercial values and weak Altruistic values are often seen as greedy and selfish (Hogan & Curphy, 2004; Hogan, 2003). Many of these leaders are so obsessed with wealth and material possessions that they think nothing of “cooking the books” in order to make money. Unfortunately, many of the high visibility examples from Enron, Arthur Andersen, Tyco, WorldCom, Charter Communications, Computer Associates, Parmalat, Ahold NV, Boeing, Royal Dutch Shell, and the investment banking and mutual fund industries seem to confirm the notion that many top level executives are willing to do whatever it takes in order to make money (see Highlight 6.4). Even those executives with strong Commercial and weak Altruistic values who do not engage in organizationally delinquent behaviors think nothing of cutting thousands of jobs in order to improve “shareholder value.” These same executives, who also happen to own a considerable number of shares in their companies, often run their companies into the ground but personally make tens to hun-
Hundreds of millions of dollars in the process (examples include the Qwest acquisition of US West or the AOL-Time Warner merger).

Values not only affect the choices leaders make about what is and what is not important, they also have an impact on the choices leaders make about direct reports. Leaders tend to like followers with similar values and dislike those with dissimilar values. If you knew nothing about a person except his or her values, and those values were similar to your own, then it would be very likely that you would like this individual. The opposite is also true. Because unstructured interviews are a very common selection technique (see Chapter 4), in most cases these are more valued than competence-based assessments. Although hiring direct reports with similar values will make the decision-making process much easier, in many cases groups with identical values can sometimes miss the forest for the trees. For example, one of the authors worked with the top nine leaders of a billion dollar health care system in the United Kingdom. The system was $50,000,000 in debt, and the nine leaders were likely to get sacked if they did not turn their financial problems around by the end of the year. None of the nine leaders had strong
Commercial or Power values, but they all had strong Affiliation and Altruistic values. Their meetings focused entirely on patient care and staff morale and they did little real work to address their budget shortfall. Consequently, many of these leaders were let go at the end of the year. The key point here is that it is important for leaders to surround themselves with followers who possess divergent values. This will likely cause more tension and conflict within the group, but this approach will also make it more likely that a broader variety of problems and solutions will be brought forward for discussion (Hogan & Curphy, 2004).

What values are most important to the leadership process? There is no definitive answer to that question; many different value schemas have been proposed, and many different instruments to measure values have been developed. For purposes of illustration we’ll look at one of these, presented in Table 6.2.

In looking over the values in Table 6.2, it is important to note that there is nothing right or wrong, or good or bad, about any of these work values per se; some

<table>
<thead>
<tr>
<th>TABLE 6.2</th>
<th>Key Work Values</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recognition:</strong></td>
<td>Leaders with strong Recognition values, such as politicians, want to stand out and be the center of attention. They value fame, visibility, and publicity, and are motivated by public recognition and seek jobs where they will be noticed.</td>
</tr>
<tr>
<td><strong>Power:</strong></td>
<td>Leaders with strong Power values enjoy competition, being seen as influential, and drive hard to make an impact. They value achievement and accomplishment and are motivated to work in jobs where they can achieve, get ahead, and succeed.</td>
</tr>
<tr>
<td><strong>Hedonism:</strong></td>
<td>Leaders with strong Hedonism values like to have fun at work and entertain others. They are motivated by pleasure, variety, and excitement, and can often be found in the entertainment, hospitality, recreation, sports, sales, or travel industries.</td>
</tr>
<tr>
<td><strong>Altruistic:</strong></td>
<td>Leaders with strong Altruism values, such as health care or educational leaders, believe in actively helping others who are less fortunate. They are motivated to help the needy and powerless, improve society, and believe in social justice.</td>
</tr>
<tr>
<td><strong>Affiliation:</strong></td>
<td>Leaders with strong Affiliation values, such as sales leaders, find being around and working with others to be highly motivating. They value meeting new people, networking, working in team environments.</td>
</tr>
<tr>
<td><strong>Tradition:</strong></td>
<td>Leaders with strong Tradition values, such as religious or military leaders, believe in family values and codes and conduct, and value moral rules and standards. These individuals are motivated to live a lifestyle that is in accordance to religious or institutional customs and standards of behavior.</td>
</tr>
<tr>
<td><strong>Security:</strong></td>
<td>Leaders with strong Security values, such as bureaucratic leaders, are motivated to work in stable, predictable, and risk-free environments. They create structure and processes in order to minimize uncertainty and avoid criticism.</td>
</tr>
<tr>
<td><strong>Commerce:</strong></td>
<td>Leaders with strong Commerce values, such as business leaders, are motivated by financial success. They are constantly on the lookout for new business opportunities and are concerned about wealth and material possessions.</td>
</tr>
<tr>
<td><strong>Aesthetics:</strong></td>
<td>Leaders with strong Aesthetics values, such as film directors, musical conductors or marketing leaders, are motivated to work in environments that place a premium on experimentation, artistic expression, and creative problem solving. They place more importance on appearance or quality than on quantity.</td>
</tr>
<tr>
<td><strong>Science:</strong></td>
<td>Leaders with strong Science values, such as research and development leaders, enjoy learning, digging deeply into problems, and keeping up to date on technology. They enjoy analyzing data to get at the truth.</td>
</tr>
</tbody>
</table>
leaders think making money is very important, other leaders believe that their most important responsibility is helping others, and other leaders may believe being in the limelight or living a life according to one’s religious beliefs to be very important. Leaders are motivated to act in ways consistent with their values, and they typically spend most of their time engaged in activities that are consistent with their values. Similarly, as individuals, leaders and followers are not particularly motivated to work on activities that are inconsistent with their values.

In most cases leaders possess several key values. The example in Figure 6.3 shows the results of a formal values assessment for a Vice President of Product Development for a leadership consulting firm. This individual is responsible for a team that creates, markets, sells, and delivers various psychological assessment and development products for leaders. Figure 6.3 indicates that she believes that working in a team environment (Affiliation), making a difference and having an impact (Power), and doing creative, high quality work (Aesthetics) are extremely important. Conversely, having the opportunity to work in a stable and predictable environment (Security), make money (Commerce), or do research (Science) are not nearly as important or motivating for her.

Although our three leaders have not been subject to a formal values assessment, we can still speculate about which values each of them might consider most important. Peter Jackson appears to have strong Aesthetic and Power values. Colin Powell is likely to have strong Power, Recognition, and Tradition values. And Aung San Suu Kyi probably has strong Altruism and Tradition values. In other words, these three leaders—each successful—seems to have somewhat distinct values driving their behavior. Still another aspect of individual values is addressed in Highlight 6.5 on page 146.

**FIGURE 6.3**
Leadership values profile.

Source: Adapted from J. Hogan and R. T. Hogan, Motives, Values and Preferences Inventory (Tulsa, OK: Hogan Assessment Systems, 2002).
Leadership and Organizational Values

Just as individuals possess a set of personal values, so too do organizations possess a set of organizational values. Many times these values are featured prominently in the company’s annual report, website, and posters. These values represent the principals by which employees are to get work done and treat other employees, customers, and vendors. Whether these stated values truly represent operating principals or so much “spin” for potential investors will depend on the degree of alignment between the organization’s stated values and the collective values of top leadership (Hogan & Hogan, 1996; Hogan & Curphy, 2004). For example, many corporate value statements say very little about making money, but frankly this is the key organizational priority for most business leaders, and as such is a major factor in many company decisions. It is interesting to note, by the way, that there is often a significant gap between a company’s stated values and the way it truly operates. Knowing the values of top leadership can sometimes tell you more about how an organization actually operates than the organization’s stated values will.

In any organization, the top leadership’s collective values play a significant role in determining organizational culture, just as an individual leader’s values play a significant role in determining team climate. Related to the notion of culture and climate is employee “fit.” Research has shown that employees with values similar to the organization or team are more satisfied and likely to stay; those with dissimilar values are more likely to leave (Hogan & Hogan, 1996; Hogan & Curphy, 2004). Thus, one reason why leaders fail is not due to a lack of competence, but rather due to a misalignment between personal and organizational values. This is unfortunate, as leaders with dissimilar values may be exactly what the company needs to drive change and become more effective (Hogan & Curphy, 2004).

Finally, values are often a key factor in conflict. Many of the most difficult decisions made by leaders have to do with choices between two values. This is particularly true when the choices represent values in opposition (see Table 6.3). Leaders with strong Commercial and Altruistic values, for example, would probably struggle mightily when having to make a decision about cutting jobs in order to improve profitability. Those leaders who have strong Commercial and weak Altruistic values (or vice versa) would have much less trouble making the same decision. Likewise, some leaders would have difficulties making decisions when friendships may get in the way of making an impact (Affiliation versus Power), or when taking risks to gain visibility runs counter to stability (Recognition versus Security). It is important to

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**TABLE 6.3**

Values in Opposition

Source: Adapted from G. J. Curphy, Team Leader Program (St. Paul, MN: Author, 2004).

| Commercial (making money) vs. Altruistic (helping others) |
| Affiliation (having friends) vs. Power (making an impact) |
| Recognition (taking risks) vs. Security (minimizing risks) |
| Hedonism (having fun) vs. Tradition (adhering to norms) |
| Aesthetic (appearance) vs. Scientific (the truth) |
note that values also play a key role in conflict between groups. The differences between Bill O’Reilly and Al Franken, the Israelis and Palestinians, the Shiite and Sunni Muslims in Iraq, the Muslims and Hindus in Kashmir, and Christians and Muslims in Kosovo all have to do with values. Because values develop early and are difficult to change, it will be extremely difficult to resolve the conflicts between these groups.

It’s vital for a leader to set a personal example of values-based leadership, and it is also important for leaders—especially more senior ones—to make sure that clear values guide everyone’s behavior in the organization. That’s only likely to happen, of course, if the leader’s behavior sets an example of desired behavior. You might think of it as a necessary but not sufficient condition for principled behavior throughout the organization. That’s because if there is indifference or hypocrisy toward values at the highest levels, then it is fairly unlikely that principled behavior will be considered important by others throughout the organization. Bill O’Brien (1994), the former CEO of a major insurance company, likened an organization’s poor ethical climate to a bad odor one gets used to:

Organizations oriented to power, I realized, also have strong smells, and even if people are too inured to notice, that smell has implications. It affects performance, productivity, and innovation. The worst aspect of this environment is that it stunts the growth of personality and character of everyone who works there (p. 306).

Carried to an extreme, it can lead to the kinds of excesses all too frequently evident during the past decade:

Who knew the swashbuckling economy of the 90’s had produced so many buccaneers? You could laugh about the CEOs in handcuffs and the stock analysts who turned out to be fishier than storefront palm readers, but after a while the laughs became hard. Martha Stewart was dented and scuffed [and subsequently convicted]. Tyco was looted by its own executives. Enron and WorldCom turned out to be the twin towers of false promises. They fell. Their stockholders and employees went down with them. So did a large measure of faith in big corporations.

Time Magazine, January 2, 2003

Others, too, are calling attention to the organizational dimensions of ethical behavior. It seems clear that ethical behavior within an organization (or by it) is not simply the sum of the collective moralities of its members. Covey (1990), for example, has developed and popularized an approach called principle-centered leadership. This approach postulates a fundamental interdependence...
between the personal, the interpersonal, the managerial, and the organizational levels of leadership. The unique role of each level may be thought of like this:

**Personal:** The first imperative is to be a trustworthy person, and that depends on both one’s character and competence. Only if one is trustworthy can one have trusting relationships with others.

**Interpersonal:** Relationships that lack trust are characterized by self-protective efforts to control and verify each other’s behavior.

**Managerial:** Only in the context of trusting relationships will a manager risk empowering others to make full use of their talents and energies. But even with an empowering style, leading a high-performing group depends on skills such as team building, delegation, communication, negotiation, and self-management.

**Organizational:** An organization will be most creative and productive when its structure, systems (e.g., training, communication, reward), strategy, and vision are aligned and mutually supportive. Put differently, certain organizational alignments are more likely to nurture and reinforce ethical behavior among its members than others.

Conflicts over values can arise even when an organization has clearly published values that are embraced by everyone. That can happen when employees and leaders have divergent perceptions of whether the leader’s behavior embodies important corporate values. At one company, for example, employees concluded that...
their CEO’s behavior had betrayed the very corporate values that he had been instrumental in establishing. As they perceived the CEO’s behavior deviating more and more from those values, employees gradually concluded that he had “sold out,” and they became disillusioned with his leadership.

That disillusionment was a far cry from the initial perceptions employees had of their CEO. Consider the situation at Maverick when the CEO, John Bryant (both fictionalized names), started the company:

Bryant located Maverick’s offices in an unassuming warehouse district and gave each member of his small staff a festive company shirt with a logo on the back and their name stitched over the front pocket, like shirts mechanics wear. He provided a companywide profit-sharing plan, above-market salaries, and perks like free lunch on Friday, and he encouraged people to head home by six o’clock. He recruited employees whose varied races, backgrounds, and lifestyles broadcast Maverick’s commitment to diversity, and on the weekends he let a minority youth organization use the company’s offices. He spoke passionately to everyone about Maverick’s people-oriented values and promoted them in company posters, client materials, and the employee handbook.

In short, Bryant did everything right. And by all accounts, Maverick in its early years was a great place to work—employees were motivated, loyal, hardworking, and enthusiastically committed to the company and the ideals Bryant promoted (Edmondson & Cha, 2002, p. 18).

Then the finger-pointing began. As the small, young company more than doubled in size during the 1990s, a remarkable shift occurred in how employees perceived the company and its leader. They came to see Bryant as a hypocrite, whose behavior violated everything he continued to proclaim the company stood for. As a consequence, employee commitment and creativity declined sharply.

What could account for such an unfortunate turnaround? That’s not a simple question to answer, especially when the leader—Bryant himself—continued to see his own behavior in much more positive ways. Part of the answer to this enigma, it seems, involved a pivotal event in the company’s history. In 1995 Bryant decided to double the size of the company’s staff and operations. To him, this was a way to provide more professional growth and reward opportunities for staff. Employees, however, saw this as an act of greed on Bryant’s part that would erode company values by disrupting the small, close-knit family the company had been. They also saw other decisions by him as similarly self-serving. When he decided to give long-term employees shares in the company as a reward for their hard work, for example, other employees perceived this as inconsistent with the company’s commitment to equality. All the while this was happening, no one ever let Bryant himself know that perceptions of him had taken a 180-degree turn.

In doing a sort of organizational postmortem of what happened at Maverick, it became clear that over time employees had implicitly and unconsciously shaped their understanding of the company’s values to correspond more closely with their own. For example, employees came to believe that hierarchies of position and power were inconsistent with Maverick’s values. In fact, no one ever had said anything like that. Thus, Bryant’s behavior was inconsistent with company values.
as the employees had come to understand them, even though it wasn’t inconsistent with Bryant’s understanding of the values on which he’d founded the company.

There’s an important lesson for leaders in this story that’s hinted at in Bryant’s own lack of awareness of the growing negative perceptions of his behavior. It’s unlikely that subordinate members of an organization will offer unsolicited negative perceptions to leaders when they think that the latter have violated the values. It’s essential, then, for leaders themselves to proactively invite discussion by regularly asking people what they’re thinking and feeling. You don’t want to be caught blind-sided like John Bryant was (Edmondson & Cha).

When Good People Do Bad Things
An important aspect of ethical conduct involves the mental gymnastics by which people can dissociate their moral thinking from their moral acting. One’s ability to reason about hypothetical moral issues, after all, does not assure that one will act morally. Furthermore, one’s moral actions may not always be consistent with one’s espoused values. Bandura (1986, 1990), in particular, has pointed out several ways people with firm moral principles nonetheless may behave badly without feeling guilt or remorse over their behavior. We should look at each of these.

Moral justification involves reinterpreting otherwise immoral behavior in terms of a higher purpose. This is most dramatically revealed in the behavior of combatants in war.

Moral reconstrual of killing is dramatically illustrated by the case of Sergeant York, one of the phenomenal fighters in the history of modern warfare. Because of his deep religious convictions, Sergeant York registered as a conscientious objector, but his numerous appeals were denied. At camp, his battalion commander quoted chapter and verse from the Bible to persuade him that under appropriate conditions it was Christian to fight and kill. A marathon mountainside prayer finally convinced him that he could serve both God and country by becoming a dedicated fighter. (Bandura, 1990, p. 164)

Another way to dissociate behavior from one’s espoused moral principles is through euphemistic labeling. This involves using “cosmetic” words to defuse or disguise the offensiveness of otherwise morally repugnant or distasteful behavior. Terrorists, for example, may call themselves “freedom fighters,” and firing someone may be referred to as “letting him go.” Advantageous comparison lets one avoid self-contempt for one’s behavior by comparing it to even more heinous behavior by others (“If you think we’re insensitive to subordinates’ needs, you should see what it’s like working for Acme”). Through displacement of responsibility people may violate personal moral standards by attributing responsibility to others. Nazi concentration camp guards, for example, attempted to avoid moral responsibility for their behavior by claiming they were merely “carrying out orders.”

A related mechanism is diffusion of responsibility, whereby reprehensible behavior becomes easier to engage in and live with if others are behaving the same way. When everyone is responsible, it seems, no one is responsible. This way of minimizing individual moral responsibility for collective action can be one negative effect of group decision making. Through disregard or distortion of consequences, people minimize the harm caused by their behavior. This can be a problem in bureaucracies
when decision-makers are relatively insulated by their position from directly observing the consequences of their decisions. Dehumanization is still another way of avoiding the moral consequences of one’s behavior. It is easier to treat others badly when they are dehumanized, as evidenced in epithets like “gooks” or “satan-worshippers.” Finally, people sometimes try to justify immoral behavior by claiming it was caused by someone else’s actions. This is known as attribution of blame.

How widespread are such methods of minimizing personal moral responsibility? When people behave badly, Bandura (1977) said, it is not typically because of a basic character flaw; rather, it is because they use methods like these to construe their behavior in a self-protective way.

Darley (1994) suggested still another way people justify seemingly unethical conduct, and his observations illuminate certain common leadership practices. Darley said ethical problems are almost inherent in systems designed to measure performance. Darley said ethical problems are almost inherent in systems designed to measure performance.

The more any quantitative performance measure is used to determine a group’s or an individual’s rewards and punishments, the more subject it will be to corruption pressures and the more apt it will be to distort and corrupt the action patterns and thoughts of the group or individual it is intended to monitor. . . The criterial control system unleashes enormous human ingenuity. People will maximize the criteria set. However, they may do so in ways that are not anticipated by the criterion setters, in ways that destroy the validity of the criteria. The people “make their numbers” but the numbers no longer mean what you thought they did. (Darley, 1994)

This has been called Darley’s law, and it is exemplified in a story from Joseph Heller’s novel Catch-22. You can read about it in Highlight 6.6, though Darley’s law is not limited to fiction. Halberstam (1986) described another organization in which the “numbers game” had a corrupting effect. In this case, it was in the Ford Motor Company. In the eyes of those who worked in Ford plants around the country in the 1950s, Detroit “number crunchers” like Robert McNamara (later a secretary of defense during the Vietnam War) did not want to know the truth. McNamara and his people in Detroit were the ones who kept making liberal agreements with the unions and at the same time setting higher and higher levels of production while always demanding increased quality. They talked about quality, but they did not give the plant managers the means for quality; what they really wanted was production. So the plant managers were giving them what they wanted, numbers, while playing lip service to quality. Years later in Vietnam, some American officers, knowing McNamara’s love of numbers, cleverly juggled the numbers and played games with body counts in order to make a stalemated war look more successful than it was. They did this not because they were dishonest, but because they thought if Washington really wanted the truth it would have sought the truth in an honest way. In doing so they were the spiritual descendants of the Ford factory managers of the 1950s (p. 220).

Darley described three general problems that can arise when performance measurement systems are put in place. A person might cheat on the measurement system by exploiting its weaknesses either in hopes of advancement or through
fear of falling behind. Or, even with the best will in the world, a person might act in a way that optimizes his or her performance measurements without realizing that this outcome was not what the system really intended. Finally, a person may even have the best interests of the system in mind and yet manipulate the performance measurement system to allow continuation of the actions that best fulfill his or her reading of the system goals. One major disadvantage of this particular approach is that it “takes underground” constructive dialogue about system goals or modifications in system measurements.

What, ethically, should one do when one is part of a performance measurement system? Darley suggested “that the time for the individual to raise the moral issue is when he or she feels the pressure to substitute accountability for morality, to act wrongly, because that is what the system requires. And that intervention might then be directed at the system, by honorably protesting its design.” For those who are governed by a performance measurement system, a constant moral vigilance is necessary—it is needed most of all by those in leadership positions.

**Catch-22**

**Highlight 6.6**

This story is about Yossarian, the central character of Joseph Heller’s novel *Catch-22*. It demonstrates how a performance measurement system can create forces that morally corrupt the individuals functioning within that system.

During World War II, the allied high command needed some measure of when each bomber crew flying over Germany had “done enough.” The answer they came up with was simply to count the number of bombing missions each crew had flown. It seemed to demand a commensurate risk among all concerned, and also seemed correlated with other primary objectives like the number of enemy factories destroyed. After flying a certain number of missions, crews expected to be rotated back to the states.

What was Yossarian’s story? Terrified of flying the dangerous combat missions assigned to him, he flew his B-29 on different and infinitely safer routes over the open ocean. He simply dropped the plane’s entire payload of bombs there over water. From the point of view of the military indicator of missions flown, these were successful missions which even earned Yossarian points toward a safe follow-on assignment. Driven by fear, Yossarian had corrupted the indicator from one that was correlated with organizational success to one that was arguably negatively correlated with organizational success.

You might wonder whether this proves the indicator was inherently flawed. Wasn’t the bomber command justified in designing the measurement system without consideration of this particular possibility? Was it not entitled to assume American soldiers would not commit acts of treasonous cowardice? The intriguing point of Heller’s novel is that Yossarian’s act was a perfectly normal response to the particular dynamics in which it arose. In Heller’s novel, Yossarian’s commanders were cheating on the system themselves! Some, for example, were trying to gain promotion by raising the number of missions required to go home while not flying any missions themselves. Other commanders let friends and favorites accumulate missions by flying “milk runs” in which little enemy opposition was experienced. Still other leaders tried to get credit for bombing missions even though, in fact, they had not flown any. The leadership itself, in other words, destroyed any possibility that pilots like Yossarian would see any moral barriers to cheating. Corruption is contagious, and Darley suggests that performance measurement systems inherently invite widespread corruption.

**Source:** Adapted from Darley (1994).
Leading across Cultures

A rather common problem for office managers in the United States is controlling the use of the office copier. Frequently, office managers publish policies and procedures to govern use of the machines, and hence control administrative costs. When a U.S. manager of a water resources project in Indonesia did the same thing, however, an action he considered routine, he was accused of insensitivity to Indonesian ways—in fact, accused not just of unfriendliness but of unethical behavior. After a series of similar incidents, he lost his job. Leading across cultures requires an appreciation of the sometimes profound differences in the value systems of other cultures.

What Is Culture?

A good starting place for understanding differences in cultural value systems is with the concept of culture itself. Culture refers to those learned behaviors characterizing the total way of life of members within any given society. Cultures differ from one another just as individuals differ from one another. To outsiders, the most salient aspect of any culture typically involves behavior—the distinctive actions, mannerisms, and gestures characteristic of that culture. Americans visiting Thailand, for example, may find it curious and even bothersome to see male Thais hold hands with each other in public. They may react negatively to such behavior since it is untypical to them, and laden with North American meaning (e.g., “It’s okay for women to hold hands in public, but men just shouldn’t do that!”). Salient as such behaviors are, however, they are also just the tip of the iceberg. The “mass” of culture is not so readily visible, just as most of an iceberg lies beneath the water. Hidden from view are the beliefs, values, and myths that provide context to manifest behaviors (Kohls, 1984). A clear implication for business leaders in the global context, therefore, is the need to become aware and respectful of cultural differences and cultural perspectives. Barnum (1992) pointed out the importance of being able to look at one’s own culture through the eyes of another:

Consciously or unconsciously they will be using their own beliefs as the yardsticks for judging you, so know how to compare those yardsticks by ferreting out their values and noting where they differ the least and most from yours. For example, if their belief in fatalism outweighs your belief in accountability, there will be conflicts down the road. This is a severe problem in the Middle East, for instance, and affects management styles in companies and even the ability to market life insurance, which is frowned upon in communities where Muslim observances are strong. (p. 153)

A Framework for Understanding Cultural Differences

Thus, it can be helpful to see one’s own culture through the eyes of another; just as it also can be helpful to see other cultures through eyes unbiased (or at least less biased) by one’s own filters. Hofstede (1980) described four dimensions of cultural values and beliefs: individualism versus collectivism, masculinity versus femininity, tolerance versus intolerance of uncertainty, and power distance versus power
equalization. More recently, researchers at the Center for Creative Leadership have developed a conceptual framework for analyzing cultural differences based on seven fundamental dilemmas that people of all cultures face (Wilson, Hoppe, & Sayles, 1996). Let us look at each of these seven dilemmas in greater detail.

**Source of Identity: Individual–Collective.** This deals with the degree to which individuals should pursue their own interests and goals or contribute to a larger group, whether extended family, ethnic group, or company.

**Goals and Means of Achievement: Tough–Tender.** This deals with how success is defined in a culture. Is it defined by tangible rewards like financial success and material well-being or by intangible rewards such as good relationships with others or spiritual satisfaction?

**Orientation to Authority: Equal–Unequal.** How should people of different status, authority, or power behave toward each other—as equals or unequals?

**Response to Ambiguity: Dynamic–Stable.** To what extent is uncertainty accepted or tolerated? In running an organization, are tight controls and structure imposed to ensure certainty, or is greater tolerance for ambiguity and uncertainty evident via loose or nonexistent control systems?

**Means of Knowledge Acquisition: Active–Reflective.** Is action or reflection more valued as a means of acquiring information and knowledge?

**Perspective on Time: Scarce–Plentiful.** Is the sense or experience of time urgent or relaxed?

**Outlook on Life: Doing–Being.** Which is preferred—mastery over nature or living in harmony with nature? Is the outcome of life more dependent upon human effort or on the expression of divine will?

You probably can see how misunderstandings and slights can occur when people from different cultures are working together, but let us look at two specific applications of this scheme. First, consider the historic U.S. emphasis on individualism (e.g., the focus on self-confidence, self-control, self-concept, self-expression, or the way rugged individualists are heroically portrayed in film, television, and literature) and how it might impact work. Given an individualist perspective, certain management practices and expectations seem self-evident, such as the idea of individual accountability for work. When individual accountability is valued, for example, decision-making authority tends to be delegated to individual managers. What’s more, those same managers may be inclined to take personal credit when the job is well done. A different norm, however, applies in industrialized Japan. Decision making is often very time-consuming, to assure that everyone who will be impacted by a decision has input on it beforehand. Another “self-evident” principle to the U.S. mind is that individual career progress is desirable and “good.” In some other cultures, however, managers resist competing with peers for rewards or promotions so as not to disturb the harmony of the group or appear self-interested.

Another example of potential conflict or misunderstanding can be seen in the case of orientation to authority, how people should handle power and authority re-
relationships with others. The United States is a relatively young and mobile country, populated mostly by immigrants. Relative to other countries, there is little concern with family origin or class background. There is a belief that success should come through an individual’s hard work and talent, not by birthright or class standing. This all leads to a relative informality at work, even among individuals of strikingly different position within a company. Subordinates expect their bosses to be accessible, even responsive in some ways to their subordinates. In some other cultures, however, higher status in a company confers nearly unchallengeable authority, and an expectation as well that most decisions will be referred up to them (as distinguished from delegated down to others). You can see even from these two examples that the seven dimensions of cultural values create quite an array of possible tensions between people from different cultures working together.

The Universality of Leadership Attributes

It is an interesting question whether the attributes of effective leaders are shared universally around the world, or whether different attributes of leadership are valued more in some cultures than in others. A very ambitious project known as the GLOBE research program is addressing that question. Its goal is to develop an empirically based theory of leadership to help predict the effectiveness of leader and organizational practices in different countries. The GLOBE program has been going on since 1993, collecting data from over 17,000 middle managers from 92 different countries. So far, the project has identified 21 specific attributes and behaviors that are viewed universally across cultures as contributing to leadership effectiveness (House et al., 1999). They are listed in Table 6.4. In addition, the project has identified eight characteristics that were universally viewed as impediments to leader effectiveness (see Table 6.5). And GLOBE has identified 35 leader characteristics that are viewed as positive in some cultures but negative in others (see Table 6.6).

I do believe in the spiritual nature of human beings. To some it’s a strange or outdated idea, but I believe there is such a thing as a human spirit. There is a spiritual dimension to man which should be nurtured.

Aung San Suu Kyi

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<tr>
<th>TABLE 6.4</th>
<th>Leader Attributes and Behaviors Universally Viewed as Positive</th>
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<td>Trustworthy</td>
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<td>Encouraging</td>
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<td>Informed</td>
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Implications for Leadership Practitioners

The perspectives and findings presented in this chapter have significant implications for leadership practitioners. Perhaps most important, leadership practitioners should expect to face a variety of challenges to their own system of ethics, values, or attitudes during their careers. Additionally, values often are a source of interpersonal conflict. Although we sometimes say two people don’t get along because of a personality conflict, often these conflicts are due to differences in value systems, not personality traits. Often, people on either side of an issue see only themselves and their own side as morally justifiable. Nonetheless, people holding seemingly antithetical values may still need to work together, and dealing with diverse and divergent values will be an increasingly common challenge for leaders. As noted earlier, interacting with individuals and groups holding divergent and conflicting values will be an inevitable fact of life for future leaders. This does not mean, however, that increased levels of interpersonal conflict are inevitable. Both leaders and followers might be well advised to minimize the conflict and tension often associated with value differences. Leaders in particular have a responsibility not to let their own personal values interfere with professional leader–subordinate relationships unless the conflicts pertain to issues clearly relevant to the work and the organization.

Summary

This chapter reviews evidence regarding the relationships between values and leadership. Values are constructs that represent general sets of behaviors or states of affairs that individuals consider to be important, and they are a central part of a leader’s psychological makeup. Values impact leadership through a cultural context within which various attributes and behaviors are regarded differentially—positively or negatively.
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Questions
1. Do you think it always must be “lonely at the top” (or that if it is not, you are doing something wrong)?
2. How do you believe one’s basic philosophy of human nature affects one’s approach to leadership?
3. Identify several values you think might be the basis of conflict or misunderstanding between leaders and followers.
4. Can a leader’s public and private morality be distinguished? Should they be?
5. Can a bad person be a good leader?
6. Are there any leadership roles men and women should not have equal opportunity to compete for?

Skills
Leadership skills relevant to this chapter include:
- Communication
- Listening
- Managing conflict
- Credibility

Activity
1. Each person should select his or her own 10 most important values from the following list, and then rank-order those 10 from most important (1) to least important (10). Then have an open discussion about how a person’s approach to leadership might be influenced by having different “highest priority” values. The values are: Achievement, Activity (keeping busy), Advancement, Adventure, Aesthetics (appreciation of beauty), Affiliation, Affluence, Authority, Autonomy, Balance, Challenge, Change/Variety, Collaboration, Community, Competence, Competition, Courage, Creativity, Economic Security, Enjoyment, Fame, Family, Friendship, Happiness, Helping Others, Humor, Influence, Integrity, Justice, Knowledge, Location, Love, Loyalty, Order, Personal Development, Physical Fitness, Recognition, Reflection, Responsibility, Self-Respect, Spirituality, Status, Wisdom.
2. Explore how the experiences of different generations might have influenced the development of their values. Divide into several groups and assign each group the task of selecting representative popular music from a specific era. One group, for example, might have the 1950s, another the Vietnam War era, and another the 1990s. Using representative music from that era, highlight what seem to be dominant concerns, values, or views of life during that period.
Gary Erickson is a man of integrity. In the spring of 2000 Erickson had an offer of more than $100 million from a major food corporation for his company Clif Bar, Inc. He had founded Clif Bar, Inc., in 1990 after a long bike ride. Erickson, an avid cyclist, had finished the 175-mile ride longing for an alternative to the tasteless energy bars he had brought along. “I couldn’t make the last one go down, and that’s when I had an epiphany—make a product that actually tasted good.” He took a look at the list of ingredients on the package and decided he could do better. He called on his experience in his family’s bakery and after a year in the kitchen, the Clif Bar—named for Erickson’s father—was launched in 1992. Within five years sales had skyrocketed to $20 million. He considered the $100 million offer on the table and what it meant for his company and decided against the deal. He realized that the vision he had for the company would be compromised once he lost control, so he walked away from the $100 million deal.

He has stuck to his vision and values ever since. His commitment to environmental and social issues are evident in everything he does. On the environmental front, his company has a staff ecologist who is charged with working to reduce Clif Bar’s ecological footprint on the planet. More than 70 percent of the ingredients in Clif Bars are organic. A change in packaging has saved the company (and the planet) 90,000 pounds of shrink-wrap a year. And the company funds a Sioux wind farm to offset the carbon dioxide emissions from its factories. On the social side, Erickson launched a project called the 2,080 program (2,080 is the total number of hours a full-time employee works in one year). Through the 2,080 program employees are encouraged to do volunteer work on company time. Recently Erickson agreed to support employees who wanted to volunteer in Third World countries with salaries and travel expenses.

Erickson is also committed to his team. He thinks about things like, “What should our company be like for the people who come to work each day?” He sees work as a living situation and strives to make Clif Bar, Inc.’s offices a fun place to be—there are plenty of bikes around; a gym and dance floor; personal trainers; massage and hair salon; a game room; an auditorium for meetings, movies, and music; dog days everyday; and great parties.

As the company grows, however, maintaining such values may not be easy. Clif Bar already has 130 employees, and revenue has been rising by more than 30 percent a year since 1998, according to Erickson. “We’re at a point where we have to find a way to maintain this open culture while we may be getting bigger,” says Shelley Martin, director of operations. “It’s a balancing act.”

1. Without knowing Gary Erickson’s age, where would you guess he falls in the four generations of workers as delineated by Zemke?

2. Consider the key work values in Table 6.2. Recalling that leaders are motivated to act consistently with their values, what values appear to be most important to Gary Erickson? How does this compare to the leadership values profile for the Vice President of Product Development in Figure 6.3?
3. Clif Bar, Inc., possesses a definite set of organizational values. If you visit the company website (www.clifbar.com) you will see evidence of these values: “Fight Global Warming” and “Register to Vote” are just as prominent as information about the product. Knowing some of the values of Gary Erickson, how closely aligned do you think the organizational values are to the way the company actually operates?

Leadership Traits

Introduction

Powell’s Rules for Picking People: Look for intelligence and judgment and, most critically, a capacity to anticipate, to see around corners. Also look for loyalty, integrity, a high energy drive, a balanced ego, and the drive to get things done.

Colin Powell

In Chapter 1 leadership was defined as “the process of influencing an organized group toward accomplishing its goals.” Given this definition, one question that leadership researchers have tried to answer over the past 100 years is whether certain personal attributes or characteristics help or hinder the leadership process. In other words, does athletic ability, height, personality, intelligence, or creativity help a leader to influence a group? Put in the context of our three leaders, are Colin Powell, Aung San Suu Kyi, or Peter Jackson smarter, more creative, more ambitious, or more outgoing than their less successful counterparts? Do these three leaders act in fundamentally different ways than their followers, and are these differences in behavior due to differences in their innate intelligence, certain personality traits, or creative ability? If so, then could these same characteristics also be used to differentiate successful from unsuccessful leaders, executives from first-line supervisors, or leaders from individual contributors? It was questions like these that led to what was perhaps the earliest theory of leadership, the Great Man theory (Stogdill, 1974).

The roots of the Great Man theory can be traced back to the early 1900s, when many leadership researchers and the popular press maintained that leaders and followers were fundamentally different. This led to hundreds of research studies that looked at whether certain personality traits, physical attributes, intelligence, or personal values differentiated leaders from followers. Stogdill (1948) was the first leadership researcher to summarize the results of these studies, and he came to two major conclusions. First, leaders were not qualitatively different than followers; many followers were just as tall, smart, outgoing, and ambitious as the people who
were leading them. Second, some characteristics, such as intelligence, initiative, stress tolerance, responsibility, friendliness, and dominance, were modestly related to leadership success. In other words, people who were smart, hardworking, conscientious, friendly, or willing to take charge were often more successful in influencing a group to accomplish its goals than people who were less smart, lazy, impulsive, grumpy, or did not like giving orders. Having “the right stuff” in and of itself was no guarantee of leadership success, but it did improve the odds of successfully influencing a group toward the accomplishment of its goals.

Subsequent reviews by Mann (1959) and Stogdill (1974) involving hundreds of more sophisticated studies came to the same two conclusions. Although these three reviews provided ample evidence that people with the right stuff were more likely to be successful as leaders, many leadership researchers focused solely on the point that leaders were not fundamentally different than followers. They erroneously concluded that personal characteristics could not be used to predict future leadership success; as a result most of the subsequent research shifted toward other leadership phenomena. It was not until the publication of seminal articles by Lord, DeVader, and Allinger (1986) and Hogan, Curphy, and Hogan (1994) that intelligence and personality regained popularity with leadership researchers. Because of these two articles and subsequent leadership research, we now know a lot about how intelligence and various personality traits help or hinder leaders in their efforts to influence others. This research also provided insight on the role that various situational and follower characteristics have in affecting how a leader's intelligence and personality play out in the workplace. The purpose of this chapter is to summarize what we currently know about personality, intelligence, and leadership. As an overview, this chapter defines personality, intelligence, creativity, and emotional intelligence, reviews some of the key research findings for these concepts, and discusses the implications of this research for leadership practitioners.

Personality Traits and Leadership

What Is Personality?

There is an optical illusion about every person we ever meet. In truth, they are all creatures of a given temperament, which will appear in a given character, whose boundaries they will never pass: but we look at them, they seem alive, and we presume there is impulse in them. In the moment, it seems like an impulse, in the year, in the lifetime, it turns out to be a certain uniform tune, which the revolving barrel of the music box must play.

*Ralph Waldo Emerson*

Despite its common usage, Robert Hogan (1991) noted that the term **personality** is fairly ambiguous, and has at least two quite different meanings. One meaning
refers to the impression a person makes on others. This view of personality emphasizes a person’s social reputation and reflects not only a description but also an evaluation of the person in the eyes of others. From the standpoint of leadership, this view of personality addresses two distinct issues: “What kind of leader or person is this?” and “Is this somebody I would like to work for or be associated with?” In a practical sense, this view of personality comes into play whenever you describe the person you work for to a roommate or friend. For example, you might describe him or her as pushy, honest, outgoing, impulsive, decisive, friendly, and independent. Furthermore, whatever impression this leader made on you, chances are others would use many of the same terms of description. In that same vein, many people would probably say that Colin Powell is self-confident, friendly, conventional, outgoing, and achievement-oriented, and that he handles pressure well.

The second meaning of personality emphasizes the underlying, unseen structures and processes inside a person that explain why we behave the way we do; why each person’s behavior tends to be relatively similar across different situations, yet also different from another person’s behavior. Over the years psychologists have developed many theories to explain how such unseen structures may cause individuals to act in their characteristic manner. For example, Sigmund Freud (1913) believed that the intrapsychic tensions among the id, ego, and superego caused one to behave in characteristic ways even if the real motives behind the behaviors were unknown (i.e., unconscious) to the person. Although useful insights about personality have come from many different theories, most of the research addressing the relationship between personality and leadership success has been based on the trait approach, and that emphasis is most appropriate here.

“Traits refer to recurring regularities or trends in a person’s behavior” (R. Hogan, 1991, p. 875), and the trait approach to personality maintains that people behave the way they do because of the strengths of the traits they possess. Although traits cannot be seen, they can be inferred from consistent patterns of behavior and reliably measured by personality inventories. For example, the personality trait of dependability differentiates leaders who tend to be hardworking and rule abiding from those who do not like to work hard and are more prone to break rules. Leaders getting higher scores on the trait of dependability on a personality inventory would be more likely to come to work on time, do a thorough job in completing work assignments, and rarely leave work early. We would also infer that leaders getting lower scores on the trait of dependability would be late to work more often, make impulsive decisions, or fail to follow through with commitments.

Personality traits are useful concepts for explaining why people act fairly consistently from one situation to the next. This cross-situational consistency in behavior may be thought of as analogous to the seasonal weather patterns in different cities (Hogan, Hogan, & Roberts, 1996; Roberts, 1996). We know that it is extremely cold and dry in Minneapolis in January, and hot and humid in Hong Kong in August. Therefore, we can do a pretty good job predicting what the weather will generally be like in Minneapolis in January, even though our predictions for any particular day will not be perfect. Although the average temperature in Minneapolis hovers around 20°F, the temperature ranges from −30°F to 30°F on any single day in January. Similarly, knowing how two people differ on a particular
personality trait can help us predict more accurately how they will tend to act in a variety of situations.

Just as various climate factors can affect the temperature on any single day, so can external factors affect a leader’s behavior in any given situation. The trait approach maintains that a leader’s behavior reflects an interaction between his or her personality traits and various situational factors (see, for example, Highlight 7.1.) Traits play a particularly important role in determining how people behave in unfamiliar, ambiguous, or what we might call weak situations. On the other hand, situations that are governed by clearly specified rules, demands, or organizational policies—strong situations—often minimize the effects traits have on behavior (Curphy, 1997a, c, 1996b; Hogan & Holland, 2003; Tett & Burnett, 2003).

The strength of the relationship between personality traits and leadership effectiveness relationship is often inversely related to the relative strength of the situation (i.e., personality traits are more closely related to leadership effectiveness in weak situations). Given the accelerated pace of change in most organizations today, it is likely that leaders will be facing even more unfamiliar and ambiguous situations in the future. Therefore, personality traits may play an increasingly important role in a leader’s behavior. If organizations can accurately identify those personality traits and the individuals who possess them, then they should be able to do a better job promoting the right people into leadership positions. And if the right people are in leadership positions, the odds of achieving organizational success should be dramatically improved. The next section describes some of the

**Personality and the Presidency**

**Highlight 7.1**

Traits are unseen dispositions that can affect the way people act. Their existence can be inferred by a leader’s consistent pattern of behaviors. One way of examining a leader’s standing on the trait of achievement orientation is to examine one’s achievements and accomplishments over the life span. Leaders with higher levels of achievement orientation tend to set high personal goals and are persistent in the pursuit of these goals. When considering the following leader’s achievements and accomplishments, think about this person’s standing on this personality trait, and try to guess who this person might be:

- **Age 23:** lost a job.
- **Age 23:** was defeated in bid for state legislature.
- **Age 24:** failed in business venture.
- **Age 25:** was elected to legislature.
- **Age 26:** sweetheart died.
- **Age 27:** experienced several emotional problems.
- **Age 27:** was defeated in bid to be speaker of the house.
- **Age 34:** was defeated for nomination to Congress.
- **Age 37:** was elected to Congress.
- **Age 39:** lost renomination to Congress.
- **Age 40:** was defeated in bid for land office.
- **Age 45:** was defeated in bid for U.S. Senate.
- **Age 47:** was defeated for nomination to be vice president.
- **Age 49:** was defeated in bid for Senate a second time.
- **Age 51:** was elected president of the United States.

The person was Abraham Lincoln.
efforts researchers have taken to identify those personality traits related to leadership effectiveness.

The Five Factor Model of Personality: The Bright Side of Personality

Although personality traits provide a useful approach to describing distinctive, cross-situational behavioral patterns, one potential problem is the sheer number of traitlike terms available to describe another’s stereotypical behaviors. As early as 1936 Allport and Odbert identified over 18,000 trait-related adjectives in a standard English dictionary. Despite this large number of adjectives, research has shown that most of the traitlike terms people use to describe others’ behavioral patterns could be reliably categorized into five broad personality dimensions. Historically, this five-dimension model was first identified by Webb in 1915 (Deary, 1996) and independently verified by Thurstone (1934), but over the years a number of researchers using very diverse samples and assessment instruments have noted similar results (see Hogan, Curphy, & Hogan, 1994). Given the robustness of the findings, there appears to be a compelling body of evidence to support these five dimensions of personality. These dimensions are referred to in the personality literature as the **Five Factor Model (FFM) of personality**, and most modern personality researchers endorse some version of this model (Azar, 1995; Barrick & Mount, 1996; Curphy, 1998b; Hogan, 1991; Costa & McCrae, 1992, 1995; Hogan, Hogan, & Roberts, 1996; Barrick, 1999; Quirk & Fondt, 2000; Curphy, 2003c).

At its core, the FFM of personality is a categorization scheme. Most, if not all, of the personality traits that you would use to describe someone else could be reliably categorized into one of the FFM personality dimensions. A description of the model can be found in Table 7.1. The five major dimensions include surgency, dependability, agreeableness, adjustment, and intellectance. Perhaps the easiest way to understand this categorization scheme is to describe how our three world leaders would fall into each of the FFM categories.

**Surgency** (also referred to as dominance, self-confidence, the need for power, or dynamic) involves patterns of behavior often exhibited in group settings and generally concerned with getting ahead in life (Michel & Hogan 1996; Hogan, 2000; Hogan & Holland, 2003; Curphy, 2003c). Such behavioral patterns often appear when someone is trying to influence or control others. Individuals higher in surgency are outgoing, competitive, decisive, impactful, and self-confident. Individuals lower in surgency prefer to work by themselves and have relatively little interest in influencing or competing with others.

Because leaders’ decisiveness, competitiveness, and self-confidence can affect their ability to successfully influence a group, it is not surprising that leaders often have higher surgency scores than nonleaders (Barrick, 1999; Hurtz & Donovan, 2000; Judge, Bono, Ilies, & Gerhardt, 2002; Hogan & Holland, 2003; Salgado, 2003). Given the behaviors associated with surgency, it is likely that our three world leaders would have higher surgency scores than most other people. More specifically, all three leaders appear to be driven, resourceful, goal oriented, and like influencing others, and as such they would all receive high scores on the Ambition dimension of Surgency. For example, Peter Jackson’s debut feature, *Bad Taste*, was an illustration of dogged perseverance. There was no budget for the
film; he paid for it all himself from his salary as a photo engraver. He had no equipment with which to make the film, so he bought a camera and built the rest himself. He had no cast or crew, but his friends volunteered, for a laugh. But the Sociability scores for our three leaders would vary dramatically. Peter Jackson and Aung San Suu Kyi do not have a high need to be around others. They can speak out on issues when necessary, but tend to work behind the scenes and avoid the limelight. Colin Powell, on the other hand, likes crowds and enjoys being the center of attention. He would likely have a much higher Sociability score than our other two key leaders.

Another FFM personality dimension is agreeableness (also known as empathy, friendliness, interpersonal sensitivity, or the need for affiliation). This personality dimension concerns how one gets along with, as opposed to getting ahead of, others (Hogan, 2000; Hogan & Holland, 2003; Curphy, 2003c). Individuals high in agreeableness tend to be empathetic, approachable, and optimistic; those lower in agreeableness are more apt to appear insensitive, distant, and pessimistic.

Because teamwork and cooperation are important components of group functioning, it should not be surprising that leaders often have higher agreeableness scores than people in individual contributor roles (Barrick, 1999; Sandal, Endressen, Vaernes, & Ursin, 1999; W. H. Burke, Barrett, & Mount, 2002; Hogan & Holland, 2003; Salgado, 2003). Chances are that all three of our key leaders have fairly high agreeableness scores—all project warm, down-to-earth, and approachable images and appear to be genuinely concerned about others.

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**TABLE 7.1**

<table>
<thead>
<tr>
<th>Five Factor Dimensions</th>
<th>Hogan Personality Inventory Dimensions</th>
<th>Behaviors/Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgency</td>
<td>Ambition</td>
<td>I like having responsibility for others.</td>
</tr>
<tr>
<td>Agreableness</td>
<td>Sociability</td>
<td>I have a large group of friends.</td>
</tr>
<tr>
<td></td>
<td>Interpersonal sensitivity</td>
<td>I am a sympathetic person.</td>
</tr>
<tr>
<td>Dependability</td>
<td>Prudence</td>
<td>I usually make “to do” lists.</td>
</tr>
<tr>
<td>Adjustment</td>
<td>Adjustment</td>
<td>I practice what I preach.</td>
</tr>
<tr>
<td>Openness to Experience</td>
<td>Inquisitive</td>
<td>I rarely get into trouble.</td>
</tr>
<tr>
<td></td>
<td>Learning Approach</td>
<td>I take personal criticism well.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I like traveling to foreign countries.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I like staying up to speed on certain topics.</td>
</tr>
</tbody>
</table>

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*If you need a friend in Washington, get a dog.*

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*Rule 14: When put into a position of command, do what is right.*

---

*Harry Truman*

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*Norman Schwarzkopf*
Dependability (also known as conscientiousness or prudence) does not involve interacting with others but rather concerns those behavioral patterns related to one’s approach to work. Leaders who are higher in dependability tend to be planful and hardworking, follow through with their commitments, and rarely get into trouble. Those who are lower in dependability tend to be more spontaneous, creative, and rule bending, and less concerned with following through with commitments. Like surgency and agreeableness, research shows that individuals with higher dependability scores are more likely to be effective leaders than those with lower scores (Judge, Bono, Ilies, & Gerhardt, 2002; Hogan & Holland, 2003; Salgado, 2003).

In many ways dependability may be more concerned with management than leadership tendencies. Although leaders with higher scores are planful, organized, goal oriented, and prefer structure, they also tend to be risk averse, uncreative, somewhat boring, and dislike change. Again, the situation will determine whether these tendencies can help or hinder a leader’s ability to influence a group toward the ac-
accomplishment of its goals. For our three world leaders, Colin Powell would likely have the highest dependability scores; Peter Jackson and Aung San Suu Kyi might have somewhat lower scores.

**Adjustment** (also known as emotional stability or self-control) is concerned with how people react to stress, failure, or personal criticism. Leaders higher in adjustment tend to be calm and tend not to take mistakes or failures personally, whereas those lower in adjustment may become tense, anxious, or exhibit emotional outbursts when stressed or criticized.

Followers often mimic a leader’s emotions or behaviors under periods of high stress, so leaders who are calm under pressure and thick-skinned can often help a group stay on task and work through difficult issues. Unfortunately, the opposite is also true. With her calm demeanor and high stress tolerance, Aung San Suu Kyi would probably have the highest adjustment scores of our three world leaders. Colin Powell would also have fairly high scores. Peter Jackson is more emotionally expressive and would likely have lower than average adjustment scores.

Those behavioral patterns dealing with how one approaches problems, learns new information, and reacts to new experiences are related to the personality dimension of **openness to experience** (also known as intellectance, curiosity, inquisitiveness, and learning approach). Leaders higher in openness to experience tend to be imaginative, broad-minded, curious, and are more strategic, big-picture thinkers; they seek out new experiences through travel, the arts, movies, sports, reading, going to new restaurants, or learning about new cultures. Individuals lower in openness to experience tend to be more practical and have narrower interests; they like doing things the tried-and-true way rather than experimenting with new ways. It is important to note that openness to experience is not the same thing as intelligence—smart people are not necessarily intellectually curious. Our three world leaders all appear to be open to new experiences and intellectually curious. All are well traveled, have a broad set of interests, and are more strategic, big-picture thinkers; therefore, they would all have higher than average openness to experience scores.

Like the other FFM dimensions, research has shown that openness to experience is an important component of leadership effectiveness (Judge, Bono, Ilies, & Gerhardt, 2002; Hogan & Holland, 2003; Leivens, Harris, Van Keer, & Bisqueret, 2003; Salgado, 2003). Openness to experience seems particularly important at higher organizational levels or for overseas assignments. For example, people with higher openness to experience scores like to take a more strategic approach to solving problems. These higher scores help business unit leaders and CEOs to keep abreast of market trends, competitive threats, new products, and regulatory changes. And because people with higher openness to experience scores also like new and novel experiences, they often enjoy the challenges associated with living and leading in foreign countries.
Implications of the Five Factor Model

The trait approach and the FFM provide leadership researchers and practitioners with several useful tools and insights. For one, personality traits provide researchers and practitioners with an explanation for leaders’ and followers’ tendencies to act in consistent ways over time. They help us to understand why some leaders are dominant versus deferent, outspoken versus quiet, planful versus spontaneous, warm versus cold, and so forth. It is also important to note that the behavioral manifestations of personality traits are often exhibited automatically and without much conscious thought. People high in surgency, for example, will often maneuver to influence or lead whatever groups or teams they are a part of without even thinking about it. Although personality traits predispose us to act in certain ways, we can nonetheless learn to modify our behaviors through experience, feedback, and reflection.

As seen in Figure 7.1, personality traits are one of the key components of behavior and are relatively difficult to change. Moreover, because personality traits tend to be stable over the years and the behavioral manifestations of traits occur somewhat automatically, it is extremely important for leaders, and leaders to be, to have insight into their personalities. For example, consider a leader who is relatively low in the trait of adjustment, but also is deciding whether to accept a high-stress/high-visibility job. On the basis of his personality trait scores alone, we might predict that this leader could be especially sensitive to criticism, and could be moody and prone to emotional outbursts. If the leader understood that he may have issues dealing with stress and criticism, then he could choose not to take the position, modify the situation to reduce the level of stress, or learn techniques for effectively dealing with these issues. A leader who lacked this self-insight would probably make poorer choices and have more difficulties coping with the demands of this position (Curphy, 1996a).

The FFM has proved to be very useful in several different ways. It is fairly robust, and most personality researchers currently embrace some form of the Big Five model (Azar, 1995; Barrick, 1999; Mount, Barrick, & Strauss, 1994; Barrick & Mount, 1996; Curphy, 1998b; Hogan, Hogan, & Roberts, 1996; Howard & Howard, 1995; Hurtz & Donovan, 2000; Judge, Bono, Ilies, & Gerhardt, 2002; Hogan & Holland, 2003; Tett & Burnett, 2003; Salgado, 2003). Furthermore, the model has proved to be a very useful scheme for categorizing the findings of the personality-leadership performance research. Because of the results of this research, organiza-

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**FIGURE 7.1**
The building blocks of skills.
tions now use the results of FFM personality assessments for hiring new leaders, providing leaders with developmental feedback about various personality traits, and as a key component in succession planning processes to promote leaders.

Another advantage of the FFM is that it is a useful method for profiling leaders. For example, a business unit leader’s results on a FFM personality assessment, the Hogan Personality Inventory (Hogan & Hogan, 2002) can be found in Figure 7.2. According to this profile, this leader will generally come across to others as optimistic, resilient, and calm under pressure (high Adjustment); self-confident, goal oriented, and competitive (high Ambition); outgoing, liking to be the center of attention, but also distractible and a poor listener (high Sociability); diplomatic and charming, but will have trouble dealing with performance problems (high Interpersonal Sensitivity); planful and rule abiding (high Prudence); a strategic, big-picture thinker (high Inquisitive); but who prefers to learn using a just-in-time, hands-on approach as opposed to sitting in a classroom setting. Other leaders will have different behavioral tendencies, and knowing this type of information before someone gets hired or promoted into a leadership position can help improve the odds of organizational success.

When aggregated, these individual personality profiles can yield some interesting results. For example, Mumford, Zaccaro, Johnson, Diana, Gilbert, and Threlfall (2000) reported that a unique set of personality traits differentiated senior leaders in operational units compared with those in staff functions in the U.S. Army. Heckman and Roberts (1997) showed that engineers and accountants tended to be lower in the trait of surgency but higher in the trait of dependability. On the other hand, marketing and sales place a premium on creativity and on influencing others, and people in these occupations tended to be higher in surgency but lower in dependability. There is a compelling body of evidence showing that surgency, agreeableness, dependability, adjustment, and openness to experience are all positively correlated with leadership success—the higher the scores on these five FFM dimensions, the more likely an individual will be an effective leader (Curphy, 2001, 2003c, 2004e; Hogan, Curphy, & Hogan, 1994; Barrick, 1999; Quirk & Fandt, 2000;

![FIGURE 7.2](image-url)

Leadership potential profile.

Source: Adapted with permission from Hogan Assessment Systems.
Hurtz & Donovan, 2000; Judge, Higgins, Thoresen, & Barrick, 1999; Judge, Bono, Ilies, & Gerhardt, 2002; Hogan & Holland, 2003; Tett & Burnett, 2003; Salgado, 2003). Some of this research also showed that surgency is the best predictor of a leadership job offer after an interview and successful completion of an overseas leadership assignment (Caldwell & Burger, 1998; Caliguiri, 2000). Agreeableness and openness to experience are also key factors in completing overseas leadership assignments and working in tightly confined team situations, such as submarine crews (Sandal, Endressen, Vaernes, & Ursin, 1999; Lievens, Harris, Van Keer & Bisqueret, 2003). Dependability is related to the amount of time people take to prepare for an interview and their overall job performance and satisfaction; lower scores increase their likelihood of engaging in counterproductive work behaviors (Barrick, 1999; Caldwell & Burger, 1998; Hurtz & Donovan, 2000; Sarchione, Cuttler, Muchinsky, & Nelson-Grey, 1998; Judge, Heller, & Mount, 2002; Barrick & Mount, 1996; Barrick, 1999). Higher adjustment scores also helped leaders to complete an overseas assignment, successfully cope with change, and report positive earnings per share after an initial public offering (Judge, Thoresen, Pucik, & Welbourne, 1999; Welbourne & Cyr, 1999). In a similar vein, Blake (1996) reported some interesting findings for military cadets who were higher in agreeableness and surgency. His research indicated that higher agreeableness was positively related to performance ratings during the freshman and sophomore years but that higher surgency was more strongly related to performance ratings over the last two years at the U.S. Coast Guard Academy. Apparently getting along with others and developing strong social supports are very important during the first two years of a military cadet’s life, but getting ahead becomes more important over the last two years. It may be that it takes a couple of years to develop strong social networks and supports, and once they have been established, other personality traits, such as surgency, become more important.

Another advantage of the Five Factor Model is that it appears universally applicable across cultures (Curphy, 1997a, 1996b; Hogan, Hogan, & Roberts, 1996; Schmidt, Kihm, & Robie, 2000; Salgado, 1997, 2003c). People from Asian, Western European, Middle Eastern, Eastern European, or South American cultures seem to use the same five personality dimensions to categorize, profile, or describe others.

Not only do people from different cultures describe others using the same FFM framework, these dimensions all seem to predict job and leadership performance across cultures. For example, in a comprehensive review of the research, Salgado (1997, 2003) reported that all five of the FFM dimensions predicted blue collar, professional, and managerial performance in various European countries. But the strength of the personality-job performance relationship depends on the particular job. Some jobs, such as sales, put a premium on interpersonal skills and goal orientation (e.g., surgency and agreeableness); whereas manufacturing jobs put more of a premium on planning and abiding by safety and productivity rules (e.g., dependability). Researchers often get much stronger personality-job performance relationships when the personality traits being measured have some degree of job relatedness (Hogan & Holland, 2003; Tett & Burnett, 2003).
In summary, there are several things we can say about the bright side of personality. First, people tend to describe others using traitlike terms, and personality traits can be reliably categorized into the five major dimensions of the FFM. Second, personality traits can be reliably assessed, and these assessments can be used to make predictions about how people will typically behave at work. Third, there is an overwhelming body of research that shows all five of the FFM dimensions are related to leadership success across different cultures. However, the strength of the personality-leadership performance relationships will depend on the particular demands of the situation and the job. Fourth, personality tends to be difficult to change—people are “hard wired” to exhibit those behaviors associated with their personality traits. Fifth, all behavior is under conscious control. We may more or less have an automatic response to stress based on our adjustment scores, but we can choose to act differently if we want to. But it does take conscious effort to exhibit nontrait behaviors. Sixth, having insight into one’s personality traits can give people information about their potential leadership strengths and development needs and how much effort they will have to put forth to overcome these needs.

Why Do Some Leaders Fail?

The Dark Side of Personality

One of the more provocative ideas in the recent leadership literature concerns the base rate of managerial incompetence. Hogan and Hogan, (2001), Curphy (2003a, b; 2004 a, e), Curphy and Hogan (2004 a, b) and Hogan and Curphy (2004) maintain that approximately 50 percent of the

Managerial failure may be due more to having undesirable qualities than lacking desirable ones.
Bob and Joyce Hogan
Hogan Assessment Systems
persons in leadership positions may be incompetent. This means that half of these individuals are unable to build the cohesive, goal-oriented teams needed to get long-term results through others. Some people in leadership positions seem able to get results without building a team, but these results are typically very short-term. Others seem more focused on playing the role of a cheerleader and are able to build cohesive teams, but these teams often do not get much accomplished.

Many of you might think that the base rate is actually closer to 5–7 percent—companies or organizations could not be successful with such a high level of incompetence among the management ranks. But a simple test of managerial incompetence might help shed some light on the matter. Count up the number of people you have ever worked for. These individuals might be former teachers, volunteer group leaders, coaches, supervisors, etc. Of these former bosses, how many of them would you work or play for again? If you are like many of the other people who have answered this question, then the chances are you need less than one hand to count the number of former bosses you would work for again. Curphy and Hogan (2004a) state there are several reasons for this high level of incompetence, some of which include invalid selection and succession planning systems (see Chapter 4), ill-defined performance expectations (see Chapter 9), and poorly designed leadership development programs (see Chapter 3). But dark-side personality traits are some of the other key reasons for the high failure rate of leaders. Dark-side personality traits are irritating, counterproductive behavioral tendencies that interfere with a leader’s ability to build cohesive teams and cause followers to exert less effort toward goal accomplishment (Hogan & Hogan, 2001; Dotlich & Cairo, 2003). A listing of 11 common dark-side traits can be found in Table 7.2. Any of these 11 tendencies, if exhibited on a regular basis, will negatively affect the leader’s ability to get results through others. And if you examined the reasons why those former bosses did not make your short list of leaders you would like to work for again, then it is very likely that these incompetent leaders possessed one or more of these 11 dark-side personality traits.

There are several aspects of dark-side personality traits that are worth noting. First, everyone has at least one dark-side personality trait. Figure 7.3 shows a graphic output from a typical dark-side personality measure, and indicates that this individual has strong leisurely and diligent tendencies and moderate cautious and dutiful tendencies (scores above the 90th percentile indicate a high risk and 70–89th percentile indicate a moderate risk of dark-side tendencies). Second, these dark-side traits have a bigger influence on performance for people in leadership versus followership roles. An individual contributor might have leisurely or cautious tendencies, but because they do not have to get work done through others these tendencies have less of an impact on their work units than if these same individuals were first-line supervisors or business unit leaders. Let there be no doubt that these individual contributors may not be fun to work with, but their counterproductive tendencies will not be as debilitating to their teams as they would if these people were leading their teams. Third, the dark-side traits are usually only apparent when leaders are not attending to their public image. In other words, people will not see the behaviors associated with dark-side traits when leaders are
concerned with how they are coming across to others. These tendencies are much more likely to appear under times of stress, when multitasking or focusing on task accomplishment, during crises, or when leaders feel comfortable enough around others to “let their guard down” (Hogan & Hogan, 2001; Dotlich & Cairo, 2003; Curphy, 2003c; Hogan & Curphy, 2004). And given the high level of stress, challenge, and complexity associated with most leadership positions, the conditions are ripe for the appearance of dark-side traits.

Fourth, many dark-side traits co-vary with social skills and are difficult to detect in interviews, assessment centers, or with bright-side personality inventories (Hogan & Curphy, 2004; Curphy & Hogan, 2004a; Hogan & Hogan, 2001; Dotlich

<table>
<thead>
<tr>
<th>Dark-Side Personality Traits</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excitable</strong></td>
<td>Leaders with these tendencies have difficulties building teams because of their dramatic mood swings, emotional outbursts, and inability to persist on projects.</td>
</tr>
<tr>
<td><strong>Skeptical</strong></td>
<td>Leaders with this dark-side trait have an unhealthy mistrust of others, are constantly questioning the motives and challenging the integrity of their followers, and are vigilant for signs of disloyalty.</td>
</tr>
<tr>
<td><strong>Cautious</strong></td>
<td>Because these leaders are so fearful of making “dumb” mistakes, they alienate their staffs by not making decisions or taking action on issues.</td>
</tr>
<tr>
<td><strong>Reserved</strong></td>
<td>During times of stress these leaders become extremely withdrawn, are uncommunicative, difficult to find, and unconcerned about the welfare of their staffs.</td>
</tr>
<tr>
<td><strong>Leisurely</strong></td>
<td>These passive-aggressive leaders will only exert effort in the pursuit of their own agendas and will procrastinate or not follow through with requests that are not in line with their agendas.</td>
</tr>
<tr>
<td><strong>Bold</strong></td>
<td>Because of their narcissistic tendencies, these leaders often get quite a bit done. But their feelings of entitlement, inability to share credit for success, tendency to blame their mistakes on others, and inability to learn from experience often results in trials of bruised followers.</td>
</tr>
<tr>
<td><strong>Mischievous</strong></td>
<td>These leaders tend to be quite charming but take pleasure in seeing if they can get away with breaking commitments, rules, policies, and laws. When caught, they also believe they can talk their way out of any problem.</td>
</tr>
<tr>
<td><strong>Colorful</strong></td>
<td>Leaders with this tendency believe they are “hot” and have an unhealthy need to be the center of attention. They are so preoccupied with being noticed that they are unable to share credit, maintain focus, or get much done.</td>
</tr>
<tr>
<td><strong>Imaginative</strong></td>
<td>Followers question the judgment of leaders with this tendency, as these leaders think in eccentric ways, often changing their minds, and make strange or odd decisions.</td>
</tr>
<tr>
<td><strong>Diligent</strong></td>
<td>Because of their perfectionistic tendencies, these leaders frustrate and disempower their staffs through micro-management, poor prioritization, and an inability to delegate.</td>
</tr>
<tr>
<td><strong>Dutiful</strong></td>
<td>These leaders deal with stress by sucking up to superiors. They lack spines, are unwilling to refuse unrealistic requests, won’t stand up for their staffs, and burn them out as a result.</td>
</tr>
</tbody>
</table>
& Cairo, 2003; Brinkmeyer & Hogan, 1997; Brown, 1977; Curphy, 1997d; Curphy, Gibson, Asiu, Horn, & Macomber, 1994; Hogan, Curphy, & Hogan, 1994; McDaniel, 1999; Rybicki & Klippel, 1997). Fifth, the 11 dark-side personality traits are related to extreme FFM scores. For example, diligent is often associated with extremely high dependability scores, and excitable is associated with extremely low adjustment scores. However, just because a person has an extremely high or low FFM dimension score does not necessarily mean they also possess the corresponding dark-side personality traits. But there are strong relationships between the FFM and the dark-side personality traits (Hogan & Hogan, 2001; Curphy 2003c). Sixth, the behaviors associated with dark-side personality traits can occur at any leadership level, and many times organizations tolerate these behaviors because the leader is smart, experienced, or possesses unique skills (see Highlight 7.4). Along these lines, persons with bold tendencies are particularly adept at moving up in organizations. Nothing ever got launched without a healthy dose of narcissism, and leaders with bold tendencies are quick to volunteer for new assignments, take on seemingly impossible challenges, and consistently underestimate the amount of time, money, and effort it will take to get a job accomplished. In some cases these leaders pull out the seemingly impossible and get promoted because of their accomplishments. But when things go south (which they often do), these same leaders are quick to blame the situation or others for their failures, and as a result never learn from their mistakes (Hogan & Curphy, 2004; Curphy & Hogan, 2004a; Kramer, 2003; Lubit, 2002; Dotlich & Cairo, 2003; Hogan & Hogan, 2001).

So if virtually everyone has dark-side personality tendencies, what can he or she do about them? First and foremost, leaders and leaders to be need to identify their dark-side personality traits. This can be done by asking trusted others about how
one acts under pressure or what behaviors interfere with their ability to build teams, or by completing a dark-side personality assessment. Once these counterproductive tendencies are identified, leaders then need to understand the situations or conditions in which these tendencies are likely to appear. Again, dark-side traits are most likely to appear during times of stress and heavy workload, so finding ways to better manage stress and workload will help reduce the likelihood of these dark-side tendencies. Just being aware of one’s dark-side tendencies and understanding the circumstances in which they appear will go a long way toward controlling the manifestation of counterproductive leadership behaviors. Exercise and other stress reduction techniques, and having trusted followers who can tell leaders when they are exhibiting dark-side traits, can also help control these tendencies. Finally, having higher scores on the FFM dimension of adjustment also helps with some of these dimensions, as these leaders seem to be better able to cope with stress than those with low scores (Curphy, 2003a, c).

Intelligence and Leadership

What Is Intelligence?
The first formal linkage between intelligence and leadership was established around 1115 B.C. in China, where the dynasties used standardized tests to determine which citizens would play key leadership roles in the institutions they had
personality type. For example, Leos are assumed to be fundamentally different than Pisces or Aquarians. The same holds true for the Chinese calendar; people born in the year of the Monkey are assumed to be qualitatively different than people born in the year of the Pig or Goat.

One group of personality researchers has expanded the notion of types to formal personality assessment. Myers (1976, 1977, 1980; Myers & Briggs, 1943/1962; Myers & McCaulley, 1985) extended the research of a famous psychologist, Carl Jung, and has created an instrument that categorizes people into one of 16 personality types. This instrument, the Myers-Briggs Type Indicator (MBTI) (Myers & Myers, 2001, 2003; Quenk & Kummerow, 2001), is perhaps the most popular psychological assessment and is taken by over 2 million people per year (Quast & Hansen, 1996; Thayer, 1988). The MBTI is used in 89 of the Fortune 100 companies and in college-level and adult leadership development courses, career and marriage counseling, child-rearing programs, coaching programs, and team-building interventions.

According to Myers and McCaulley (1985), people differ on four bipolar dimensions, which include extraversion–introversion, sensing–intuition, thinking–feeling, and judging–perceiving. Scores on each of the four dimensions results in one of the 16 personality types (e.g., extraversion, intuition, thinking, and judging type, or an introversion, sensing, thinking, and judging type, etc.). The test publishers have done extensive research on the MBTI, and overall it is a well-designed instrument that can help people understand differences and what they might need to do to be more effective. But the instrument does have some limitations. First, the MBTI has somewhat of a cultlike following, and many of its converts can only see the world through MBTI glasses (Curphy & Gibson, 1996). Personality types can become a perceptual filter by which we perceive others, as well as a rationalization for our own or others’ behavior. Second, personality types are not stable—research indicates that types will change 50 percent of the time during a retest (McCarley & Carskadon, 1983; Myers & McCaulley, 1985). Because of the instability of types, it is difficult to see how the assessment could be used for selection or development purposes, as types are likely to change from one setting to the next. Despite these limitations, the MBTI is a very popular and useful instrument for understanding the nature of personality and how it plays out in day-to-day behaviors.


set up to run the country (DuBois, 1964). Using intelligence tests to identify potential leaders in the United States goes back to World War I, and to a large extent this use of intelligence testing continues today. Over 100 years of very comprehensive and systematic research provides overwhelming evidence to support the notion that general intelligence plays a substantial role in human affairs (Arvey et al., 1994; Humphreys, 1984; Neisser et al., 1996; Ree & Earles, 1992, 1993; Riggio, 2002; Schmidt & Hunter, 1992; Scarr, 1989; Sternberg, 1997, 2002, 2003a; Salgado, Ander-
son, Moscoso, Bertua, de Fruyt & Rolland, 2003). Still, intelligence and intelligence testing are among the most controversial topics in the social sciences today. There is contentious debate over questions like how heredity and the environment affect intelligence, whether intelligence tests should be used in public schools, and whether ethnic groups differ in average intelligence test scores. For the most part, however, we will bypass such controversies here. Our focus will be on the relationship between intelligence and leadership. (See Arvey et al., 1994; Azar, 1995; Brody, 1992; Cronbach, 1984; Humphreys, 1984; Linn, 1989; Neisser et al., 1996; and Sternberg, 1997, for reviews of these controversies.)

We define intelligence as a person’s all-around effectiveness in activities directed by thought (Arvey et al., 1994; Cronbach, 1984). So what does this definition of intelligence have to do with leadership? Research has shown that more intelligent leaders are faster learners; make better assumptions, deductions, and inferences; are better at creating a compelling vision and developing strategies to make their vision a reality; can develop better solutions to problems; can see more of the primary and secondary implications of their decisions; and are quicker on their feet than leaders who are less intelligent (Herrnstein & Murray, 1994; Lord, DeVader, & Allinger, 1986; Ferris, Witt, & Hochwarter, 2001; Curphy, 2000, 2001, 2002, 2003b, 2004e; Sternberg, 1997, 2002, 2003a, b; Salgado et al., 2003; Nutt, 1999). To a large extent people get placed into leadership positions to solve problems, be they customer, financial, operational, interpersonal, performance, political, educational, or social in nature. Therefore, given the behaviors associated with higher intelligence, it is easy to see how a more intelligent leader will oftentimes be more successful in influencing a group to accomplish its goals than a less intelligent leader. Like personality traits, however, intelligence alone is not enough to guarantee leadership success. There are plenty of smart people who make poor leaders just as there are less intelligent people who are great leaders. Nevertheless, many leadership activities do seem to involve some degree of decision-making and problem-solving ability, which means that a leader’s intelligence can affect the odds of leadership success in many situations.

As seen in Figure 7.4, intelligence is relatively difficult to change. Like personality, it is also an unseen quality and can only be inferred by observing behavior. Moreover, intelligence does not affect behavior equally across all situations. Some activities, such as following simple routines, put less of a premium on intelligence than others (Salgado et al., 2003). Finally, we should point out that our definition of intelligence does not imply that intelligence is a fixed quantity. Although heredity plays a role, intelligence can be and is modified through education and experience (Arvey et al., 1994; Brody, 1997; Cronbach, 1984; Humphreys, 1989; Neisser et al., 1996; Rushton, 1997; Sternberg, 2002, 2003a, b).
The Triarchic Theory of Intelligence

Although there is a strong, positive relationship between intelligence and leadership effectiveness, there is still an ongoing debate about the nature of intelligence. Many psychologists have tried to determine the structure of intelligence; is intelligence a unitary ability, or does it involve a collection of related mental abilities (Azar, 1995; Gardner, 1983; Herrnstein & Murray, 1994)? Other psychologists have said that the process by which people do complex mental work is much more important than determining the number of mental abilities (Sternberg, 1985, 1997).

Perhaps the most comprehensive and compelling theory of intelligence developed and tested over the past 20 years is Sternberg’s (1985, 1997, 2002, 2003a, b) triarchic theory of intelligence. It also offers some of the most significant implications for leadership. The triarchic theory focuses on what a leader does when solving complex mental problems, such as how information is combined and synthesized when solving problems, what assumptions and errors are made, and the like. According to this theory, there are three basic types of intelligence. Analytic intelligence is general problem-solving ability and can be assessed using standardized mental abilities tests. Leaders and followers with higher levels of analytic intelligence tend to be quick learners, do well in school, see connections between issues, and have the ability to make accurate deductions, assumptions, and inferences with relatively unfamiliar information.

There is still much, however, that analytic intelligence does not explain. There are a number of people who do well on standardized tests but not in life (Sternberg, Wagner, Williams, & Horvath, 1995; Ferris, Witt, & Hochwarter, 2001; Sternberg, 2002, 2003a, b). At the same time, some people do relatively poorly on standardized intelligence tests but often develop ingenious solutions to practical problems. For example, Sternberg and his associates described a situation where students in a school for the mentally retarded did very poorly on standardized tests yet consistently found ways to defeat the school’s elaborate security system. In this situation the students possessed a relatively high level of practical intelligence, or “street smarts.” People with street smarts know how to adapt to, shape, or select new situations in order to get their needs met better than people lacking street smarts.

\[ \text{FIGURE 7.4} \]

The building blocks of skills.

(e.g., think of a stereotypical computer nerd and an inner-city kid both lost in downtown New York). In other words, practical intelligence involves knowing how things get done and how to do them. For leaders, practical intelligence involves knowing what to do and how to do it when confronted with a particular leadership situation, such as dealing with a poorly performing subordinate, resolving a problem with a customer, or getting a team to work better together (Hedlund, Forsythe, Horvath, Williams, Snook, & Sternberg, 2003) (see Highlights 7.6 and 7.7).

Because of its potential importance to leadership effectiveness, there are several other aspects of practical intelligence worth noting. First, practical intelligence is much more concerned with knowledge and experience than analytic intelligence (see Figure 7.4). Leaders can build their practical intelligence by building their leadership knowledge and experience. Thus, textbooks such as this one can help you to build your practical intelligence. Getting a variety of leadership experiences, and perhaps more important, reflecting on these experiences, will also help you to build practical intelligence. Second, practical intelligence is domain specific. A leader who has a lot of knowledge and experience in leading a pharmaceutical research team may feel like a duck out of water when asked to lead a major fund-raising effort for a charitable institution. As another example, one of the authors worked with a highly successful retail company having over 100,000 employees. All of the key leaders had over 20 years of retail operations and merchandising experience, but they also did very poorly on standardized intelligence tests. The company had successfully expanded in the United States (which capitalized on their practical intelligence), but their attempt to expand to foreign markets was an abysmal failure. This failure was due in part

Real Examples of Analytic and Practical Intelligence (or Lack Thereof)

Highlight 7.6

Chuck Shepherd’s newspaper article “News of the Weird” and Wendy Northcutt’s book, The Darwin Awards, provide ample examples of the importance of analytic and practical intelligence. Here are some of the typical stories you can find in these manuscripts and at www.DarwinAwards.com:

1. AT&T fired President John Walter after only nine months, saying he lacked intellectual leadership. He received a $26 million dollar severance package for his efforts. Perhaps it is not Walter who is lacking intelligence...

2. Police in Los Angeles had good luck with a robbery suspect who just couldn’t control himself during a lineup. When detectives asked each man in the lineup to repeat the words, “Give me all your money or I’ll shoot,” the man shouted, “That’s not what I said!”

3. Some folks, new to boating, were having a problem. No matter how hard they tried, their brand new 22-foot power boat was very sluggish in almost every maneuver, no matter how much power was applied. After about an hour of trying to make it go, they putted to a nearby marina, thinking someone there could tell them what was wrong. A thorough topside check revealed everything in perfect working condition. The engine ran fine, the outboard drive went up and down, and the prop was the correct size and pitch. One of the marina guys then jumped into the water to check underneath and nearly choked from laughing so hard. He discovered that the trailer was still strapped securely in place under the boat.
to the leaders’ inability to learn, appreciate, or understand the intricacies of other cultures (analytic intelligence), their lack of knowledge and experience in foreign markets (practical intelligence), and in turn their development of inappropriate strategies for running the business in other countries (a combination of analytic and practical intelligence). Thus, practical intelligence is extremely useful when leading in familiar situations, but analytic intelligence may play a more important role when leaders are facing new or novel situations.

Third, this example points out the importance of having both types of intelligence. As seen in Highlight 7.7, organizations today are looking for leaders and followers who have the necessary knowledge and skills to succeed (practical intelligence) and the ability to learn (analytic intelligence) (Stamps, 1996; Sternberg 2002, 2003a, b; Connelly, Gilbert, Ziccaro, Threlfell, Marks, & Mumford, 2000; Cox, 2000). Fourth, it may be that high levels of practical intelligence may compensate for lower levels of analytic intelligence. Leaders having lower analytic abilities may still be able to solve complex work problems or make good decisions provided they have plenty of job-relevant knowledge or experience. But leaders with more analytic intelligence, all things being equal, may develop their “street smarts” more quickly than leaders with less analytic intelligence. Analytic intelligence may play

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**Highlight 7.7**

Leaders spend a significant amount of time solving problems, and the Triarchic Theory of Intelligence has some important implications for decision making. First, if practical intelligence is an important component of decision making (which it is), then it is equally important that the knowledge leaders possess accurate information about their organizations and the environments in which they operate. Although leaders see lots of data, they tend to only focus on the here and now and have difficulties seeing the forest from the trees. As a result, top leaders often have a distorted picture of their organizations and environments. For example, research by Mezias and Starbuck (2003) shows that business unit leaders and CEOs can be off by as much as 200 percent on industry growth estimates, business unit sales growth, quality indicators, etc. And this imprecise knowledge of the business, combined with an advocacy problem-solving process and a tendency for leaders to surround themselves with yea-sayers may be primary reasons why approximately half of all major organizational decisions turn out wrong (Nutt, 1999; Garvin & Roberto, 2001). There are several things leaders can do to avoid making poor decisions based on imperfect data. Perhaps the most important step is to get leaders to look at the *same* data before making important organizational decisions. All too often leaders come to key decision-making meetings with very different ideas of what is happening with their organizations. And as described above, many of these ideas are simply wrong. By reviewing the same data, asking probing questions, and discussing how the data fit together can go a long way toward getting decision makers on the same page and developing better solutions to organizational problems.

a lesser role once a domain of knowledge is mastered, but a more important role when encountering new situations.

The third component of the triarchic theory of intelligence is **creative intelligence**. Creative intelligence is the ability to produce work that is both novel and useful (Sternberg, 1997, 2001; Sternberg & Oess, 2001; Kersting, 2003; Sternberg & Lubart, 1996). Using *both* criteria (novel and useful) as components of creative intelligence helps to eliminate many of the more outlandish solutions to a potential problem by ensuring that adopted solutions can be realistically implemented or have some type of practical payoff. Several examples might help to clarify the novel and practical components of creative intelligence. The inventor of Velcro got his idea while picking countless thistles out of his socks; he realized that the same principle that produced his frustration might be translated into a useful fastener. The inventor of 3M’s Post-it notes was frustrated because bookmarks in his church hymnal were continually sliding out of place, and he saw a solution in a low-tack adhesive discovered by a fellow 3M scientist. The scientists who designed the *Spirit* and *Opportunity* missions to Mars were given a budget that was considerably smaller than that of the previous missions to Mars. Yet the scientists were challenged to develop two spacecraft that had more capabilities than the *Pathfinder* and the *Viking Lander*. Their efforts with *Spirit* and *Opportunity* were a resounding success, due in part to some of the novel solutions used both to land the spacecrafts (an inflatable balloon system) and to explore the surrounding area (both were mobile rovers).

Two of the more-interesting questions surrounding creativity concern the role of intelligence and the assessment of creative ability. Research by Sternberg and Lubart (1996) shows that analytic intelligence correlates at about the .5 level with creative intelligence. Thus, the best research available indicates that analytic intelligence and creativity are related, but the relationship is far from perfect. Some level of analytic intelligence seems necessary for creativity, but having a high level of analytic intelligence is no guarantee that a leader will be creative. And like practical intelligence, creativity seems to be specific to certain fields and subfields: Most composers are not architects, and most writers are not mathematicians (Cronbach, 1984; Sternberg & Lubart, 1996; Sternberg & Oess, 2001; Sternberg 2002a, 2003a, b).

In addition, actually assessing creativity is no simple matter. Tests of creativity, or **divergent thinking**, are very different from tests that assess **convergent thinking**. Tests of convergent thinking usually have a single best answer; good examples here are most intelligence and aptitude tests. Conversely, tests of creativity or divergent thinking have many possible answers (Guilford, 1967). Although Sternberg and Lubart (1996), Sternberg and Oess (2001), and Sternberg (2001) all showed that it is possible to reliably judge the relative creativity of different responses, the fact remains that judging creativity is more difficult than scoring convergent tests. For example, there are no set answers or standards for determining whether a movie, a marketing ad, or a new manufacturing process is truly creative. Another difficulty in assessing creativity is that it may wax and wane over time; many of the most creative people seem to have occasional dry spells or writer’s block. This
is very different from analytic intelligence, where performance on mental abilities tests remains fairly constant over time.

The Components of Creative Intelligence

So far we have discussed creative intelligence as a unitary ability. However, as seen in Table 7.3, research suggests that creativity appears to be made up of seven components: synthetic ability, analytic intelligence, practical intelligence, thinking style, personality factors, intrinsic motivation, and environmental factors (Amabile, 2001; Amabile & Conti, 1995; Amabile, Schatzel, Moneta, & Kramer, 2004; Reiter-Palmon & Illies, 2004; Kersting, 2003; Kohn, 1987; Oldham & Cummings, 1996; Sternberg, 1985, 2001, 2003a, b; Sternberg & Grigorenko, 1997; Sternberg & Lubart, 1996). Synthetic ability is what we traditionally view as creativity; these skills help people see things in new ways or recognize novel patterns or connections. Analytic intelligence helps people to evaluate solutions, and practical intelligence provides the knowledge and experience base from which novel solutions are developed. According to Sternberg and Lubart (1996), and Sternberg, (2003a, b) these first three components are very important to the creative process, and leaders lacking in any one of them will be less creative than those possessing all three.

Thinking style is somewhat related to synthetic ability. Thinking styles are not abilities per se, but rather are the preferred ways for using the abilities one has (Sternberg & Grigorenko, 1997). For example, some people seem to prefer improving or adapting already existing products or processes. A first-line supervisor in a manufacturing facility may be very adept at modifying existing production schedules or equipment in order to better meet customers’ needs. Other people seem to prefer developing completely new products. A team leader tasked with developing a new ad campaign for a major brewer

| TABLE 7.3 |
The Components of Creative Intelligence

| Synthetic Ability: | These skills help people see things in new ways or recognize novel connections between seemingly unrelated issues or concepts. |
| Analytic Intelligence: | This helps to evaluate the usefulness of potential solutions to problems. |
| Practical Intelligence: | Novel solutions to problems are usually based on relevant knowledge and experience. |
| Thinking Style: | People either prefer to modify what already exists or completely start over with new solutions. |
| Personality Factors: | Lower prudence, higher openness to experience, and higher surgency scores are related to creativity. |
| Intrinsic Motivation: | People tend to generate more creative solutions when the problem at hand is personally interesting. |
| Environmental Factors: | Supportive leadership, a lack of time pressure, team stability, and weaker social ties are all related to generating more creative solutions to problems. |
might come up with a series of promotional ads using novel attention-getting devices, such as frogs or chameleons. According to Kirton (1987), these two examples illustrate the difference between adaptive and innovative thinking styles. Adaptors prefer to modify or change existing products or processes; innovators prefer to create entirely new processes or products. Adaptors and innovators may have the same level of synthetic ability, but they just seem to use this ability in different ways. It is important to note that U.S. companies seem particularly adept at developing new technology (i.e., innovation), whereas Japanese industries are very good at improving the technology and finding efficient ways to bring it to the marketplace (i.e., adaptation).

Several personality factors also seem to play a role in creativity. More specifically, people having higher levels of self-confidence, independence, and energy (synergy), risk-taking and impulsiveness (dependability), and natural curiosity (openness to experience) seem to be more creative than people who lack self-confidence, are more conforming, and are less open to new and novel experiences (Amabile, 2001; Amabile & Gryskiewicz, 1987; Hogan & Morrison, 1993; Oldham & Cummings, 1996; Sternberg & Lubart, 1996; Zhou, 2003; Curphy, 2003c). People will also be more creative when they are intrinsically motivated or feel challenged by the subject matter or problem itself (Amabile, 2001; Amabile & Hennessey, 1988; Sternberg, 2002; Amabile et al., 2004; Tierney & Farmer, 2002; Tierney, Farmer, & Graen, 1999). Creative people are more likely to focus attention on solving the problem at hand, not on the need to meet deadlines, make money, or impress others.

Finally, several situational or environmental factors appear related to creativity. People who have more complex or challenging jobs, who have supportive, non-controlling leaders and are given ample time seem to be more creative than people in uninteresting jobs who are under tight deadlines and also have highly controlling supervisors (Oldham & Cummings, 1996; Zhou, 2003; Shalley & Gilson, 2004; Amabile et al., 2004; Dingfelder, 2003; Basadur, 2004; Farson & Keyes, 2002; Farmer, Tierney, & Kung-McIntyre, 2003). Several aspects of work groups also seem to affect creativity. Although the size of the group did not seem to matter, teams that were given clear goals, stayed task focused, and provided mutual support and participation often developed more innovative solutions than teams lacking these qualities (West & Anderson, 1996).

Team stability also seems to play a role in creativity. Amabile and Conti (1995; 1997) studied companies before, during, and after going through a large downsizing, and reported that teams that remained relatively intact during this process were substantially more creative in terms of patent applications than teams that were broken up. These authors also reported that an organization’s support for creativity, in terms of time and resources, was a key factor in the creativity of individual employees.

Another factor that affects creativity is team cohesiveness. You might think that teams with higher levels of cohesiveness would be more creative than teams that do not get along, but research shows that just the opposite is true. Because highly cohesive teams tend to share the same values, their team members often look at the world in similar ways. Teams having members with dissimilar values will likely have more conflict, but they are also more likely to look at problems from different
perspectives. And looking at issues differently is critical to creative problem solving (Florida, Cushing, & Gates, 2002; Perry-Smith & Shalley, 2003).

The story of Chester Carlson provides a good example of how some of the seven components play important roles in developing a creative and useful solution to a problem. Chester Carlson invented the photocopy duplicating process, which revolutionized office work. Duplicating machines are relied on so much today that most people probably assume the invention was met with instant acceptance. That was not the case, however. Most people do not realize that it was 22 years from the time Carlson got the idea to the time his product became commercially available—or that refining and “selling” his concept was an uphill battle primarily because of the existence of carbon paper. (With carbon paper, people thought, why would you need anything else?) His solution for making copies of documents was certainly imaginative, but it was also derived from his considerable technical expertise. Moreover, his persistence in developing and persuading others of the potential of his process is a testament to the importance of intrinsic motivation in creativity.

Creative thinking is not an entirely rational or conscious process. Many times we do our most imaginative thinking unconsciously; people often gain sudden insights to an old problem out of the blue. There are interesting anecdotal accounts of how different creative thinkers recognized and even harnessed these unconscious processes. Albert Einstein, for example, once remarked that he got his best ideas in the morning when he was shaving. The great inventor Thomas Edison reportedly developed a technique to awaken himself and capture the typically unusual imagery and mental activity occurring as one falls asleep. These thinkers recognized the mind’s fertility during its resting periods. Einstein’s and Edison’s receptivity to ideas emerging from their nonlogical mental processes was surely an important part of their genius. They were able to harness their unconscious rather than censor it, as many of us may do by suppressing or discounting mental activity that seems purposeless, nonsensical, or threatening.

**Implications of the Triarchic Theory of Intelligence**

The three types of intelligence in Sternberg’s theory correspond nicely with the three leaders identified in Chapter 1. Although the three leaders probably possess high levels of all three types of intelligence, Colin Powell has a highly developed level of practical intelligence for leading in the military. He has commanded a number of large and small military units and held line and staff positions during times of peace and war. And over the past four years he has been able to build his knowledge of foreign affairs in his role as secretary of state. Likewise, Aung San Suu Kyi has developed a highly evolved knowledge base of the Burmese political system and how to change it. Peter Jackson clearly has the highest level of creative intelligence; few people could match the professional awards and financial gains made by his *Lord of the Rings* films.
Some 200 separate studies have examined the relationship between intelligence test scores and leadership effectiveness or emergence, and these studies have been the topic of major reviews by Stogdill (1948); Mann (1959); Ghiselli (1963); Stogdill (1974); Bray, Campbell, and Grant (1974); Cornwell (1983); Bray and Howard (1983); Lord, DeVader, and Allinger (1986); Bass (1990); and Fiedler (1992). These 10 reviews provided overwhelming support for the idea that leadership effectiveness or emergence is positively correlated with analytic intelligence. Nonetheless, it is important to recognize that the correlation between analytic intelligence and leadership success is far from perfect. Leadership situations that are relatively routine, unchanging, or require specific in-depth product or process knowledge may place more importance on practical intelligence than analytic intelligence. Having a high level of analytic intelligence seems more important when solving ambiguous, complex problems, such as those encountered by executives at the top levels of an organization. Here leaders must be able to detect themes and patterns in seemingly unrelated information, make accurate assumptions about market conditions, or make wise merger, acquisition, or divestiture decisions. Further evidence that higher levels of analytic intelligence are associated with top leaders can be found in Figure 7.5.

Although a high level of analytic intelligence is usually an asset to a leader, research also suggests that in some situations analytic intelligence may have a curvilinear relationship with leadership effectiveness (Ghiselli, 1963; Stogdill, 1974). When differences in analytic intelligence between leader and followers are too great, communication can be impaired; a leader’s intelligence can become an impediment to being understood by subordinates (Bass, 1990; Ferris, Witt, & Hochwartler, 2001). An alternative explanation for the curvilinear relationship between analytic intelligence and leadership effectiveness may have to do with how stress affects leader–subordinate interactions. Fiedler (1992, 2002) and Gibson (1992) found that smart but inexperienced leaders were less effective in stressful conditions.
situations than less intelligent, experienced leaders. An example of this finding was clearly demonstrated in the movie *Platoon*. In one frantic scene, an American platoon is ambushed by the Vietcong, and an inexperienced, college-educated lieutenant calls for artillery support from friendly units. He calls in the wrong coordinates, however, and as a result artillery shells are dropped on his own platoon’s position rather than the enemy’s position. The situation comes under control only after an experienced sergeant sizes up the situation and tells the artillery units to cease firing. This example points out the importance of practical intelligence in stressful situations. Leaders revert to well-practiced behaviors under periods of high stress and change, and leaders with high levels of practical intelligence have a relatively broad set of coping and problem-solving behaviors to draw upon in these situations. Because of the level of stress and change associated with many leadership positions today, systematically improving practical leadership skills through education and experience is extremely important for leaders and leaders-to-be.

With respect to creative intelligence, perhaps the most important point leaders should remember is that their primary role is not so much to be creative themselves as to build an environment where others can be creative. This is not to say that leaders should be uncreative, but rather that most innovations have their roots in ideas developed by people closest to a problem or opportunity (i.e., the workers). Leaders can boost the creativity throughout their groups or organizations in many ways, but particularly through selecting creative people in the first place, and providing opportunities for others to develop their creativity, and through broader interventions like making sure the motivation or incentives for others are conducive to creativity and providing at least some guidance or vision about what the creative product or output should look like (Basadur, 2004; Reiter-Polman & Illies, 2004; Shalley & Gilson, 2004; Amabile et al., 2004; Mumford, Scott, Gaddis, & Strange, 2002; Zhou, 2003; Sternberg, Kaufman, & Pretz, 2003).

There are several things leaders can do to improve the group and organizational factors affecting creativity. Leaders should be mindful of the effect various sorts of incentives or rewards can have on creativity; certain types of motivation to work are more conducive to creativity than others. Research has shown that people tend to generate more creative solutions when they are told to focus on their intrinsic motivation for doing so (i.e., the pleasure of solving the task itself) rather than focusing on the extrinsic motivation (i.e., public recognition or pay) (Amabile, 1985, 2001; Amabile & Hennessey, 1988; Tierney, Farmer, & Graen, 1999). When they need to foster creativity, leaders may find it more effective to select followers who truly enjoy working on the task at hand (i.e., are intrinsically motivated) rather than relying on rewards (i.e., extrinsic motivation) to foster creativity.

It is also helpful to remember that synthetic abilities can also be hindered if people believe that their ideas will be evaluated. The experiments of Amabile (1983, 1987) and Zhou (1998) showed that students who were told their projects were to be judged by experts produced less creative projects than students who were not told their projects would be judged. A similar sort of phenomenon can occur in groups. Even when a group knows its work must ultimately be evaluated, there is a pronounced tendency for members to be evaluative and judgmental too early in
the solution-generating process. This tends to reduce the number of creative solutions generated, perhaps because of a generally shared belief in the value of critical thinking (and in some groups the norm seems to be the more criticism the better) and of subjecting ideas to intense scrutiny and evaluation. When members of a group judge ideas as soon as they are offered, two dysfunctional things can happen. People in the group may censor themselves (i.e., not share all their ideas with the group), as even mild rejection or criticism has a significant dampening effect (Prince, 1972), or they may prematurely reject others’ ideas through negative focus on an idea’s flaws rather than its possibilities. Given these findings, leaders may want to hold off on evaluating new ideas until they are all on the table, and should also encourage their followers to do the same.

Finally, leaders who need to develop new products and services should try to minimize the level of turnover in their teams and provide them with clear goals. Teams having unclear goals may successfully develop new or novel products, but these products may have low marketability or usefulness. Two examples might help illustrate this point. In the 1980s Texas Instruments (TI) decided to delve into the personal computer business. TI had a reputation for technical excellence, and one of the best managers in the company was asked to head up the project. The manager did not have a clear sense of what customers wanted or what a personal computer should be able to do. This lack of clarity had some fairly dramatic effects. As more and more engineers were added to the project, more and more innovative hardware ideas were added to the computer design. These additions caused the
project to take much longer and cost a lot more than planned, but the TI personal computer ended up winning a number of major engineering awards. Unfortunately, it was also a business disaster, as the product ultimately failed to meet customer needs. Although Compaq computers arose from the ashes of TI’s failure, the TI project serves as a good example for a concept called **creeping elegance**. Leaders not having a clear vision of what a final project should look like may end up with something that fails to meet customer needs. Leaders need to provide enough room for creativity to flourish, but enough direction for effort to be focused (Shalley & Gilson, 2004; Farson & Keyes, 2002).

One industry that places a premium on creativity is the motion picture industry. Because creativity is so important to the commercial success of a movie, it is relatively easy for a movie to succumb to creeping elegance. But how do movie directors successfully avoid creeping elegance when dealing with highly creative people having huge egos? Part of the answer may be in the approach of two of Hollywood’s most successful directors. Steven Speilberg and Ron Howard said that before they ever shot a scene they first had a very clear picture of it in their own minds. If they did not have a clear picture, then they sat down with the relevant parties and worked it out. Both situations point out the importance of having a clear vision when managing creativity.

**Intelligence and Stress: Cognitive Resources Theory**

In the preceding section we noted that intelligence may be a more important quality for leaders in some situations than others. You may be surprised to learn, however, that recent research actually suggests there are times when intelligence may be a disadvantage. A key variable affecting this paradoxical finding seems to be whether or not the leader is in a stressful situation. Recent research suggests that stress plays a key role in determining just how a leader’s intelligence affects his or her effectiveness. While it is not surprising that stress affects behavior in various ways, Fiedler and Garcia (1987) developed the **cognitive resources theory (CRT)** to explain the interesting relationships between leader intelligence and experience levels, and group performance in stressful versus nonstressful conditions.

As first described in Chapter 4, CRT consists of several key concepts. Certainly one of these is intelligence. Fiedler and Garcia (1987) and Fiedler (1995, 2002) defined intelligence as we have earlier—it is one’s all-around effectiveness in activities directed by thought and is typically measured using standardized intelligence tests (i.e., analytic intelligence). Another key concept is experience, which represents the habitual behavior patterns, overlearned knowledge, and skills acquired for effectively dealing with task-related problems (i.e., practical intelligence). Although experience is often gained under stressful and unpleasant conditions, experience also provides a “crash plan” to revert back to when under stress (Fiedler, 1992, 1995, 2002). As Fiedler observed, people often act differently when stressed, and the crash plan describes this change in behavior patterns. For most of the CRT studies, experience has been defined as time in the job or organization. A third key concept in CRT is stress. Stress is often defined as the result of conflicts with superiors or the apprehension associated with performance evaluation (Fiedler, 1995; Gibson, 1992). This interpersonal stress is believed to be emotionally disturbing
and can divert attention from problem-solving activities (Sarason, 1986). In other words, people can get so concerned about how their performance is being evaluated that they may fail to perform at an optimal level. In sum, cognitive resources theory provides a conceptual scheme for explaining how leader behavior changes under stress levels to impact group performance.

Cognitive resources theory makes two major predictions with respect to intelligence, experience, stress, and group performance. First, because experienced leaders have a greater repertoire of behaviors to fall back on, leaders with greater experience but lower intelligence are hypothesized to have higher-performing groups under conditions of high stress. Experienced leaders have “been there before” and better know what to do and how to get it done when faced with high-stress situations. Leaders’ experience levels can interfere with performance under low-stress conditions, however.

That leads to a second hypothesis. Because experience leads to habitual behavior patterns, leaders with high levels of experience will have a tendency to misapply old solutions to problems when creative solutions are called for (Fiedler, 1992, 1995, 2002). Experienced leaders overrely on the tried and true when faced with new problems, even when under relatively low periods of stress. Thus, leaders with higher levels of intelligence but less experience are not constrained by previously acquired behavior patterns and should have higher-performing groups under low-stress conditions. In other words, experience is helpful when one is under stress but is often a hindrance to performance in the absence of stress.

These two major predictions of CRT can be readily seen in everyday life. For the most part, it is not the most intelligent but the most experienced members of sporting teams, marching bands, acting troops, or volunteer organizations who are selected to be leaders. These leaders are often chosen because other members recognize their ability to perform well under the high levels of stress associated with sporting events and public performances. In addition, research with combat troops, firefighters, senior executives, and students has provided reasonably strong support for the two major tenets of CRT (Fiedler & Garcia, 1987; Fiedler, 1992, 1995, 2002; Gibson, 1992).

Despite this initial empirical support, one problem with CRT concerns the apparent dichotomy between intelligence and experience. Fiedler and Garcia’s (1987) initial investigations of CRT did not examine the possibility that leaders could be both intelligent and experienced. Subsequent research by Gibson (1992) showed not only that many leaders were both intelligent and experienced, but also that these leaders would fall back on their experience in stressful situations and use their intelligence to solve group problems in less-stressful situations.

Another issue with CRT concerns the leader’s ability to tolerate stress. As Schonpflug (1995) and Zaccaro (1995) correctly pointed out, some leaders may be better able to tolerate high levels of stress than others. Some leaders may have personalities characterized by high adjustment scores, and it may be that such leaders may do well in high-stress situations even when they lack experience because of their inherent ability to handle stress. Further research on this issue seems warranted.

In general, Fiedler and his colleagues have provided solid evidence to support the major tenets of CRT. Because of this research, CRT has several important
implications for leaders. First, it may be that the best leaders are often smart and experienced. Although intelligence tests are good indicators of raw mental horsepower, it is just as important for leaders to broaden their leadership knowledge and experience if they want to be successful in high-stress situations. This latter point may be very important today, where the additional stress of organizational downsizing and “delayering” may cause the performance of leaders to be scrutinized even more closely than in the past. In fact, this additional scrutiny may well cause leaders who were previously successful to perform rather poorly in this high-stress environment.

Second, leaders may not be aware of the degree to which they are causing stress in their followers. If followers perceive that their performance is being closely watched, then they are likely to revert to their crash plans in order to perform. If the situation calls for new and novel solutions to problems, however, the leaders’ behavior may be counterproductive. A key point here is that leaders may be unaware of their impact on followers. For example, they may want to review their followers’ work more closely in order to be helpful, but followers may not perceive it this way.

Third, the level of stress inherent in the position needs to be understood before selection of leaders. Those doing the selection to fill high-stress leadership positions can either look for experienced leaders or reduce the stress in the situation so that more intelligent leaders can be more successful (Levy-Leboyer, 1995; Fielder, 2002). Another alternative could be to hire more intelligent leaders and put them through some type of stress management program so that the effects of stress are minimized (Fielder, 1995, 2002). It is also possible that experienced leaders may get bored if placed into low-stress positions (Ganzach, 1998).

Emotional Intelligence and Leadership

What Is Emotional Intelligence?
In terms of the building blocks of skills, Chapter 6 described the role values play in leadership. Similarly, this chapter has discussed how bright- and dark-side personality traits and analytic, practical, and creative intelligence are related to leadership effectiveness. But we have not discussed whether moods affect leaders’ ability to build teams and get results through others. Moods and emotions are constantly at play at work, yet most people are hesitant to discuss moods with anybody other than close friends. It also appears that moods can be contagious, in that the moods of leaders often affect followers in both positive and negative ways. And charismatic or transformational leaders use emotions as the catalyst for achieving better than expected results (see Chapter 13). Given the importance and prevalence of emotions in the workplace, it would seem that there would be a wealth of research regarding mood and leadership effectiveness. But this is not the case. Researchers have really begun to seriously examine the role of emotions in leadership only over the past 15–20 years.

The relationships between a leader’s emotions and their effects on teams and outcomes became popularized with the publication of a book, Emotional Intelligence (Goleman, 1995). But what is emotional intelligence (EQ), and how is it the same as or different from personality or the three types of intelligence described in this chapter?
Unfortunately, there appears to be at least four major definitions of emotional intelligence. The term emotional intelligence can be attributed to two psychologists, Peter Salovey and John Mayer, who studied why some bright people fail to be successful. Salovey and Mayer (1990) discovered that many of them ran into trouble because of their lack of interpersonal sensitivity and skills, and defined emotional intelligence as a group of mental abilities that help people to recognize their own feelings and those of others. Bar-On (1996) believed that emotional intelligence was another way of measuring human effectiveness and defined it as a set of 15 abilities necessary to cope with daily situations and get along in the world. Aberman (2000) defined emotional intelligence as the degree to which thoughts, feelings, and actions were aligned. According to Aberman, leaders are more effective and “in the zone” when their thoughts, feelings, and actions were perfectly aligned. Daniel Goleman, a science writer for the New York Times, substantially broadened these definitions and summarized some of this work in his books Emotional Intelligence (1995) and Working with Emotional Intelligence (1998). Goleman argued that success in life is based more on one’s self-motivation, persistence in the face of frustration, mood management, ability to adapt, and ability to empathize and get along with others than on one’s analytic intelligence or IQ. Table 7.5 provides a comparison between the Salovey and Mayer, Bar-On, and Goleman models of emotional intelligence.

Caruso, Mayer, and Salovey (2002) maintain that these four definitions of EQ can be broken down into two models: an ability model and a mixed model of emotional intelligence. The ability model focuses on how emotions affect how leaders think, decide, plan, and act. This model defines emotional intelligence as four separate but related abilities, which include: (a) the ability to accurately perceive one’s own and others’ emotions; (b) the ability to generate emotions to facilitate thought and action; (c) the ability to accurately understand the causes of emotions and the meanings they convey; and (d) the ability to regulate one’s emotions. According to Caruso, Mayer, and Salovey (2002), some leaders might be very good at perceiving emotions and leveraging them to get results through others, but have difficulties regulating their own emotions. Or they could be very good at understanding the causes of emotions but not as good at perceiving others’ emotions. The ability model is not intended to be an all-encompassing model of leadership, but rather supplements the FFM and Triarchic Theory of Intelligence. Just as leaders differ on adjustment or practical intelligence, so do they differ on their ability to perceive and regulate emotions. The ability model of EQ is helpful because it allows researchers to determine if EQ is in fact a separate ability and whether it can predict leadership effectiveness over and above the FFM and cognitive abilities.

The Goleman and Bar-On definitions of EQ fall into the mixed model category. These researchers believe emotional intelligence includes not only the abilities outlined in the previous paragraph but also includes a number of other attributes. As
such, the mixed model provides a much broader, more comprehensive definition of emotional intelligence. A quick review of Table 7.5 shows that the attributes of emotional intelligence are qualities that most leaders should have, and Goleman (1998) and Goleman, Boyatzis, and McKee (2001; 2002) maintain that leaders need more or less all of these attributes to be emotionally intelligent. Moreover, the mixed model of emotional intelligence has been much more popular with human resource professionals and in the corporate world than the ability model. But does the mixed model really tell us anything different from what we already know? More specifically, is the mixed model any different than the FFM of personality? The fact of the matter is that the mixed model is very, very similar to the FFM. Comprehensive research by Van Rooy and Viswesvaran (in press) showed that EQ

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<tr>
<th>Ability Model</th>
<th>Mayer, Salovey, and Caruso</th>
<th>Goleman et al.</th>
<th>Mixed Models</th>
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predicts job performance no better than the FFM, and research by Caruso, Mayer, and Salovey (2002) that the mixed model does not predict important job outcomes over and above the FFM. Goleman and Bar-On should deservedly get credit for popularizing the notion that noncognitive abilities are important predictors of leadership success. But on the negative side, they also maintain that they have discovered something completely new and do not give enough credit to the 100 years of personality research that underlie many of the attributes in the mixed model.

Can Emotional Intelligence Be Measured and Developed?
The publication of Emotional Intelligence (Goleman, 1996) has sprouted a cottage industry of books, training programs, and assessments related to measurement and development of emotional intelligence. Mayer, Salovey, and Caruso Emotional Intelligence Test (MSCEIT) is a measure of the ability model of emotional intelligence and asks subjects to recognize the emotions depicted in pictures, what moods might be helpful in certain social situations, and so forth (Mayer, Salovey, and Caruso, 2001). Bar-On has self, self-other, youth, and organizational measures of emotional intelligence, such as the Bar-On Emotional Quotient—360 or EQi-S (Bar-On, 2002).

The Emotional Competence Inventory (ECI) was developed by Goleman and consists of 10 questionnaires. These questionnaires are completed by the individual and nine others; the responses are aggregated and given to the participant in a feedback report. Because these researchers have defined emotional intelligence differently and use a different process to assess EQ, it is not surprising that these instruments often provide leaders with conflicting results (Schwartz, 2000). Nevertheless, the Air Force Recruiting Service has used the EQi to screen potential recruiters; it found that candidates scoring higher on the attributes of assertiveness, empathy, happiness, self-awareness, and problem solving were much less likely to turn over prematurely in the position and had a 90 percent chance of meeting their recruiting quotas (Schwartz, 2000).

One issue that most EQ researchers do agree upon is that emotional intelligence can be developed. Goleman and Aberman have developed one- to five-day training programs to help leaders improve their emotional intelligence; Bar-On has developed 15 e-learning modules that are available at EQ University.com. One of the big adopters of EQ training has been the sales staff at American Express Financial Advisors (AEFA). Leaders at AEFA discovered that the company had a well-respected set of investment and insurance products for customers, but many sales staff were struggling with how to respond to the emotions exhibited by clients during sales calls. Moreover, the best salespeople seem to be better able to “read” their clients’ emotions and respond in a more empathetic manner. Since 1993 more than 5,500 sales staff and 850 sales managers at AEFA have attended a five-day training program to better recognize and respond to the emotions exhibited by clients. AEFA found that sales staff attending this program increased annual sales by an average of 18.1 percent, whereas those who did not attend training only achieved a 16.1 percent increase. However, the sample was very small and the comparison somewhat unfair because the control group did not receive any kind of sales training in lieu of the EQ training (Schwartz, 2000). Therefore, it is uncertain whether the EQ training content actually adds value over and above five days of sales training.
Implications of Emotional Intelligence

Aberman (2000) maintained that people can be extremely ineffective when their thoughts, feelings, and actions are misaligned—for example, arguing with someone on your cellular phone when driving on the interstate highway. It seems likely that leaders who are thinking or feeling one thing and actually doing something else are probably less effective in their ability to influence groups toward the accomplishment of their goals. The EQ literature should also be credited with popularizing the idea that noncognitive abilities, such as stress tolerance, assertiveness, and empathy, can play important roles in leadership success. Today, many organizations are using both cognitive and noncognitive measures as part of the process of hiring or promoting leaders. Finally, the EQ literature has also helped to bring emotion back to the workplace. Human emotions are very important aspects of one-on-one interactions and teamwork (Druskat & Wolff, 2001), but too many leadership practitioners and researchers have chosen to ignore the role they play. When recognized and leveraged properly, emotions can be the motivational fuel that help individuals and groups to accomplish their goals. When ignored or discounted, emotions can significantly impede a leader’s ability to influence a group. As discussed in the FFM section of this chapter, leaders who can empathize and get along with others are often more successful than those who cannot.

Some of the more recent research in emotional intelligence indicates what moderates employees’ reactions to job insecurity and their ability to cope with stress when threatened with job loss. Employees with lower EQ reported more negative emotional reactions and used less effective coping strategies when dealing with downsizing than those with higher EQ (Jordan, Ashkanasy, & Hartel, 2002). Along these lines, Wong and Law (2002) report positive relationships between leaders’ and followers’ EQ scores, job performance, and job satisfaction. And Boyatzis, Stubbs, and Taylor (2002) accurately point out that most MBA programs are more focused on cognitive abilities and developing financial skills than on those abilities needed to successfully build teams and get results through others.

Despite these positive contributions, emotional intelligence has several limitations. First, some researchers, Goleman in particular, have maintained that EQ is more important than intelligence when it comes to leadership success. Unfortunately, none of the research bears this out. The simple fact of the matter is that leaders will not be successful if they have lots of EQ but little IQ; the most effective leaders have both of these qualities. Second, Goleman and his associates and Bar-On have not acknowledged the existence of personality, much less 100 years of personality–leadership effectiveness research. As seen in Table 7.6, Goleman’s conceptualizations of EQ look very similar to the FFM found in Table 7.1. At least as conceptualized by these two authors, it is difficult to see how EQ is any different from personality. Third, if the EQ attributes are essentially personality traits, then it is difficult to see how they will change as a result of a training intervention. Personality traits are very difficult to change, and the likelihood of changing 20 to 40 years of day-to-day behavioral patterns as the result of some e-learning modules or a five-day training program seems highly suspect. As we will see in the next
chapter, people can change their behavior, but it takes considerable effort and coaching over the long term to make it happen. Finally, an important question to ask is whether EQ is really something new, or simply a repackaging of old ideas and findings? If EQ is defined as an ability model, such as the one put forth by Mayer, Salovey, and Caruso, then emotional intelligence probably is a unique ability and worthy of additional research (see Figure 7.6). A leader’s skills in accurately perceiving, regulating, and leveraging emotions seem vitally important in building cohesive, goal-oriented teams, and measures like the MSCEIT (Mayer, Salovey, & Caruso, 2001) could be used in conjunction with FFM and cognitive abilities measures to hire and develop better leaders. But if EQ is defined as a mixed model, then it is hard to see that Goleman and his associates and Bar-On are really telling us anything new.

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<th>TABLE 7.6</th>
<th>Comparison between the FFM and Goleman’s Model of EQ</th>
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Summary

This chapter examined the relationships between personality, intelligence, and emotional intelligence with leadership success. In general, all of these attributes can help a leader to influence a group toward the accomplishment of its goals, but in and of themselves they are no guarantee of leadership success. Oftentimes the situation will dictate which personality traits, components of intelligence, or emotional intelligence attributes will positively affect a leader’s ability to influence a group.

Although the term personality has many different meanings, we use the term to describe one’s typical or characteristic patterns of behavior. There are several different theories to describe why people act in characteristic ways, but the trait approach to personality has been the most thoroughly researched, and as such plays a key role in the chapter. The adoption of the Five Factor Model (FFM) of personality has helped to clarify the personality–leadership relationships, and researchers have noted that leadership success is positively correlated with the FFM personality dimensions of surgency, dependability, agreeableness, and adjustment.

The FFM comprises the bright side of personality, but there are a number of traits that also constitute the dark side of personality. Dark-side personality traits are irritating, counterproductive behaviors that are exhibited during times of stress and interfere with a leader’s ability to build teams or get results through others. Virtually everyone has one or two dark-side traits; some of the keys to being a more successful leader is knowing which dark-side traits you possess, identifying the situations in which they appear, and developing strategies to manage them.

The most recent theory for understanding intelligence divides it into three related components: analytic intelligence, practical intelligence, and creative intelligence. All three components are interrelated. Most research shows that leaders possess higher levels of analytic intelligence than the general population, and that more intelligent leaders often make better leaders. Analytic intelligence appears to confer two primary benefits upon leaders. First, leaders who are smarter seem to be better problem solvers. Second, and perhaps more important, smarter leaders seem to profit more from experience.

The roles of practical and creative intelligence in leadership are receiving increasing attention. Practical intelligence, or one’s relevant job knowledge or exper-
ence, is proving to be extremely important for leaders. Leaders with higher levels of practical intelligence seem to be better at solving problems under stress. Moreover, practical intelligence seems to be the easiest of the three components to change. This implies that leaders should use techniques such as the action-observation-reflection model, described in Chapter 3, to extract the most learning from their experiences.

Creative intelligence involves developing new and useful products and processes, and creativity is extremely important to the success of many businesses today. Creativity consists of seven components, including synthetic abilities, analytic intelligence, practical intelligence, thinking skills, relevant personality traits, intrinsic motivation, and several environmental factors. Understanding the seven components of creativity is important as the factors can give leaders ideas about how to improve their own and their followers’ creativity. It is important that leaders learn how to successfully stimulate and manage creativity, even more than being creative themselves.

In some ways emotional intelligence is a relatively new concept, and there are at least four different definitions of emotional intelligence. Generally, emotional intelligence has to do with understanding and responding to one’s own and others’ emotions. Leaders who can better align their thoughts and feelings with their actions may be more effective than leaders who think and feel one way about something but then do something different about it. Although emotional intelligence has helped to point out the role emotions and noncognitive abilities play in leadership success, some of it seems to be nothing more than another label for personality. If this is the case, then emotional intelligence may be a leadership fad that will fade away over time.

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Questions

1. What FFM and dark-side personality traits do you think would help professional sports players be more or less successful? Would successful coaches need the same or different personality traits and preferences? Would successful players and coaches need different traits for different sports?

2. Do you think personality is a helpful dimension for understanding the effectiveness of political leaders? Does this question necessarily imply that successful political leaders have good personalities, and unsuccessful ones bad personalities? (Hint: explore this issue by considering both the bright and the dark side of personality.)

3. Think of all the ineffective leaders you have ever worked or played for. What dark-side traits did these leaders possess that caused them to be ineffective?

4. Individuals may well be attracted to, selected for, or successful in leadership roles early in their lives and careers based on their analytic intelligence. But what happens over time and with experience? Do you think wisdom, for example, is just another word for intelligence, or is it something else?

5. What role would downsizing play in an organization’s overall level of practical intelligence?

6. We usually think of creativity as a characteristic of individuals, but might some organizations be more creative than others? What factors do you think might affect an organization’s level of creativity?

7. Can better leaders more accurately perceive and leverage emotions? How could you determine if this was so?

Skills

The leadership skills relevant to this chapter include:

- Learning from experience
- Problem solving
- Improving creativity
- Diagnosing performance problems in individuals, groups, and organizations

Activity

1. Your instructor has access to as on-line FFM and dark side personality assessments. Both instruments take about 40 minutes to complete and could be given as homework. Once the assessments are completed, you should review the feedback reports and discuss in class.

2. Your instructor could suspend a 30-foot rope approximately 2 feet off the ground. You and the rest of the class would get on one side of the rope. The rope represents an electrified fence, and your task is to get everyone successfully over the rope without touching it. You may not touch, lower, raise, or adjust the rope in any manner. You may not let any part of your skin or clothing touch the rope, nor can you drape anything over the rope to protect you from the current. There are two rules you must follow to successfully navigate the rope. First, before starting to cross the fence, everyone in the group must form a line parallel to the rope and hold hands with the people on either side. These links with the other people in the group cannot be broken. Second, a quality
error is committed if any group member touches the fence. If the group detects their own error, then only the person currently attempting to navigate the fence needs to start over. If the instructor catches the error but the group does not, then the instructor has the right to have the entire group start over. This is analogous to catching a bad product before it is delivered to a customer instead of delivering defecting products to customers. You will have about 25 minutes to plan and execute this exercise.

Minicase

“Lessons on Leadership from Ann Fudge”

How do you rescue one of the largest advertising and media services firms in the world from a downward spiral? That is the question Martin Sorrell faced when his London-based WPP Group acquired Young & Rubicam in 2000. After many years on top, Y&R was starting to lose momentum—and clients. Kentucky Fried Chicken, United Airlines, and Burger King had all decided to take their advertising dollars elsewhere. Sorrell needed to stop the exodus, but how? He decided a fresh face was needed and started a search for a new CEO for Y&R—he wanted a dynamic leader who could revitalize Y&R. He found such a leader in Ann Fudge.

Ann Fudge was formerly president of Kraft Foods. At Kraft she had been responsible for the success of the $5 billion division that included well-known brands such as Maxwell House, Grape Nuts, Shredded Wheat, and General Foods International Coffees. Fudge’s reputation as a charismatic leader who listens was a major issue for Sorrell when he went looking for a new CEO for Y&R. Among the talents Fudge had to offer was an ability to interact effectively with all constituencies of a consumer business. Mattel Chairman and CEO Bob Eckert was Fudge’s boss when he was president and CEO of Kraft. Of Fudge, Eckert says, “She is equally comfortable with consumers at the ballpark, factory workers on a production line, and executives in the boardroom. She could engage all three constituents in the same day and be comfortable. She is very comfortable with herself, and she’s not pretending to be someone else. That’s what makes her such an effective leader.”

Her commitment to her work and the people she works with is evident in the lesson she offers to other leaders:

1. Be yourself, do not feign behavior that you think will make you “successful.”
2. Always remember it’s the people, not you. A leader cannot be a leader if he/she has no followers. Be honest with people. Give them feedback. Put the right people in the right jobs. Surround yourself with the smartest people you can find—people who will offer differing perspectives and diversity of experience, age, gender, race.
3. Touch your organization. It’s easy to get stuck behind your desk. Fight the burden of paperwork and get out in the field. Don’t be a remote leader. You cannot create a dynamic culture if people can’t see, hear, touch you. Let them know you as a person.
4. Steer the wheel with a strategic focus, yet maintain a wide peripheral vision. Know when to stop, speed up, slow down, brake quickly, swerve, or even gun it!

Fudge had a difficult decision to make when she was approached by Sorrell about the position at Y&R. She was in the midst of a two-year break—after 24 years working for corporate America, Fudge decided to take some time for herself. She had left her position as president of Kraft Foods in 2001 based not on her dissatisfaction with her job, but on a desire to define herself by more than her career. “It was definitely not satisfaction, it was more about life,” says Fudge about her sabbatical. During her two-year break she traveled, cycling around Sardinia and Corsica; she took up yoga; and she wrote a book: *The Artist’s Way at Work*, a manual for improving creatively and innovation on the job.

Fudge took on the challenge and has not looked back. In her tenure at Y&R she has worked hard to get Y&R back on top. She has traveled the globe, visiting with Y&R employees around the world living rule number 3 of her own leadership rules. She frequently puts in 15-hour days pushing her strategy to focus on clients, encouraging teamwork, and improving creativity. A major undertaking for Fudge is to try and bring together the various business entities under the Y&R umbrella to better meet the needs of clients. She’s also trying to institute a Six Sigma method for creativity—looking for ways to increase productivity so employees have more time to be creative.

Fudge’s hard work is paying off. Y&R has recently added Microsoft and Toys R Us to their list of clients, and, if Fudge has her way, the list will continue to grow until Y&R is back on top.

1. How would Ann Fudge fall into each of the Five Factor Model (FFM) categories?
2. Consider the components of creative intelligence from Table 7.3. Identify the key components that have impacted Ann Fudge’s success.
3. Ann Fudge decided to take a sabbatical to focus more on her personal life. Based on her experience, what are some of the benefits to such a break? What might be some of the drawbacks?

Leadership Behavior

Introduction

The leader sets the example. Whether in the Army or in civilian life, the other people in the organization take their cue from the leader—not from what the leader says, but what the leader does.

*Colin Powell*

Throughout Chapters 4–7 we have been talking about different ways to assess leaders. But when all is said and done, how can we tell “good” leaders from “bad” leaders? One way to differentiate leaders is to look at results; some leaders have a track record of getting good results across a variety of situations whereas others seem to have difficulties getting work done through others. But another key way we distinguish between effective and ineffective leaders is to look at what they do on a day-to-day basis. Some leaders do a good job making decisions, providing direction, creating plans, giving regular feedback, and getting their followers the resources they need to be successful. Other leaders have difficulties making decisions, set vague or unclear goals, and ignore followers’ requests for equipment. Although a leader’s values, personality, and intelligence are important, variables like these only have an indirect relationship with leadership effectiveness. Their effect presumably comes from the impact they have on leader behavior, which appears to have a more direct relationship with the leader’s ability to build teams and get results through others.

One advantage of looking at leaders in terms of behavior instead of, say, personality is that behavior is often easier to measure; leadership behaviors can be observed whereas personality traits, values, or intelligence must be inferred from behavior or measured with tests. Another advantage of looking at leader behavior is that many people are less defensive about, and feel more control of, specific behaviors than they do about their personalities or intelligence. This point has significant implications for developing leadership skills, a topic we will take up in detail at the end of this book.
Leaders with certain traits, values, or attitudes may find it easier to effectively perform some leadership behaviors than others. For example, leaders with higher agreeableness scores (as defined in Chapter 7) may find it relatively easy to show concern and support for followers but may also find it difficult to discipline followers. Likewise, leaders with low recognition and affiliation values (Chapter 6) and who score low on the personality trait of sociability (Chapter 7) will be less comfortable giving public presentations. But because behavior is under conscious control, we can always choose to change our behavior as leaders if we want to. It is important to remember, however, that the ease in which we exhibit or can change behavior will partly be a function of our values, personality, and intelligence.

Followers and the situation are the two other major factors to keep in mind when evaluating leadership behavior. As described in Chapter 7, strong situational norms can play pervasive roles in leaders’ behavior. Similarly, follower and situational factors can help determine whether a particular leadership behavior is “bad” or “good.” Say a leader provided a group of followers with extremely detailed instructions on how to get a task accomplished. If the followers were new to the organization or had never done the task before, then this level of detail would probably help the leader get better results through others. But if the followers were very experienced, then this very same leader behavior would likely have detrimental effects. The same would be true if the company was in a financial crisis versus having a very successful year.

This chapter begins with a discussion on why it is important to study leadership behavior. We then review some of the early research on leader behavior, and discuss several ways to categorize or conceptualize different leadership behaviors. Next, we briefly summarize what is currently known about a common leadership behavior assessment technique, the 360-degree, or multirater, feedback questionnaire. The last section provides both a research perspective and some practical advice on behavioral change. It includes such topics as development planning, coaching, and mentoring.

Studies of Leadership Behavior

Why Study Leadership Behavior?

Thus far, we have reviewed research on a number of key variables affecting leadership behavior, but we have not directly examined fundamentally what leaders actually do to successfully influence a group. For example, what did Colin Powell do as a lieutenant to influence his platoon in Vietnam, and were the behaviors needed to be successful as the chief of the Joint Chiefs of Staff or secretary of state the same as or different from those needed in Vietnam? What exactly did Peter Jackson do to get a troupe of actors to commit to seven years of filming a trilogy that many said could not be done? Or to get New Line Productions to invest the $250,000,000 needed to create the movies? What did Aung San Suu Kyi do to win the Nobel Prize for Peace, and what does she continue to do that allows her to attract followers to the democracy movement in Burma? Because of these questions, it is appropriate to turn our attention to leader behavior itself, for if we could identify how successful leaders act
compared with unsuccessful leaders, then we could design systems that would allow us to hire, develop, and promote the skills necessary for organizations to succeed in the future. Unfortunately, given the success of the Dilbert comic strip and the explosive growth of management consulting firms, it appears that there are a number of leaders (or persons in positions of leadership) who either do not know what to do and how to do it, or do not realize how their behavior is affecting the people who work for them (Curphy, 1996a; 1998a; 2002; 2003a, b, 2004a, e, h; Curphy & Hogan, 2004a, b; Hogan & Curphy, 2004; Chavan & Colvin; 1999).

Before we go into the different ways to categorize what leaders do to influence a group, it might be good to review what we know so far about leadership skills and behaviors. As seen in Figure 8.1, leadership behaviors (which include skills and competencies) are a function of intelligence, personality traits, emotional intelligence, values, attitudes, interests, knowledge, and experience. The factors in the bottom layer of blocks are relatively difficult to change, and they predispose a leader to act in distinctive ways. As described in Chapter 7, one’s personality traits are pervasive and almost automatic, occurring typically without much conscious attention. The same could be said about how values, attitudes, and intelligence affect behaviors. Over time, however, it is hoped that leaders learn and discern which behaviors are more appropriate and effective than others. It is always useful to remember the pivotal roles individual difference and situational variables can play in a leader’s actions (see Highlight 8.1).

The Early Studies

If you were asked how to study and identify the behaviors that best differentiated effective from ineffective leaders, how would you do it? Interviews, behavioral observation, and paper-and-pencil techniques (e.g., questionnaires) would seem
Behaviors versus Skills

Highlight 8.1

Leadership behaviors are somewhat different from leadership skills. A leadership behavior concerns a specific action, whereas a leadership skill consists of three components, which include a well-defined body of knowledge, a set of related behaviors, and clear criteria of competent performance. Perhaps leadership skills may be better understood by using an analogy from basketball. People differ considerably in their basketball skills; good basketball players know when to pass and when to shoot, and are adept at making layups, shots from the field, and free throws. Knowing when to pass and when to shoot is an example of the knowledge component, and hitting layups and free throws are examples of the behavioral component of skills. In addition, shooting percentages can be used as one criterion for evaluating basketball skills. Leadership skills, such as delegating, can be seen much the same way. Good leaders know when and to whom a particular task should be delegated (i.e., knowledge), they effectively communicate their expectations concerning a delegated task (i.e., behavior), and they check to see whether the task was accomplished in a satisfactory manner (i.e., criteria). Thus, a skill is knowing when to act, acting in a manner appropriate to the situation, and acting in such a way that it helps the leader accomplish team goals.

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<td>Leadership behaviors are somewhat different from leadership skills. A leadership behavior concerns a specific action, whereas a leadership skill consists of three components, which include a well-defined body of knowledge, a set of related behaviors, and clear criteria of competent performance. Perhaps leadership skills may be better understood by using an analogy from basketball. People differ considerably in their basketball skills; good basketball players know when to pass and when to shoot, and are adept at making layups, shots from the field, and free throws. Knowing when to pass and when to shoot is an example of the knowledge component, and hitting layups and free throws are examples of the behavioral component of skills. In addition, shooting percentages can be used as one criterion for evaluating basketball skills. Leadership skills, such as delegating, can be seen much the same way. Good leaders know when and to whom a particular task should be delegated (i.e., knowledge), they effectively communicate their expectations concerning a delegated task (i.e., behavior), and they check to see whether the task was accomplished in a satisfactory manner (i.e., criteria). Thus, a skill is knowing when to act, acting in a manner appropriate to the situation, and acting in such a way that it helps the leader accomplish team goals.</td>
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To be the most likely approaches. You could ask leaders what they do, follow the leaders around to see how they actually behave, or administer questionnaires to ask them and those they work with how often the leaders exhibited certain behaviors. These three approaches have been used extensively in past and present leadership research.

Much of the initial leader behavior research was conducted at Ohio State University and the University of Michigan. Collectively, the Ohio State University studies developed a series of questionnaires to measure different leader behaviors in work settings. Hemphill (1949) began this development effort by collecting over 1,800 questionnaire items that described different types of leadership behaviors. These items were collapsed into 150 statements, and these statements were then used to develop a questionnaire called the Leader Behavior Description Questionnaire (LBDQ) (Hemphill & Coons, 1957). In order to obtain information about a particular leader’s behavior, subordinates were asked to rate the extent to which their leader performed behaviors like the following:

- He lets subordinates know when they’ve done a good job.
- He sets clear expectations about performance.
- He shows concern for subordinates as individuals.
- He makes subordinates feel at ease.

In analyzing the questionnaires from thousands of subordinates, the statistical pattern of responses to all the different items indicated leaders could be described in terms of two independent dimensions of behavior called consideration and initiating structure (Fleishman, 1973; Halpin & Winer, 1957). Consideration refers to how much a leader is friendly and supportive toward subordinates. Leaders high
in consideration engage in many different behaviors that show supportiveness and concern, such as speaking up for subordinates’ interests, caring about their personal situations, and showing appreciation for their work. **Initiating structure** refers to how much a leader emphasizes meeting work goals and accomplishing tasks. Leaders high in initiating structure engage in many different task-related behaviors, such as assigning deadlines, establishing performance standards, and monitoring performance levels.

The LBDQ was not the only leadership questionnaire developed by the Ohio State researchers. They also developed, for example, the Supervisory Descriptive Behavior Questionnaire (SBDQ), which measured the extent to which leaders in industrial settings exhibited consideration and initiating structure behaviors (Fleishman, 1972). The Leadership Opinion Questionnaire (LOQ) asked leaders to indicate the extent to which they believed different consideration and initiating behaviors were important to leadership success (Fleishman, 1989). The LBDQ-XII was developed to assess 10 other categories of leadership behaviors in addition to consideration and initiating structure (Stogdill, 1959). Some of the additional leadership behaviors assessed by the LBDQ-XII included acting as a representative for the group, being able to tolerate uncertainty, emphasizing production, and reconciling conflicting organizational demands.

Rather than trying to describe the variety of behaviors leaders exhibit in work settings, the researchers at the University of Michigan sought to identify leader behaviors that contributed to effective group performance (Likert, 1961). They concluded that four categories of leadership behaviors are related to effective group performance: leader support, interaction facilitation, goal emphasis, and work facilitation (Bowers & Seashore, 1966).

Both goal emphasis and work facilitation are **job-centered dimensions** of behavior similar to the initiating structure behaviors described earlier. **Goal emphasis** behaviors are concerned with motivating subordinates to accomplish the task at hand, and **work facilitation** behaviors are concerned with clarifying roles, acquiring and allocating resources, and reconciling organizational conflicts. Leader support and interaction facilitation are **employee-centered dimensions** of behavior similar to the consideration dimension of the various Ohio State questionnaires (see Table 8.1). **Leader support** includes behaviors where the leader shows concern for subordinates; **interaction facilitation** includes those behaviors where leaders act to smooth over and minimize conflicts among followers. Like the researchers at Ohio State, those at the University of Michigan also developed a questionnaire, the Survey of Organizations, to assess the degree to which leaders exhibit these four dimensions of leadership behaviors (Bowers & Seashore, 1966).

Although the behaviors composing the task-oriented and people-oriented leadership dimensions were similar across the two research programs, there was a fundamental difference in assumption underlying the work at the University of Michigan and that at Ohio State. Researchers at the University of Michigan considered job-centered and employee-centered behaviors to be at **opposite ends of a single continuum of leadership behavior**. Leaders could theoretically manifest either strong employee or job-centered behaviors, but not both. On the other hand, researchers at Ohio State believed that consideration and initiating structure were
independent continuums. Thus, leaders could be high in both initiating structure and consideration, low in both dimensions, or high in one and low in the other.

The key assumption underlying both research programs was that certain behaviors could be identified that are universally associated with a leader’s ability to successfully influence a group toward the accomplishment of its goals. Here are the kinds of questions researchers were interested in:

From the University of Michigan perspective, who tends to be more effective in helping a group to accomplish its goals, job- or employee-centered leaders?

From the Ohio State perspective, are leaders who exhibit high levels of both task- and people-oriented behaviors more effective than those who exhibit only task or people behaviors?

What role do situational factors play in leadership effectiveness? Are employee-centered leadership behaviors more important in nonprofit organizations or downsizing situations, whereas job-centered behaviors are more important in manufacturing organizations or start-up situations?

The answers to these questions have several practical implications. If leaders need to exhibit only job- or employee-centered behaviors, then selection and training systems need to focus only on these behaviors. But if situational factors play a role, then researchers need to identify which variables are the most important, and to train leaders how to modify their behavior accordingly.

As you might suspect, the answer to all of these questions is, “It depends.” In general, researchers have reported that leaders exhibiting a high level of consideration or employee-centered behaviors had more satisfied subordinates. Leaders who set clear goals, explained what followers were to do and how to get tasks accomplished, and monitored results (i.e., initiating structure or job-centered) often had higher-performing work units if the group faced relatively ambiguous or ill-defined tasks (Bass, 1990; Judge, Piccolo, & Ilies, 2003; Eisenberger, Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002). At the same time, however, leaders whose behavior was highly autocratic (an aspect of initiating structure) were more likely to have relatively dissatisfied subordinates (Bass, 1990). Findings like these suggest that there is no universal set of leader behaviors always associated with leadership success. Often the degree to which leaders need to exhibit task- or people-oriented behaviors depends upon the situation, and it is precisely this finding that prompted the research underlying the contingency theories of leadership described in Chapter 12. If you review these theories you will see strong links to the job- and employee-centered behaviors identified 40 years ago.

### Alternative Conceptualizations of Leadership Behaviors

The Ohio State and University of Michigan studies were a good first step in describing what leaders actually do. Other researchers have extended these findings into more user-friendly formats or developed different schemes for categorizing

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<th>Ohio State Dimensions</th>
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<td>Initiating Structure</td>
<td>Goal Emphasis &amp; Work Facilitation</td>
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<td>Consideration</td>
<td>Leader Support &amp; Interaction Facilitation</td>
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leadership behaviors. Like the earlier research, these alternative conceptualizations are generally concerned with: (a) identifying key leadership behaviors, (b) determining whether these behaviors have positive relationships with leadership success, and (c) developing those behaviors related to leadership success. One popular conceptualization of leadership is really an extension of the findings reported by the University of Michigan and Ohio State leadership researchers. The Leadership Grid profiles leader behavior on two dimensions: concern for people and concern for production (Blake & McCanse, 1991; Blake & Mouton, 1964). The word concern reflects how a leader’s underlying assumptions about people at work and the importance of the bottom line affect leadership style. In that sense, then, the Leadership Grid deals with more than just behavior. Nonetheless, it is included in this chapter because it is such a direct descendant of earlier behavioral studies.

As Figure 8.2 shows, leaders can get scores ranging from 1 to 9 on both concern for people and concern for production depending on their responses to a leadership questionnaire. These two scores are then plotted on the Leadership Grid, and the two score combinations represent different leadership orientations.
Each orientation reflects a “unique set of assumptions for using power and authority to link people to production” (Blake & McCanse, 1991, p. 29). Amid the different leadership styles, the most effective leaders are claimed to have both high concern for people and high concern for production, and Leadership Grid training programs are designed to move leaders to a 9,9 leadership style. Whereas this objective seems intuitively appealing, where do you think Aung San Suu Kyi, Colin Powell, or Peter Jackson score on these two dimensions? Do all three of them show a high concern for production and people? Are there differences between the three leaders, or are all three 9,9 leaders?

Although the Leadership Grid can be useful for describing or categorizing different leaders, we should note that the evidence to support the assertion that 9,9 leaders are the most effective comes primarily from Blake, Mouton, and their associates. However, other more recent research might shed some light on whether 9,9 leaders are really the most effective. Robie, Johnson, Nilsen, and Hazucha (2001) conducted a study of 1,400 managers in the United States, Germany, Denmark, the United Kingdom, Italy, Spain, France, and Belgium to determine whether the same leadership behaviors were related to effectiveness across countries. They reported that leadership behaviors associated with problem solving and driving for results (initiating structure or 9,1 leadership) were consistently related to successfully influencing a group to accomplish its goals, regardless of country. Similar results about initiating structure and job performance were reported by Judge, Piccolo, and Ilies (2003). Using 800 managers in a U.S. high-tech firm, Goff (2000) reported that managers who spent more time building relationships (consideration or 1,9 leadership) also had more satisfied followers (i.e., they were less likely to leave the organization). Likewise, Judge, Piccolo, and Ilies (2003) and Eisenberger et al. (2002) reported strong support for the notion that higher consideration behavior can reduce employee turnover. These results seem to indicate that the most effective leadership style might just depend on the criteria used to judge effectiveness. The context and style of a leader’s behavior are factors which affect impact (see Highlight 8.2).

So far in this section we have described several ways to categorize leaders or leadership behaviors, but what are the implications of this research for leadership practitioners? Believe it or not, you can see the practical application of this leadership behavior research in just about every Global 1000 company. As first discussed in Chapter 4, competency models describe the behaviors and skills managers need to exhibit if an organization is to be successful (King, Fowler, & Zeithaml, 2001). Just as leaders in different countries may need to exhibit behaviors uniquely appropriate to that setting to be successful, different businesses and industries within any one country often emphasize different leadership behaviors. Therefore, it is not unusual to see different organizations having distinct competency models depending upon the nature and size of the business, its level of globalization, or the role of technology or teams in the business (Peterson, 1998; Ulrich, Zenger & Smallwood, 1999). An example of a competency model for a major high-tech firm can be found in Figure 8.3. The inside wheel represents the general competencies, and the outside wheel represents the more specific skills managers in this company need to carry it successfully through the 21st century.
Does Humor Matter?

Highlight 8.2

Leaders exhibit many kinds of behavior. Some are focused on task accomplishment, whereas others are more related to supporting followers. Some leaders are naturally funny, and others seem stern and humorless. Does a leader’s sense of humor affect his or her ability to influence a group toward the accomplishment of its goals? Several researchers examined this question and discovered the answer is not a simple yes or no. Laissez-faire leaders (1,1) who used humor reported having more satisfied followers, but did not have higher performing work groups. Task-focused leaders (9,1) who used humor actually had less satisfied and lower performing work units. Apparently their use of humor seemed out of sync with their constant focus on goal setting, productivity, and cost-cutting initiatives. Transformational leaders (9,9), and those leaders with high levels of emotional intelligence who used humor seemed to have higher performing work groups. The key lesson from this research appears to be that the impact of a leader’s humor will depend on the leader’s style and the context in which it is delivered. Task-focused leaders should be keenly attuned to followers’ needs when the company is facing an economic downturn or a difficult organizational dilemma, and also be aware that the use of humor in these situations will probably have just the opposite effect as intended.


Many of the best organizations now have competency models for different levels of management. For example, the behaviors and skills needed by department supervisors, store managers, district managers, regional vice presidents, and division presidents at The Home Depot vary considerably, and these differences are reflected in the competency models for each management group. These models help to clarify expectations of performance and describe the skills necessary for promotion. They also help human resource professionals to design selection, development, performance management, and succession planning programs so that organizations have a steady supply of leadership talent (Bracken, 1994; Curphy, 2001, 2002, 2003a, 2004a, e; Hogan & Warrenfelz, 2003; Louiseille, Bridges, & Curphy, 2003; Gebelein, 1994, 1996; Schippmann, Ash, Battista, Carr, Eyde, Hesketh, Kehoe, Pearlman, Prien, & Sanchez, 2000; Tett, Guterman, Bleier, & Murphy (in press).

According to Hogan and Warrenfelz (2003), the skills and behaviors found in virtually every organizational competency model fall into one of four major categories. Intrapersonal skills are those leadership competencies and behaviors having to do with adapting to stress, goal orientation, and adhering to rules and include the competencies found in Demonstrating Adaptability and Personal Values & Mastery in Figure 8.3. It is important to note that these skills and behaviors do not involve interacting with others, and they are among the most difficult to change. Interpersonal skills are those that involve direct interaction, such as communicating and building relationships with others. The competencies of Communication Skills and Aligning People & Processes in Figure 8.3 fall into this category, and these skills are somewhat easier to develop. The competencies of Sponsoring
Change and Motivation & Development of Others in Figure 8.3 fall into the Leadership skills category. These are the skills and behaviors concerned with building teams and getting results through others, and these are more easily developed than the skills and behaviors associated with the first two categories. Finally, the competencies of Vision & Strategy and Management Skills fall into the Business skills category. These skills and competencies are often the focus of MBA programs and are the easiest to learn of the four categories. The Hogan and Warrenfelz (2003) domain model of leadership competencies is important as it allows people to see connections between seemingly different organizational competency models and makes predictions about how easy or difficult it will be to change various leadership behaviors and skills.

Although organizational competency models have played a pervasive role in selecting, developing, and promoting government and business leaders, they have not played much of any role in another common form of leadership, which is community leadership. Community leadership is the process of building a team
of volunteers to accomplish some important community outcome (Krile, Lund, & Curphy, 2005), and represents an alternative conceptualization of leadership behavior. Examples of community leadership might include forming a group to raise funds for a new library, gathering volunteers for a blood drive, or organizing a campaign to stop the construction of a Wal-Mart. Thus, community leadership takes place whenever a group of volunteers gets together to make something happen (or not happen) in their local community.

But leading a group of volunteers is very different than being a leader in a publicly traded company, the military, or in a government agency. For one thing, community leaders do not have any position power; they cannot discipline followers who do not adhere to organizational norms, get tasks accomplished, or show up to meetings. They also tend to have fewer resources and rewards than most other leaders. And because there is no formal selection or promotion process, anyone can be a community leader. But whether they will be successful in their community change effort will depend on three highly interrelated competencies (see Figure 8.4). Just as you need the three ingredients of oxygen, fuel, and an igniter to start a fire, so will you need the three competencies of framing, building social capital, and mobilization to successfully drive community change efforts.

**Framing** is the leadership competency of helping a group or community recognize and define its opportunities and issues in ways that result in effective action. Framing helps the group or community decide *what* needs to be done, *why* it is important that it be done, and *how* it is to be done, and to communicate that in clear and compelling ways. Any community could take on a myriad of potential projects, but many of these projects never get off the ground because the person “in charge” never framed the project in such a way that others could understand: *(a)* the outcome; *(b)* how they would benefit by the outcome; or *(c)* what they would need to do to achieve the outcome.

**Building social capital** is the leadership competency of developing and maintaining relationships that allow people to work together in the community across their differences. Just as financial capital allows an individual to make choices...
about what they can purchase, such as buying a new television, car, or house, so too does social capital allow a community leader to make choices about which community change initiatives or projects are likely to be successful. If you have very little money, your options are severely limited. Likewise, leaders lacking social capital will have a very difficult time getting anything done in their communities, as they will not be able to mobilize the resources necessary to turn their vision into reality. Social capital is the power of relationships shared between individuals, an individual and a group, or between groups.

Engaging a critical mass to take action to achieve a specific outcome or set of outcomes is the leadership competency of mobilization. Community leaders will have achieved a critical mass when they have enough human and other resources to get done what they want to get done. People, money, equipment, and facilities are often needed to pass bond issues or attract new businesses to a community. Mobilization is about strategic, planned purposeful activity to achieve clearly defined outcomes. Almost anyone can get resources moving, but it takes leadership to get enough of the right resources moving toward the same target.

So how would the community leadership model come into play if you wanted to have a new student union built on your campus? First, you would need to frame the issue in such a way that other students understood what was in it for them and what they would need to do to make a new student union become reality. Second, you would need to reach out and build relationships with all of the current and potential users of the new student union. You would need to identify the formal and informal leaders of the different user groups and meet with them in order to gain and maintain their trust. Third, you would need these different user groups to take action in order to get the new student union built. Some of these actions might include raising funds, making phone calls, canvassing students to sign petitions, mounting a publicity campaign, and meeting with university and state officials who are the key decision makers about the issue.

It is worth noting that you need to do all three of the community leadership components well if you are to be successful. You might be able to succinctly frame the issue, but if you lacked social capital or could not get a critical mass mobilized, then you would probably not get very far on building the new student union. The same would be true if you had a broad and well-established network of students but did not frame the issue in such a way that followers could take action. It is likely that as many community change efforts fail as succeed, and the reasons for failure often have to do with inadequate framing, social capital, or mobilization.

Assessing Leadership Behaviors: Multirater Feedback Instruments

One way to improve leadership effectiveness is to provide leadership practitioners with feedback regarding the frequency and skill with which they perform various types of leadership behaviors. A $200-million industry has developed over the past two decades to meet this need. This is the 360-degree, or multirater feedback, instrument industry, and it is difficult to overestimate the importance it has had on management development both in the United States and overseas. Jack Welch, the former CEO of General Electric, has stated that these tools have been critical to GE’s success (Gebelein, 1994; Tichy & Cohen, 1997). Practically all of the Global 1000 companies are using some type of multirater feedback instrument for man-
agers and key individual contributors (Edwards & Ewen, 1996; Campbell, Curphy, & Tuggle, 1995; Lepsinger & Lucia, 1997; Tornow & London, 1998; Collins, 1999; Morical, 1999; Bracken, Timmreck, & Church, 2000; Atkins & Wood, 2002; Curphy, 2002, 2003a, 2004a; Toegel & Conger, 2003). Multirater feedback instruments have been translated into 16 different languages, and well over five million managers have now received feedback on their leadership skills and behaviors from these instruments (Curphy, 2001). Because of the pervasiveness of multirater feedback in both the public and private sectors, it will be useful to examine some of the issues surrounding these instruments.

Bracken, Timmreck and Church (2000) and Atkins and Wood (2002) pointed out that many managers and human resource professionals have assumed that a manager’s self-appraisal was the most accurate source of information regarding leadership strengths and weaknesses. This view has changed, however, with the introduction of multirater feedback instruments. These tools show that direct reports, peers, and superiors can have very different perceptions about a target leader’s behavior, and these perspectives can paint a more accurate picture of the strengths and development needs of the leader than self-appraisals alone (see Figure 8.5). A manager may think he or she gets along exceptionally well with others, but if 360-degree feedback ratings from peers and direct reports indicate that the manager is very difficult to work with, then the manager should gain new insights on what to do to improve his leadership effectiveness. Prior to the introduction of 360-degree instruments, it was difficult for managers to get accurate information about how others perceived their on-the-job behaviors since the feedback they received from others in face-to-face meetings tended to be adulterated or watered down (Campbell, Curphy, & Tuggle, 1995; Peiperl, 2001; Curphy 2002a, 2004a; Toegel & Conger, 2003; Jackman & Strober, 2003). Moreover the higher one goes in an organization, the less likely one is to ask for feedback which results in bigger discrepancies between self and other perceptions (Jackman & Strober, 2003; Sala, 2003). And, as described in Chapter 7, many of the most frequent behaviors exhibited by leaders are rooted in personality traits and occur almost automatically, and many leaders do not understand or appreciate their impact on others. As a result,
for a long time it was difficult for managers to determine how to leverage leadership strengths and overcome behavioral deficits. Today, most organizations use 360-degree tools for management development, as a part of a training or coaching program, in succession planning, or even as a part of the performance appraisal process (Lepsinger & Lucia, 1997; Ghorpede, 2000; DeNisi & Kluger, 2000; Bracken, Timmreck, & Church, 2000; Church & Waclawski, 2001; Curphy, 2002, 2004a; Pfau & Kay, 2002; Toegel & Conger, 2003).

Given the pervasive role 360-degree feedback plays in many organizations today, it is interesting to note that research is just starting to catch up with the use of these tools. Much of this research has explored whether 360-degree feedback even matters, whether self-observer perceptual gaps matter, whether leaders’ ratings can improve over time, and whether there are meaningful culture/gender/race issues with 360-degree feedback ratings. With respect to the first issue, Atwater, Waldman, Atwater, and Cartier (2000) and Sala and Dwight (2002) reported that leaders who received 360-degree feedback had higher performing work units than leaders who did not receive this type of feedback. Church (1997, 2000) looked at independent measures of performance and reported that leaders receiving higher other (i.e., boss, peer, and direct report) ratings did get more accomplished than those who received lower ratings. These results indicate that 360-degree feedback ratings do matter (Ghorpade, 2000). But a study of 750 firms by Watson-Wyatt, a human resource consulting firm, reported that companies that used 360-degree feedback systems had a 10.6 percent decrease in shareholder value (Pfau & Kay, 2002). Although this research provides strong evidence that 360-degree feedback may not “work,” it is important to note how these systems were being used in these firms. For the most part, Pfau and Kay (2002) examined firms using 360-degree feedback for performance appraisal, not development purposes. This distinction is important, as most 360-degree feedback systems are not designed to make comparisons between people. Instead, these systems are designed to tell leaders about their own relative strengths and development needs. But because 360-degree feedback are data based and provide good development feedback, many organizations decided to modify the process for performance appraisal purposes. This was a mistake, as with performance appraisals people are looking for favorable versus accurate feedback, and raters are induced to collude with each other if they know their pay or bonuses are going to be based on 360-degree feedback ratings (Toegel & Conger, 2003; Jackman & Strober, 2003; Greguras, Robie, Schleicher, & Goff III, 2003; Curphy, 2004g). When organizations use 360-degree feedback for performance appraisal purposes, they often get highly inflated ratings that do not provide good developmental feedback and make it difficult to make comparisons between leaders. The end result is a costly, time-intensive performance appraisal system that has little if any benefit to the individual or the boss and yields organizational results similar to those reported by Pfau and Kay (2002). The bottom line is that 360-degree feedback systems can add tremendous value, but only if they are used for development purposes (Toegel & Conger, 2003; Curphy & Hogan, 2004b).
As stated earlier, one of the advantages of 360-degree feedback is that it provides insight into self-perceptions and others’ perceptions of leadership skills. But do self-observer gaps matter? Are leaders more effective if they have a high level of insight (i.e., rate their strengths and weaknesses as a leader the same as others do)? Some level of disagreement is to be expected, as bosses, peers, and direct reports may each have different expectations for a leader (Chueng, 1999; Hooijberg & Choi, 2000; Greguras & Robie, 1998; Mount, Judge, Scullen, Sytsma, & Hezlett, 1998). Nevertheless, insight does not seem to matter as far as leadership effectiveness is concerned. Even leaders with large self-observer gaps were effective as long as they had high observer ratings. On the other hand, the least effective leaders were those with high self and low others’ ratings (Fleenor, McCauley, & Brutus, 1996; Church, 1997; Atwater, Ostroff, Yammarino, & Fleenor, 1998; Brett & Atwater 2001; Atkins & Wood, 2002; Sala & Dwight, 2002; Sala, 2003). The important lesson here is that leadership is in the eyes of others. And the key to high observer ratings is to develop a broad set of leadership skills that will help groups to accomplish their goals. Highlight 8.3 illustrates the responses of leaders who rejected their 360-degree feedback.

Another line of research has looked at whether 360-degree feedback ratings improve over time. In other words, is it possible to change others’ perceptions of a leader’s skills? One would hope that this would be the case, given the relationship between others’ ratings and leadership effectiveness. Walker and Smither (1999) reported that managers who shared their 360-degree feedback results with their followers and worked on an action plan to improve their ratings had a dramatic improvement in others’ ratings over a five-year period. Johnson and Johnson (2001)

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**Some of the Top Reasons for Rejecting Observer Feedback**

**Highlight 8.3**

Being a leader is a tough job. Being a good leader is even tougher. Everyone you work with believes he or she is an expert on the subject of leadership, and it is difficult to keep everyone happy all of the time. Most leaders put forth considerable effort to be effective only to discover that they may be coming up short in the eyes of others. As a result, many leaders find 360-degree feedback to be a very valuable but somewhat unpleasant experience. The most effective leaders are those who accept unflattering feedback and do something about it. Less effective leaders are those who refuse to accept their 360-degree feedback results. The following are actual quotes of leaders who rejected their 360-degree feedback results:

- “My former boss told me to act this way. I’m actually nicer.”
- “These ratings are biased because some of my observers are jealous of my promotion.”
- “Human resources should have given this survey to more conscientious people.”
- “The strengths are accurate, but the weaknesses are overstated.”
- “I think my observers had the rating scale backwards when they completed the questionnaires.”
- “These people aren’t aware that I have changed those behaviors.”

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In many cases the only person who is surprised by his or her 360-degree feedback results is the feedback recipient.

Gordy Curphy
looked at 360-degree ratings over a two-year period and reported leadership productivity improvements of 9.5 percent for 515 managers in a manufacturing company. DeNisi and Kluger (2000), Church and Waclawski (2001), Curphy (2002), Waldman (2003), Smith, London, Flautt, Vargas & Kucine (2003), and Curphy & Hogan (2004a, b) aptly pointed out that 360-degree feedback alone is often not enough to improve leadership skills. Leaders must set development goals and commit to a development plan to improve skills if they want to see improvement in others’ ratings (and, in turn, leadership effectiveness) over time.

The last line of research has explored whether there are important cultural, racial, or gender issues with 360-degree feedback. In terms of cultural issues, some countries, such as Japan, do not believe that peers or followers should provide leaders with feedback (Tornow & London, 1998). Other countries, such as Saudi Arabia, tend more to avoid conflict and provide only positive feedback to leaders (Curphy, 2001). The latter phenomenon is not limited to other countries, but appears also in the United States where researchers working in small organizations or in rural communities often report similar findings. People seem more hesitant to provide leaders with constructive feedback if they have to deal with the consequences of this feedback both on and off work (Curphy, 2001, 2002, 2003a, 2004a, g, h). The implication of these findings is that 360-degree feedback is not a management panacea; societal or organizational culture plays a key role in the accuracy and utility of the 360-degree feedback process.

With respect to racial differences, a comprehensive study by Mount, Sytsma, Hazucha, and Holt (1997) looked at the pattern of responses from bosses, peers, and subordinates for over 20,000 managers from a variety of U.S. companies. In general, these researchers reported that blacks tended to give higher ratings to other blacks, irrespective of whether they were asked to provide peer, subordinate, or boss ratings. However, the overall size of this effect was rather small. White peers and subordinates generally gave about the same level of ratings for both black and white peers and bosses. This was not the case for white bosses, however, who tended to give significantly higher ratings to whites who reported directly to them. These findings imply that black leaders are likely to advance at a slower pace than their white counterparts, as 80–90 percent of salary, bonus, and promotion decisions are made solely by bosses (Bernardin & Beatty, 1984). Later in this chapter Thomas (2001) will describe how these racial differences play out in mentoring programs.

With respect to gender issues, research indicates that there are some gender differences, though these differences tend to be slight. Female managers tend to get higher ratings on the majority of skills, yet their male counterparts are generally perceived as having higher advancement potential. There does not appear to be any same-sex bias in 360-degree feedback ratings, and female managers tend to be lower self-raters. Male managers tend to have less accurate self-insight and a higher number of blind spots when compared to their female counterparts (Personnel Decisions International, 1995).

So what should a leadership practitioner take away from all of this 360-degree feedback research? First, given the popularity of the technique, it is likely that you will receive 360-degree feedback sometime in your career. Second, 360-degree feedback should be built around an organization’s competency model, which in
turn describes the leadership behaviors needed to achieve organizational goals (Ulrich, Zenger, & Smallwood, 1999; Curphy 2004a; Curphy & Hogan, 2004a, b). Third, 360-degree feedback may be one of the best sources of “how” feedback for leadership practitioners. Leaders get plenty of “what” feedback—what progress they are making toward group goals, what level of customer service is being achieved, win–loss records, and so on, but they get very little feedback on “how” they should act to get better results. Multirater instruments provide this feedback. Fourth, effective leaders seem to have a broad set of well-developed leadership skills. Fifth, leaders need to create specific goals and development plans in order to improve leadership skills—360-degree feedback results give leaders ideas on what to improve but may not be enough in and of themselves to affect behavioral change. Sixth, leadership behavior can change over time, but it may take a year or two to acquire new skills and for the changes to be reflected in 360-degree feedback ratings. Finally, there are some cultural, racial, and gender issues associated with 360-degree feedback, and practitioners should be aware of these issues before implementing any 360-degree feedback process.

Managerial Derailment and Self-Defeating Behaviors

So far we have talked about what leaders can do in order to improve their effectiveness. The first lesson might be to determine which behaviors are most closely aligned with success, perhaps by identifying key behaviors by means of a competency model. Another lesson might be to get 360-degree feedback on these key behaviors. This feedback helps identify strengths and potential development needs. Not all leaders, however, truly learn such lessons. It might behoove us to look not just at how leaders succeed, but at the complementary question: why some leaders fail? We can learn valuable lessons about what not to do as a leader by studying them.

There is a growing body of research that indicates that somewhere between 30 and 50 percent of managers and executives fail (Charan & Colvin, 1999; Hogan, Curphy, & Hogan, 1994; Sloane, Hezlett, Kuncel, & Sytsma, 1996; Dotlich & Cairo, 2001; Curphy, 2003a, 2004a; Curphy & Hogan, 2004a). These figures imply that up to half of the leaders in any organization are not going to be able to build cohesive teams or achieve business results, which unfortunately lends some weight to Scott Adams’s quote at the beginning of the chapter. Initial research on managerial derailment—whereby individuals who at one time were on the fast track now had their careers derailed—was conducted in the early 1980s by researchers at the Center for Creative Leadership. The researchers went to the human resource departments in a number of Fortune 100 companies seeking lists of their “high-potential” managers. McCall and Lombardo (1983) defined high potentials as those individuals who had been identified as eventually becoming either the CEO/president or one of his or her direct reports sometime in the future. They waited for three years
and then returned to these organizations to ask what had happened to the people on the lists. They discovered that roughly a quarter of the high potentials had been promoted to one of the top two levels in the organization, and an equal percentage had not yet been promoted but would be as soon as a position became available. Another 25 percent had left the company; some had quit to form their own company and others were given a better offer somewhere else. Finally, about a quarter of the people on the list were no longer being considered for promotion. If they were still with the company, then they had been moved to a less influential and visible position. Many others had been asked to leave the company. These individuals represented cases of managerial derailment.

Several other researchers have investigated the managerial derailment phenomenon (Hazucha, 1992; Lombardo, Ruderman, & McCauley, 1987; Peterson, 1993a, 1993b; Van Velsor & Leslie, 1995; Dotlich & Cairo, 2001). This more recent research used much larger samples (Peterson examined over 600 derailed managers), European samples, and more sophisticated assessment tools (i.e., 360-degree feedback instruments). Moreover, a substantially higher percentage of women and minorities were represented in this more recent research, as the initial high-potential list was dominated by white males. As Van Veslor and Leslie (1995) pointed out, this research focused on identifying those factors which helped derailment candidates get initially identified as high potentials, as well as on those factors contributing to their ultimate professional demise. Although these studies varied in many ways, there are many consistent findings across them. Both groups were smart, ambitious, willing to do whatever it took to get the job done, and had considerable technical expertise. In other words, all of the high-potential candidates had impressive track records in their organizations.

On the other hand, the derailed candidates exhibited one or more behavioral patterns not evident in the high potentials who succeeded. The derailment themes can be found in Table 8.2 and are described in more detail below. It is important to note that four of the derailment themes included in Table 8.2 have been consistently reported in the research both in the United States and Europe, and that apparently a new theme is emerging and another is disappearing over time. The first derailment pattern has to do with an inability to build relationships with co-workers. The derailed managers exhibiting this pattern of behavior were very insensitive to the needs and plights of their followers and co-workers, and were often overly competitive, demanding, and domineering. They embraced the “my way or the highway” school of management. Many were also extremely arrogant and truly believed no one in their organizations was as good as they were, and they let their co-workers know it every chance they could. Some of these derailed managers also did whatever they felt necessary to get the job done, even if it meant stepping on a few toes in the process. Unfortunately, this is not one of the recommended techniques for winning friends and influencing people. It’s better to remember the old adage that you should be careful whom you step on going up the ladder, because you may meet them again on your way down. Many of these managers left a trail of bruised people who were just waiting for the right opportunity
to bring these leaders down. Highlight 8.4 illustrates the case of a sales manager with derailment potential.

According to Van Velsor and Leslie (1995), approximately two-thirds of European and one-third of American derailment candidates fall into this pattern. For example, a female vice president of marketing and sales for a cellular phone company was fired from her $200,000 a year job for exhibiting many of the behaviors just listed. She was very bright, had an excellent technical background (an engineer by training), had already been the CEO for several smaller organizations,
and worked very long hours. Her in-depth managerial assessment results (Chapters 4 and 7) indicated that she also had a strong leaderlike personality, with higher scores in surgency and dependability and average scores in agreeableness and adjustment. This assessment also indicated she had extremely high bold scores, and at work this dark-side trait would manifest itself by her talking down to people, quickly identifying and capitalizing on others’ faults, constantly commenting on their incompetence, running over her peers when she needed resources or support, promoting infighting among her peers and subordinates, and expecting to be pampered. Interestingly, she had no idea she was having such a debilitating effect on those she worked with until she received her 360-degree feedback. Had she received this feedback sooner, she might have been able to stop her career from derailing.

Charan and Colvin (1999) and Dotlich & Cairo (2001) stated that people problems are one of the primary reasons why CEOs fail. However, unlike derailed midlevel managers, most CEOs get along with others in the company. The problem with CEOs is that they get along with some of their direct reports too well and do not take timely action to address problem performers. More specifically, some CEOs fail because they place loyal subordinates into jobs they are incapable of handling, falsely

The devil that you know is better than the one you do not know.

Old folk saying
believe they can help poorly performing subordinates to change ineffective behavior, do not want to offend Wall Street or the board by letting popular (but ineffective) executives go, or do not feel comfortable hiring outsiders to fill key executive positions.

Another derailment pattern identified in Table 8.2 is a failure to meet business objectives. Although both successful and derailed managers experience business downturns, the groups handled setbacks quite differently. Successful managers took personal responsibility for their mistakes and sought ways to solve the problem. Derailed managers tended to engage in finger-pointing and blaming others for the downturn. But as long as things were going well, it was difficult to differentiate these two groups on this factor. Some of these managers were also untrustworthy. They either blatantly lied about business results or failed to keep promises, commitments, or deadlines. The most common reason for CEO failure is the inability to meet earnings projections (Charan & Colvin, 1999; Dotlich & Cairo, 2001). However, this inability to meet financial projections is not the result of a poor business strategy, unwanted products and services, or inadequate distribution channels. Most CEOs have well-above-average analytic and practical intelligence, so they usually do not have a problem developing a vision or strategy for the company, nor do they make poor decisions concerning which markets to pursue and products to develop. In many cases, CEOs fail to get results because of their inability to execute according to the business strategy. They tend to get distracted and lose focus or do not hold their direct reports accountable for getting the results outlined in their business plans.

The third derailment pattern identified by Van Velsor and Leslie (1995) was an inability to lead and build a team. Some managers derailed because they hired staff who were just like themselves, which in turn only served to magnify their own strengths and weaknesses. Others wanted to stay in the limelight and hired staff less capable than they were. Still others micromanaged their staffs, even when not expert themselves in the tasks (not that it’s ever recommended). These bosses wanted their followers to “check their brains at the door” before coming to work. One thing that often underlies this pattern is a lack of trust and high colorful and diligent scores (Chapter 7).

All of the dark-side traits listed in Chapter 7 can make it difficult for leaders to build cohesive, goal-oriented teams. But another key reason why leaders cannot build teams is when they spend too much time doing activities below their leadership level. The notion of leadership levels was first introduced in Chapter 4, which outlined the activities normally associated with individual contributor, front-line leaders, mid-level leaders, functional leaders, business unit leaders, and CEOs. Leaders who are at the functional leader level but spend too much time doing individual contributor or front-line leader tasks risk disempowering all the managers who work for them. Because these leaders are making all the decisions that their followers would normally make, followers become disengaged with work and team performance suffers as a result.

Another derailment profile has to do with a leader’s inability to adapt to new bosses, businesses, cultures, or structures. As pointed out earlier in this chapter,
many business situations require different leadership behaviors and skills, and some derailed managers could not adapt or adjust their styles to changing bosses, followers, and situations. They persisted in acting the same way, even when it was no longer appropriate to new circumstances. When solving problems, they often imposed past solutions that were no longer viable (i.e., high cautious scores from Chapter 7). For example, a first-line supervisor for an electronics firm that built video poker machines was having a very difficult time transitioning from his old job as a missile guidance repairman in the U.S. Air Force. He thought he should lead his subordinates the way he led others in the military: his staff should be willing to work long hours and over the weekends without being told, and to travel for extended periods of time with short notice. Their thoughts or opinions on ways to improve work processes did not matter to him, and he expected everyone to maintain cool and professional attitudes at work. After half of his staff quit as a direct result of his supervision, he was demoted and replaced by one of his subordinates.

In the past, organizations could afford to take their time in identifying and developing leadership talent. Many of the best organizations today have strong programs for systematically developing leadership bench strength (Charan, Drotter, & Noel, 2001; Tichy & Cohen, 1997; Curphy, 1998a, 2002, 2003c, 2004a, c; Curphy & Hogan, 2004a, b). However, more and more organizations today are under increasing pressure to find good leaders quickly, and they are increasingly asking their own high-potential but inexperienced leadership talent to step up to the plate and fill these key roles. Although these new leaders are bright and motivated, they often have narrow technical backgrounds and lack the leadership breadth and depth necessary for the new positions. These leaders often skip various leadership levels (see Chapter 4), and the unfortunate result is that many of these leaders leave the organization because of inadequate preparation for promotion.

For example, a relatively young woman attorney was promoted to be the vice president of human resources in a large telecommunications firm. Although she was extremely bright and ambitious, it soon became apparent that she lacked much of the necessary skill or knowledge. Although she tried very hard to be successful, she kept acting as a front-line leader instead of a functional leader and failed to earn the respect of her staff. After six months she was given a generous separation package and asked to leave the company. According to Van Velsor and Leslie (1995), this is a relatively new derailment theme. Given the contributing factors, it is also a theme that is likely to be more prevalent in the future.

Most derailed managers manifested several of these themes; the presence of only one of these behavioral patterns was usually not enough for derailment. The only exception to this rule was a failure to meet business objectives. Managers who did not follow through with commitments, broke promises, lied, were unethical, and did not get results did not stay on the high-potential list for long (i.e., high mischievous and bold scores from Chapter 7). Although this research has not identified any unique derailment patterns for minorities, some male-female differences have been noted. Females were more likely to derail because of their inability to deal with broader and more complex organizational issues or to lead people from different technical backgrounds than their own (practical intelligence). Males were more likely to derail because of their arrogance, inflexibility, or abrasive interper-
sonal style (bold, cautious, or excitable dark side traits).

One might think that most managers exhibiting derailment behavioral patterns would be aware of the negative impact they have on others. Unfortunately, this is not always so. Many managers on the path to derailment are simply unaware of the way they come across to others. Research on self-defeating behaviors may explain how these counterproductive behavior patterns develop and why some managers lack insight into their behavior. According to Cudney and Hardy (1993), a self-defeating behavior is an action or attitude that once helped an individual cope with a stressful experience but interferes with the individual’s ability to cope in new situations.

A list of some of the more common self-defeating behaviors can be found in Table 8.3. You can also see that the behaviors in Table 8.3 are similar to the derailment themes and the dark-side personality traits previously identified in Chapter 7. Like the behaviors associated with dark-side personality traits, a big part of the problem with self-defeating behaviors is that they are highly practiced and often performed automatically, with little conscious thought. Furthermore, a person may rationalize the appropriateness of a self-defeating behavior by recalling some particular situation where the behavior was adaptive (or seemed so). But problems may occur when such behaviors get generalized from unusual circumstances to most circumstances. For example, everyone worries about some things sometimes (e.g., how an interview is going to go; whether your presentation made a good impression on the audience, whom to select for an important assignment, whether to major in this subject or that). Worrying becomes a problem, however, when it becomes habitual and consuming—when it keeps you from doing anything else or from actually making a decision. It may never be particularly helpful, but that’s when it becomes truly self-defeating.
How could such a seemingly irrational and counterproductive behavior ever become a habit for some people? Strange as it may seem, it can happen through reinforcement. The head of a management consulting firm was asked to open a new office in a large U.S. city. He worked an average of 70–80 hours a week identifying and building relationships with and delivering products and services to key clients. These efforts paid off, and in less than three years the office had grown from 1 to 15 people and from $50,000 to $2,500,000 in annual revenue. As staff and revenues grew, the head of the firm was reinforced through bonus and salary increases to continue to build relationships with, and deliver services to, clients. Unfortunately, this leader failed to acknowledge the importance of supporting, coaching, and developing his people—he was a classic task-focused, 9,1 leader. He also spent a vast majority of his time doing individual contributor versus mid-level leader work. Although this style of leadership was effective for opening the office, his overcommitment to task performance began to have a debilitating effect on the morale of the office. The leader in this case was fortunate enough to recognize the impact of his self-defeating behaviors, and was able to utilize some of the techniques in the next section to change these behaviors, improve morale, and continue to obtain good business results. Another example of the potential consequences of self-defeating behaviors is in Highlight 8.5.

**The Invisible Barrier—What Precludes Black Managers from Advancement?**

**Highlight 8.5**

Herdie Baisden, a black general manager and vice president of a management consulting firm, has investigated why black managers failed to advance in many organizations. Working with a variety of psychological assessment instruments as well as 360-degree feedback tools, Baisden noted that black managers tended to react differently to negative feedback than white managers. Baisden stated that blacks tended to dismiss this information as a product of racism rather than viewing it as a springboard for improvement. Blacks also tended to avoid feedback because they felt they needed to be exceptionally competent to succeed and wanted to project an image that “everything is under control and I don’t need any help.” When black managers did seek feedback from others, they often turned to others they could trust—other blacks. Blacks make up only 6 percent of management but they turned to blacks 22 percent of the time when soliciting feedback. These reactions often resulted in distorted 360-degree feedback ratings for black managers. These individuals tended to over-rate their own performance and have bigger self-other gaps between their own ratings and their bosses’ ratings of them when compared to white managers.

Baisden stated that some of these protective behaviors may be natural outgrowths of the work situations facing black managers. If a black manager perceives that a work environment is nonsupportive at best or hostile at worst, then these behaviors make sense. Unfortunately, these reactions ultimately become self-defeating behaviors, as they prevent black managers from getting the feedback they need in order to improve. Baisden maintains that blacks wishing to advance need to be receptive to feedback from others. This not only provides them with developmental ideas, it also tells the organization that the manager is willing to take risks and grow.

Changing Behavior

Why Change Behavior?
The material covered so far can help leadership practitioners better understand the key behaviors associated with success; how successful leadership behaviors may vary depending on the leadership level, country, culture, or business; what kind of behaviors could get them into trouble; and how to get feedback on these behaviors. But the fact of the matter is that knowing this information is not enough. Ultimately, some of the leader’s behavior needs to change. But changing behavior, especially long-standing patterns of behavior, can be quite difficult.

How many times have you asked yourself how you could possibly change your own or another’s behavior? Learning how to change your own and others’ behaviors is a key leadership skill, given that situations, technology, organizational structure, followers, bosses, products, rules and regulations, and competitors seem to be in a constant state of flux. Moreover, think about the new behaviors and skills you will need to acquire as you move from individual contributor, front-line supervisor, mid-level manager to executive roles. Just as the head of the management consulting firm learned to add more supportive or employee-centered behaviors to his repertoire, so must you learn how to adapt your behavior to meet the changing demands of the role or situation (see Highlight 8.6). But learning how to change your own behavior is often not enough. Good leaders also know how to change and modify the behaviors of their followers so that they can be more effective team members and better achieve team goals. In the next section we discuss research surrounding three common methods of behavioral change: development planning, coaching, and mentoring. While this section is primarily research focused, practical tips on how to change behavior through development planning and coaching can be found in Part V of this book.

Development Planning
How many times have you made a resolution to change a habit, only to discover two months later that you are still exhibiting the same behaviors? This is often the fate of well-intentioned New Year’s resolutions. Most people do not even make such resolutions since the failure rate is so high. Given this track record, you might wonder if it is even possible to change one’s behavior, particularly if it has been reinforced over time and is exhibited almost automatically. Fortunately, however, it is possible to change behavior, even long-standing habits. For example, many people permanently quit smoking or drinking without going through any type of formal program (Miller & Rollnick, 1991; Polivy & Herman, 2002). Others may change after they gain insight into how their behavior affects others. Some will need support to maintain a behavioral change over time, while still others seem destined to never change.
Managers seem to fall into the same categories; some managers change once they gain insight, others change with support, and others may not ever change. But do people just fall into one of these groups by accident? Is there any way to stack the odds in favor of driving behavioral change? Research by Hazucha, Hezlett, and Schneider (1993); McCauley, Ruderman, Ohlott, and Morrow (1994); Hezlett and Koonce (1995); Peterson and Hicks (1995, 1996); Dalton (1998); DeNisi and Kluger (2000); Behar, Arvidson, Omilusik, Ellsworth, and Morrow (2000); and Peterson (2001) provides several suggestions that leaders can take to accelerate the development of their own leadership skills. We can use the Development Pipeline described in Chapter 3 as a way to categorize these suggestions. As seen in Figure 8.6, the first step in changing behavior is knowing what to work on. Leaders need to have insight about their development needs, and 360-degree feedback can provide very useful information in this regard (Brett & Atwater, 2001; Curphy, 2002, 2003c, 2004; Can People Really Change? Highlight 8.6

When all is said and done, the terms leadership and change are almost synonymous. Effective leaders are those who are constantly changing their own and followers’ behaviors in order to better adapt to the situations they face. Leaders and followers often have to exhibit new behaviors with the launch of new products and services, the introduction of new IT or financial systems, the acquisition or divestiture of companies, or the downsizing of staff. Although there is constant pressure to change, it is important to understand that many people naturally resist change. Some of this resistance stems from difficulty in dealing with ambiguity, some of it comes from a fear of no longer knowing the rules and what it will take to succeed, and some of it is out of competing agendas and a strong fear of failure. Successful leaders are those that can consistently overcome the resistance to change and get people to exhibit different behaviors in order to achieve team goals.

But how much can people really change? According to the book, First, Break All the Rules (Buckingham & Coffman, 1999), people change very little. These authors believe people are more or less “hard wired” as a result of their values, intelligence, and personality, so leaders would be better off trying to find jobs that leverage followers’ natural strengths rather than try to change their behaviors. Although this book has proved wildly popular over the past five years, some of the advice contained therein is simply wrong. First, there is in fact ample evidence to show that people can and do change. They may not change that much, but even subtle changes can have large payoffs for people in leadership positions. Second, many leaders simply do not have the luxury of changing jobs to fit their followers’ strengths. For example, a typical route manager at Waste Management may supervise 25 drivers of garbage trucks. It would be nice to find 25 different jobs that leveraged each of the drivers’ strengths, but at the end of the day the garbage still needs to get picked up. Third, and perhaps most importantly, what may at one time be seen as strengths can easily turn into fatal flaws. Someone who was very planful and detail oriented as an individual contributor could also be a micromanager as a mid-level manager. Leaders need to understand where and when to leverage their strengths and when these same behaviors can get them into trouble. On the positive side, Buckingham and Coffman are correct in pointing out that hiring the right people and putting them in the right jobs can go a long way towards achieving team goals.

Other sources of information about development needs can come from the results of an assessment center, a performance appraisal, or direct feedback from others.

The next step in developing one's own leadership skills is working on development goals that matter. No leader has all of the knowledge and skills necessary to be successful; as a result, most leaders have multiple development needs. Leaders need to determine which new skills will have the highest personal and organizational payoffs and build development plans that address these needs. The development plan should be focused on only one or two needs; plans addressing more than this tend to be overwhelming and unachievable. If leaders have more than two development needs, then they should first work to acquire one or two skills before moving on to the next set of development needs.

Figure 8.6 indicates that acquiring new knowledge and skills is the next step in the Development Pipeline. For leaders, this means creating a written development plan that capitalizes on available books, seminars, college courses, e-learning modules, and so forth, to acquire the knowledge underlying a particular development need (see Figure 8.7). For example, you can either learn how to delegate through the school of hard knocks or take a seminar to learn the best practices of delegation skills. As we will see, knowledge alone is not enough to develop a new skill, but relevant books and courses can accelerate the learning process (Arthur Jr., Bennett Jr., Edens & Bell, 2003). In addition, it is important not to underestimate the power of having a written development plan. Leaders (and followers) who have a written plan seem more likely to keep development on their radar screens and take the actions necessary to acquire new skills.

Taking courses and reading books are good ways for leaders to acquire foundational knowledge, but new skills will only be acquired when they are practiced on the job. Just as surgeons can read about and watch a surgery but will only perfect a surgical technique through repeated practice, so too will leaders only acquire needed skills if they practice them on the job. Therefore, good development plans...
FIGURE 8.7  Sample individual development plan.


<table>
<thead>
<tr>
<th>Name:</th>
<th>Chris</th>
<th>Date:</th>
<th>August, 2003</th>
</tr>
</thead>
</table>

**Career Objective:** To get promoted to a director-level position.

**Development Objective:** Build a stronger team and better teamwork in my group.

**Success Criteria:** Consistently meet our quarterly team goals and increase ratings of “effective teamwork” by 20% on the employee survey.

**Assets:** Highly capable/skilled team members.

**Liabilities:** Lack agreement on and commitment to team goals. Lack clear accountability for results.

<table>
<thead>
<tr>
<th>Action Steps</th>
<th>Measures of Progress/Results</th>
<th>Feedback or Other Resources Needed</th>
<th>Review/Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convene team meeting to discuss and reach agreement on team goals.</td>
<td>Documented goals shared at department meeting.</td>
<td>Full team</td>
<td>9/15/03</td>
</tr>
<tr>
<td>Convene team meeting to begin establishing specific action plans for meeting team goals. Assign subgroups to develop plans for different goals.</td>
<td>Formal plans prepared and shared at department meeting. Plans specify individual accountability for steps and results.</td>
<td>Full team</td>
<td>1/15/03</td>
</tr>
<tr>
<td>Review and get bosses buy-in to team goals and action plans.</td>
<td>Boss’s agreement and stated support.</td>
<td>Boss</td>
<td>10/15/03</td>
</tr>
<tr>
<td>Meet with individual team members to identify things I should stop, start, or continue doing in order to create a stronger sense of teamwork.</td>
<td>Create and share with full team a short list of high-priority things I am committed to doing in order to foster a stronger sense of teamwork.</td>
<td>Individual team members</td>
<td>10/15/03</td>
</tr>
<tr>
<td>Hold space on the agenda of each monthly meeting for team reporting on progress against team goals.</td>
<td>Minutes from each meeting reflect progress reports.</td>
<td>Admin. Asst. to circulate minutes.</td>
<td>Monthly</td>
</tr>
<tr>
<td>Solicit feedback from team at least quarterly to check my progress on the high-priority things I will commit to doing.</td>
<td>Team recognizes my progress (as reported informally in team meetings).</td>
<td>Full team</td>
<td>Quarterly beginning 12/1/04</td>
</tr>
<tr>
<td>Annual employee survey results related to team effectiveness increase by 20% for my group and remain at that level.</td>
<td>Employee Survey</td>
<td>Summer 2004 and annually thereafter</td>
<td></td>
</tr>
</tbody>
</table>
capitalize upon on-the-job experiences to hone needed leadership skills. Peterson (2001) wrote that most leadership positions offer ample opportunities to develop new skills, provided that leaders leverage all of the experiences available to them. These on-the-job activities are so important to development that 70 to 80 percent of the action steps in a development plan should be job related.

The last step in acquiring new skills is accountability, and there are several ways to make this happen with a development plan. One way to build in accountability is to have different people provide ongoing feedback on the action steps taken to develop a skill. For example, leaders could ask for feedback from a peer or direct report on their listening skills immediately after staff meetings. Another way to build accountability is to periodically review progress on development plans with the boss. This way the boss can look for opportunities to help the leader further practice developing skills and determine when it is time to add new development needs to the plan.

It is important to realize that development planning is more than a plan—it is really a process (Peterson & Hicks, 1995). Good development plans are constantly being revised as new skills are learned or new opportunities to develop skills become available. Leaders who take the time to write out and execute best-practice development plans usually report the most improvement in later 360-degree feedback ratings. Development planning provides a methodology for leaders to improve their behavior, and much of this development can occur as they go about their daily work activities.

Coaching

Development plans tend to be self-focused; leaders and followers use them as a road map for changing their own behaviors. When trying to change the behavior of followers, however, leaders can often do more than review a follower’s development plan, provide ongoing feedback, or review plans periodically with followers. The next step in followers’ development often involves coaching. Coaching is a key leadership skill, as it can help leaders to improve the bench strength of the group, which in turn should help the group to accomplish its goals. Because of its role in development, coaching can also help to retain high-quality followers (Wenzel, 2000). Because of these outcomes, coaching is a popular topic these days, but it is also a frequently misunderstood one. It is hoped that the material in this section will help to clarify what coaching is, and identify some best-coaching practices.

Coaching is the “process of equipping people with the tools, knowledge, and opportunities they need to develop themselves and become more successful” (Peterson & Hicks, 1996, p. 14). In general, there are two types of coaching, informal and formal coaching. Informal coaching can occur anywhere in an organization, and occurs whenever a leader helps followers to change their behaviors. According to Peterson and Hicks (1996), the best informal coaching generally consists of five steps (see Table 8.4). In forging a partnership, leaders build a trusting relationship with their followers, identify followers’ career goals and motivators, and learn how their followers view the organization and their situation. The key question to be answered in this
first step of coaching is “development for what?” Where do the followers want to go with their careers? Why do they want to go there? The answers to these questions help to create a target or end goal as well as a personal payoff for development. Nevertheless, if a leader fails to build a relationship based on mutual trust with a follower, then chances are the follower will not heed the leader’s guidance and advice. Therefore, it is important that coaches also determine the level of mutual trust, and then improve the relationship if necessary before targeting development needs or providing feedback and advice. Too many inexperienced coaches either fail to build trust, or take the relationship for granted, with the long-term end result being little, if any, behavioral change, and a frustrated leader and follower.

Once career goals have been identified and a solid, trusting relationship has been built, leaders then need to inspire commitment. In this step, leaders work closely with followers to gather and analyze data to determine development needs. A leader and a follower may review appraisals of past performance, feedback from peers or former bosses, project reports, 360-degree feedback reports, and any organizational standards that pertain to the follower’s career goals. By reviewing this data, the leader and the follower should be able to identify and prioritize those development needs most closely aligned with career goals.

The next step in the coaching process involves growing skills. Followers use their prioritized development needs to create a development plan, and leaders in turn develop a coaching plan that spells out precisely what they will do to support the followers’ development plan. Leaders and followers then review and discuss the development and coaching plans, make necessary adjustments, and execute the plans.

### TABLE 8.4
The Five Steps of Informal Coaching

<table>
<thead>
<tr>
<th>Forge a Partnership</th>
<th>Coaching only works if there is a trusting relationship between the leader and his or her followers. In this step leaders also determine what drives their followers and where they want to go with their careers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspire Commitment</td>
<td>In this step leaders help followers determine which skills or behaviors will have the biggest payoff if developed. Usually this step involves reviewing the results of performance appraisals, 360-degree feedback, values, and personality assessment reports, etc.</td>
</tr>
<tr>
<td>Grow Skills</td>
<td>Leaders work with followers to build development plans that capitalize on on-the-job experiences and create coaching plans to support their followers’ development.</td>
</tr>
<tr>
<td>Promote Persistence</td>
<td>Leaders meet periodically with followers in order to provide feedback, help followers keep development on their radar screens, and provide followers with new tasks or projects to develop needed skills.</td>
</tr>
<tr>
<td>Shape the Environment</td>
<td>Leaders need to periodically review how they are role-modeling development and what they are doing to foster development in the workplace. Because most people want to be successful, doing this step well will help attract and retain followers to the work group.</td>
</tr>
</tbody>
</table>
Just because a plan is developed does not mean it will be executed flawlessly. Learning often is a series of fits and starts, and sometimes followers either get distracted by operational requirements or get into developmental ruts. In the step called *promote persistence*, leaders help followers to manage the mundane, day-to-day aspects of development. Leaders can help followers refocus on their development by capitalizing on opportunities to give followers relevant, on-the-spot feedback. Once the new behavior has been practiced a number of times and becomes part of the follower’s behavioral repertoire, then leaders help followers to *transfer the skills to new environments* by applying the skills in new settings and revising their development plans. In this step, leaders need to also ask themselves how they are role-modeling development and whether they are creating an environment that fosters individual development.

There are several points about informal coaching worth additional comment. First, the five-step process identified by Peterson and Hicks (1996) can be used by leadership practitioners to diagnose why behavioral change is *not* occurring and what can be done about it. For example, followers may not be developing new skills because they do not trust their leader, the skills have not been clearly identified or are not important to them, or they do not have a plan in place to acquire these skills. Second, informal coaching can and does occur anywhere in the organization. Senior executives can use this model to develop their staffs, peers can use it to help each other, and so forth. Third, this process is just as effective for high-performing followers as it is for low-performing followers. Leadership practitioners have a tendency to forget to coach their solid or top followers, yet these individuals are often making the greatest contributions to team or organizational success. Moreover, research has shown that the top performers in a job often produce 20–50 percent more than the average performer, depending on the complexity of the job (Hunter, Schmidt, & Judiesch, 1990). So if leaders would focus on moving their solid performers into the highest-performing ranks and making their top performers even better, chances are their teams might be substantially more effective than if they only focused on coaching those doing most poorly (see Figure 8.8).

Fourth, both “remote” coaching of people and coaching of individuals from other cultures can be particularly difficult (Curphy, 1996a; Peterson & Hicks, 1996, 1997). It is more difficult for leaders to build trusting relationships with followers when they are physically separated by great distances. The same may be true with followers from other cultures—what may be important to, say, a Kenyan follower and how this person views the world may be very different from what his or her Dutch or Singaporean leader believes.

The kinds of behaviors that need to be developed can also vary considerably by culture. For example, one senior executive for a high-tech firm was coaching one of his Japanese direct reports on how to do better presentations to superiors. The follower’s style was formal, stiff, and somewhat wooden, and the leader wanted the follower to add some humor and informality to his presentations. However, the follower said that by doing so he would lose the respect of his Japanese colleagues, so his commitment to this change was understandably low. What was agreed upon was that his style was very effective in Japan, but that it needed to change when he was giving presentations in the United States.
Informal coaching can help groups to be successful as well as to reduce turnover among employees, but what does it take to be a good informal coach? Research by Wenzel (2000) showed that the most effective informal coaches had a unique combination of leadership traits and skills. Leaders with higher levels of intelligence, surgency, and agreeableness were often more effective as coaches than those with lower scores. These leadership traits were the foundation for the relationship building, listening, assertiveness, and feedback skills associated with effective informal coaches. Good informal coaches use these traits and skills to build trusting relationships with their followers, build best-practice coaching and development plans, and deliver tough and honest feedback when necessary. Suggestions on how to improve relationship building, listening, assertiveness, feedback, and informal coaching skills can be found in Part V of this book.

Most people are familiar with the idea of a personal fitness trainer, a person who helps design a fitness program tailored to a specific individual’s needs and goals. **Formal coaching** programs provide a similar kind of service for executives and managers in leadership positions (Curphy, 1996a, 2002; Peterson, 1996, 1999; Watterspoon & White, 1996, 1997; Peterson & Hicks, 1998; Kampa-Kokesch & Anderson, 2001; Frisch 2001; Berglas, 2002; Cashman & Forem, 2003; Wasylyshyn, 2003; Waldman, 2003; Smither, London, Flatt, Vargas, & Kucine, 2003). Approximately 65 percent of the Global 1000 companies use some form of formal coaching (Peterson & Hicks, 1998). Formal coaching programs are quite individualized by their very nature, but several common features deserve mention. There is a one-on-one relationship between the manager and the coach (i.e., an internal or external consultant) which lasts from six months to more than a year. The process usually begins with the manager’s completion of an extensive battery of personality, intelligence, interests, value, and 360-degree feedback instruments, as well as with interviews by the coach of other individuals in the manager’s world of work. As the result of the assessment phase of this process, both the manager and the coach have a clear picture of development needs and how the different components of

**FIGURE 8.8**
What were the most useful factors in the coaching you received?

the building-block model interact and affect these needs. The coach and the manager meet regularly (roughly monthly) to review the results of the feedback instruments and work on building skills and practicing target behaviors. Role plays and videotape are used extensively during these sessions, and coaches provide immediate feedback to clients practicing new behaviors in realistic work situations.

Another valuable outcome of coaching programs can involve clarification of managers’ values, and identification of discrepancies between their espoused values and their actual behaviors and devising strategies to better align their behaviors with their values.

Approximately 6,000 managers and executives have been through one of the coaching programs designed by Peterson and his associates (Peterson, 1993a, 1993b, 1996; Peterson & Hicks, 1996, 1998). Some were derailment candidates, but many were not. Some were high potentials with a few rough edges, and others were successful managers and executives who needed leadership or skill training in one or two key areas. This large sample and PDI’s commitment to research have produced some interesting findings (see Highlight 8.7).

A formal coaching program can cost more than $30,000 (Smith, 1993; Curphy, 1996a), and it is reasonable to ask, Is it worth it? The answer seems to be an unqualified yes. A solid body of research shows that well-designed and well-executed coaching programs do in fact change behavior (Waldman, 2003; Smither et al., 2003; Kampa-Kokesch & Anderson, 2001; Curphy, 2002, 2003c, 2004h). Figure 8.9 reveals that some of this research shows that coaching may be even more effective at changing behavior than more traditional learning and training approaches (Peterson, 1993a, 1993b, 1996; Witherspoon & White, 1997). Moreover, the behavioral changes appear to be in place one year after the termination of a coaching program, indicating permanent behavioral change (Peterson, 1999). Such changes can be particularly important if the person making them—that is, the leader being coached—is in a highly placed or very responsible position. Most coaching candidates have hundreds, if not thousands, of subordinates, and usually oversee multimillion- or multibillion-dollar budgets. Thus, the money spent on a coaching program can be relatively small in comparison to the budgets and resources the candidates control. Many organizations believe if a coaching program helps a leader better utilize resources or get higher productivity from workers, then it is likely that they will see a high return on investment from a coaching program.

Mentoring

Mentoring is a personal relationship in which a more experienced mentor (usually someone two to four levels higher in an organization) acts as a guide, role model, and sponsor of a less experienced protégé. Mentors provide protégés with knowledge, advice, challenge, counsel, and support about career opportunities, organizational strategy and policy, office politics, and so forth (Murray & Owen, 1991; Lall, 1999; Ragins & Cotton, 1999; Ragins, Cotton, & Miller, 2000; Thomas, 2001; Scandura & Lankau, 2002; De Janasz, Sullivan, & Whiting, 2003; Menttium, 2004; Allen, Eby, Poteet, Lentz, & Lima, 2004). Although mentoring has a strong developmental component, it is not

Parents are the first leadership trainers in life.

Bruce Avolio
the same as coaching. One key difference is that mentoring may not target specific development needs. Protégés often meet with their mentors to get a different perspective of the organization or for advice on potential committee and task force assignments or promotion opportunities. Another difference is that this guidance is not coming from the protégé’s immediate supervisor, but rather from someone several leadership levels higher in the organization. Protégés often do receive informal coaching from their boss, but may be more apt to seek career guidance and personal advice from their mentors. Another difference is that the mentor may not even be part of the organization. Some mentors may have retired from the organization, or may have been someone for whom the protégé worked a number of years earlier.

As in coaching, there are both formal and informal mentoring programs. Informal mentoring occurs when a protégé and mentor build a long-term relationship based on friendship, similar interests, and mutual respect. These relationships often begin with the protégé working in some part of the mentor’s organization or on a high-visibility project for the mentor. Formal mentoring programs occur when...
the organization assigns a relatively inexperienced but high-potential leader to one of the top executives in the company. The protégé and mentor get together on a regular basis so that the protégé can gain exposure and learn more about how decisions are made at the top of the organization. Oftentimes organizations implement formal mentoring programs to accelerate the development of female or minority protégés (Thomas, 2001; Ragins, Cotton, & Miller, 2000; Menttium, 2004; Allen et al., 2004).

Mentoring is quite prevalent in many organizations today. Steinberg and Foley (1999) reported that 74 percent of the noncommissioned officers and officers in the U.S. Army had mentors, and Lall (1999) reported that 67 percent of all U.S. Navy admirals had mentors sometime in their career. Moreover, many admirals reported having an average of 3.5 mentors by the time they retired. Scandura and Lankau (2002) reported positive relationships between mentoring, personal learning, career satisfaction, and retention. Looking across multiple mentoring-outcome studies, Allen and her colleagues (Allen et al., 2004) found strong relationships between mentoring and career satisfactory and retention. They also reported that mentoring was related to pay and promotions, although these relationships were not as strong. This was likely due to the fact that pay and promotions are affected by many variables above and beyond mentoring. But Ragins, Cotton, and Miller (2000) found formal mentoring programs, although well intended, were much less effective than informal mentoring for protégé compensation and promotion. The reason for this is that most formal mentoring programs have a difficult time replicating the strong emotional bonds found in informal programs. In addition, most formal mentoring programs only lasted a year, whereas many informal mentoring relationships can last a lifetime (see Highlight 8.8).
Thomas (2001) examined the role mentoring played in the careers of minority leaders. He reported that minority leaders who made it to the top of their organizations often had two key qualities. First, successful minority executives were concerned with getting the right experiences and developing the right foundation of leadership skills when they first joined the organization. Their focus was more on personal growth at each leadership level than with titles and rewards. Second, they had an extensive set of mentors and corporate sponsors who provided guidance and support over their careers. These mentors and sponsors helped the executives develop the three Cs critical to advancement: confidence, competence, and credibility. Thomas (2001) also stated that the most successful white mentor–minority protégé relationships recognized that race was a potential barrier to advancement but were still able to bring up and work through touchy issues. Less successful white mentor–minority protégé relationships engaged in “protective hesitation,” in which race or sensitive issues were avoided, ignored, or discounted.

Because of the benefits of informal mentoring, leadership practitioners should look for opportunities to build mentoring relationships with senior leaders whenever possible (de Janas, Sullivan, & Whiting, 2003). However, Lall (1999) aptly pointed out that protégés cannot make these relationships happen by themselves. In many cases, mentors seek out protégés, or mentors and protégés seek out each other to build relationships. But leaders and leaders-to-be can do a couple of things to improve the odds of finding a mentor. The first step is to do one’s current job

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### Highlight 8.8

**Overview of a Formal Mentoring Program**

Menttium Corporation specializes in the development and delivery of formal mentoring programs for high potential females in individual contributor to mid-level leadership roles. Most of the protégés have 6–20 years of professional experience and are matched with mentors from other organizations at the Vice President level or higher. The Menttium 100 program is one year long and begins with a five-day kickoff conference. During this conference mentors and protégés meet each other, get an overview of the program, learn about important leadership and business topics, and network with other mentors and protégés. Over the course of the year mentors and protégés meet at least once a month in one-on-one, face-to-face meetings. Protégés also attend a number of one-half-day business education and networking events during the year.

To date, end of program ratings from protégés indicate that:

- 75% said the program helped improve their leadership capabilities.
- 77% are more likely to stay with their parent companies.
- 80% believe their companies have benefited by their attending the program.

Although these results are promising, the jury is still out whether this formal mentoring program has any tangible benefits. The percentages above are based on self-ratings, and there is some pressure to give higher ratings when parent organizations pay $4,500–$7,000 per protégé to participate in the program. To alleviate these potential problems, Menttium is currently engaged in a more rigorous, long-term study to assess the overall impact of its program on both mentors and protégés.

extremely well. Mentors are always looking for talent, and they are very unlikely to take someone under their wing who appears unmotivated or incompetent. The second step is to look for opportunities to gain visibility and build social relationships with potential mentors. Working on a key task force, doing presentations for the executive committee, or signing up for community activities sponsored by a top executive are just a few of the pathways one could take to gain the attention of potential mentors.

Summary

Leaders can benefit from the leadership behavior research in several ways. First, the behavioral approach has served the important purpose of directing attention to identifying types of leadership behavior critical to success. Second, the behavioral approach allows leadership practitioners to focus on concrete and specific examples of leader behavior. Third, an outgrowth of the behavioral approach has been the development of competency models and 360-degree feedback instruments. The 360-degree feedback instruments can be used to provide valuable feedback to leadership practitioners and often play important roles in many training, coaching, and succession-planning programs.

Research has also helped to identify factors that can cause high-potential managers to fail. This research on managerial derailment has identified “fatal flaws,” including such counterproductive leadership behaviors as arrogance, insensitivity, or untrustworthiness. Another body of research indicates that many of these derailment factors may be self-defeating behaviors, behaviors that developed as a way of coping with a stressful situation but are misapplied in other situations.

The chapter also examined the process of behavior change. Research shows that some managers seem to be able to change on their own after gaining insight on how their behavior affects others. This insight is often gained through reflection, in-depth assessments, or 360-degree feedback. Nevertheless, more managers will change if some formal system or process of behavioral change is put into place; these systems include development planning, informal and formal coaching programs, and mentorships. Development planning is the process of pinpointing development needs, creating development plans, implementing plans, and reflecting on and revising plans on a regular basis. Good development plans focus on one or two development needs, capitalize upon on-the-job experiences, and specify sources of feedback. Organizations with formal development systems are likely to realize greater behavioral changes from a greater number of managers than organizations having no system or only an informal one.

Leaders can create development plans for themselves, and they can also help their followers with behavioral change through coaching or mentoring programs. Informal coaching programs often consist of a series of steps designed to create permanent behavioral changes in followers, and both leaders and followers play active roles in informal coaching programs. Formal coaching persons utilize a formal assessment process and a series of one-on-one coaching sessions over a six- to twelve-month period. These sessions target specific development needs and capitalize on practice and feedback to acquire needed skills. Mentoring programs have many of the same objectives as coaching programs but take place between an individual (the protégé) and a leader several levels higher in the organization (the mentor).
Questions

1. Could you create a competency model for college professors? For college students? If you used these competency models to create 360-degree feedback tools, who would be in the best position to give professors and students feedback?

2. Do you know anyone who has derailed from a leadership position? What did this person do? Use the leader-follower-situation model to better understand why this individual derailed.

3. Can you identify any self-defeating behaviors in yourself? In what situations are these behaviors likely to be exhibited? How could you ensure these behaviors are not misapplied?

4. What would a development plan for students look like? How could you capitalize on school experiences as part of a development plan?

5. What would a leadership coaching or mentoring program for students look like? How could you tell whether the program worked?

Skills

The leadership skills relevant to this chapter include:

- Providing constructive feedback
- Setting goals
- Development planning
- Coaching
- Empowerment

Activity

1. Read the Development Planning material in Part V of this book. Complete a GAPS analysis and create your own development plan. Share your development
plan with someone in class. Your partner should use the Development Planning Checklist found in the Coaching section of Part V to critique your plan. Check with your partner in two to four weeks to review progress on your plans.

2. Read the Coaching material in Part V of this book. Complete a GAPS analysis for someone you would like to coach. Use the results of the GAPS analysis to create development and coaching plans for this individual.

3. Given the model of community leadership described earlier in this chapter, analyze an on-going community change initiative. Has the leader framed the issue in such way to make it easy for others to take action? Have they strong bonds to other groups? Have they created a plan and mobilized a critical mass of people and resources to make the change become reality?

Minicase

“Paying Attention Pays Off for Andra Rush”

Paying attention has been the key for Andra Rush. As a nursing school graduate she was paying attention when other nurses complained about unfair treatment and decided she wanted to do something about it—so she enrolled in University of Michigan’s MBA program so she could do something about how employees were treated. As she completed her business courses and continued to work as a nurse, she was paying attention when a patient described his experience in the transport business. The business sounded intriguing and so, with minimal experience and minimal resources, Rush took a risk and started her own trucking business. She scraped together the funds to buy three trucks by borrowing money from family and maxxing out her credit cards. She specialized in emergency shipping and accepted every job that came her way, even if it meant driving the trucks herself. She answered phones, balanced her books, and even repaired the trucks. She paid attention to her customers and made a point of exceeding their expectations regardless of the circumstances. When the terrorist attacks of September 11 shut down local bridges, Rush rented a barge to make sure a crucial shipment for DaimlerChrysler made it to its destination on time.

Rush continues to pay attention and credits her listening skills as a major reason for her success. Rush is distinct in the traditionally white male-dominated trucking industry—a woman and a minority (Rush is Native American) who credits her heritage and the “enormous strength” of her Mohawk grandmother for helping her prevail.

“It is entirely possible that my Native spirit, communicated to me by my grandmother and my immediate family, have enabled me to overcome the isolation, historical prejudice, and business environment viewed as a barrier to Native- and woman-owned businesses. The willingness to listen, to understand first and act directly and honestly with integrity is a lesson and code of conduct my elders have bequeathed to me. Being an entrepreneur has reinforced those lessons again and again.”
Her Mohawk heritage is pervasive. Rush’s company logo is a war staff with six feathers representing the Six Nations of the Iroquois: Mohawk, Onondaga, Oneida, Cayuga, Tuscarora, and Seneca. She believes in the power of a diverse workforce and as a result more than half of the 390 employees at Rush Trucking are women and half are minorities.

Rush keeps close tabs on her company and its employees. Though the company has grown from its humble three-truck beginning to a fleet of 1,700 trucks, Rush still takes time to ride along with drivers. She has provided educational programs like “The Readers’ Edge,” a literacy program, to improve the skills and lives of her employees. Rush is actively involved in several organizations that work to improve the position of minorities—she’s on the boards of directors of the Michigan Minority Business Development Council, Minority Enterprise Development/Minority Business Development Agency, Minority Business Roundtable, and has served as president of the Native American Business Alliance.

1. As we have discussed, competency models describe the behaviors and skills managers need to exhibit if an organization is to be successful. Consider the general competencies found in the Profilor Wheel (Figure 8.3) and apply these to Anda Rush, providing examples of why these competencies apply.

2. Mentoring has played a role in the careers of many successful minorities in leadership positions. Who could be identified as a coach or mentor for Anda Rush?

3. Consider some of the self-defeating behaviors outlined in this chapter that contribute to management derailment. What lessons has Anda Rush obviously learned from the failure of others?

In previous chapters we noted that understanding leaders and followers is much more complicated than many people first think. For example, we examined how leaders’ personality characteristics, behaviors, and attitudes affect the leadership process. Similarly, followers’ attitudes, experience, personality characteristics, and behaviors, as well as group norms and cohesiveness, also affect the leadership process. Despite the complexities of leaders and followers, however, perhaps no factor in the interactional framework is as complex as the situation. Not only do a variety of task, organizational, and environmental factors affect behavior, but the relative salience or strength of these factors varies dramatically across people. What one person perceives to be the key situational factor affecting his or her behavior may be relatively unimportant to another person.
Moreover, the relative importance of the situational factors also varies over time. Even in the course of a single soccer game, for example, the situation changes constantly: The lead changes, the time remaining in the game changes, weather conditions change, injuries occur, and so on. Given the dynamic nature of situations, it may be a misnomer to speak of “the” situation in reference to leadership.

Because of the complex and dynamic nature of situations and the substantial role perceptions play in the interpretation of situations, no one has been able to develop a comprehensive taxonomy describing all of the situational variables affecting a person’s behavior. In all likelihood, no one ever will. Nevertheless, considerable research about situational influences on leadership has been accomplished. Leadership researchers have examined how different task, organizational, and environmental factors affect both leaders’ and followers’ behavior, though most have examined only the effects of one or two situational variables on leaders’ and followers’ behavior. For example, a study might have examined the effects of task difficulty on subordinates’ performance yet ignored how broader issues, such as organizational policy or structure, might also affect their performance. This is primarily due to the difficulty of studying the effects of organizational and environmental factors on behavior. As you might imagine, many of these factors, such as market conditions or crisis situations, do not easily lend themselves to realistic laboratory experiments where conditions can be controlled and interactions analyzed. Nonetheless, several consistent findings have emerged. We review them in Part IV.
Chapter 11

Characteristics of the Situation

Introduction

In a book designed to introduce students to the subject of leadership, a chapter about “the situation” poses some challenging obstacles and dilemmas. The very breadth of the topic is daunting; it could include almost everything else in the world that has not been covered in the previous chapters! To the typical student who has not yet begun a professional career, pondering the magnitude of variables making up the situation is a formidable request. For one thing, the situation you find yourself in is often seen as completely beyond your control. For example, how many times have you heard someone say, “Hey, I don’t make the rules around here. I just follow them.” Furthermore, the subject is made more difficult by the fact that most students have limited organizational experience as a frame of reference. So why bother to introduce the material in this chapter? Because the situation we are in often explains far more about what is going on and what kinds of leadership behaviors will be best than any other single variable we have discussed so far!

In this chapter we will try to sort out some of the complexity and magnitude of this admittedly large topic. First, we will review some of the research which has led us to consider these issues. Then, after considering a huge situational change that is now occurring, we will present a model to help in considering key situational variables. Finally, we will take a look forward through one interesting lens. Throughout the chapter, though, our objective will be primarily to increase awareness rather than to prescribe specific courses of leader action.
Background

The appropriateness of a leader’s behavior with a group of followers often makes sense only when you look at the situational context in which the behavior occurs. Whereas severely disciplining a follower might seem a poor way to lead, if the follower in question had just committed a safety violation endangering the lives of hundreds of people, then the leader’s actions may be exactly right. In a similar fashion, the situation may be the primary reason personality traits, experience, or cognitive abilities are related less consistently to leadership effectiveness than to leadership emergence (R. T. Hogan, J. Hogan, & Curphy, 1992; Yukl, 1989). Most leadership emergence studies have involved leaderless discussion groups, and for the most part the situation is quite similar across such studies. In studies of leadership effectiveness, however, the situation can and does vary dramatically. The personal attributes needed to be an effective leader of a combat unit, chemical research-and-development division, community service organization, or fast-food restaurant may change considerably. Because the situations facing leaders of such groups may be so variable, it is hardly surprising that studies of leader characteristics have yielded inconsistent results when looking at leadership effectiveness across jobs or situations. Thus, the importance of the situation in the leadership process should not be overlooked.

Historically, some leadership researchers emphasized the importance of the situation in the leadership process in response to the Great Man theory of leadership. These researchers maintained that the situation, not someone’s traits or abilities, plays the most important role in determining who emerges as a leader (Murphy, 1941; Person, 1928; Spiller, 1929). As support for the situational viewpoint, these researchers noted that great leaders typically emerged during economic crises, social upheavals, or revolutions; great leaders were generally not associated with periods of relative calm or quiet. For example, Schneider (1937) noted that the number of individuals identified as great military leaders in the British armed forces during any time period depended on how many conflicts the country was engaged in; the greater the number of conflicts, the greater the number of great military leaders. Moreover, researchers advocating the situational viewpoint believed leaders were made, not born, and that prior leadership experience helped forge effective leaders (Person, 1928). These early situational theories of leadership tended to be very popular in the United States, as they fit more closely with American ideals of equality and meritocracy, and ran counter to the genetic views of leadership that were more popular among European researchers at the time (Bass, 1990). (The fact that many of these European researchers had aristocratic backgrounds probably had something to do with the popularity of the Great Man theory in Europe.)
More recent leadership theories have explored how situational factors affect leaders’ behaviors. In role theory, for example, a leader’s behavior was said to depend on a leader’s perceptions of several critical aspects of the situation: rules and regulations governing the job; role expectations of subordinates, peers, and superiors; the nature of the task; and feedback about subordinates’ performance (Merton, 1957; Pfeffer & Salancik, 1975). Role theory clarified how these situational demands and constraints could cause role conflict and role ambiguity. Leaders may experience role conflict when subordinates and superiors have conflicting expectations about a leader’s behavior or when company policies contradict how superiors expect tasks to be performed. A leader’s ability to successfully resolve such conflicts may well determine leadership effectiveness (Tsui, 1984).

Another effort to incorporate situational variables into leadership theory was Hunt and Osborn’s (1982) multiple-influence model. Hunt and Osborn distinguished between microvariables (e.g., task characteristics) and macrovariables (e.g., the external environment) in the situation. Although most researchers looked at the effects tasks had on leader behaviors, Hunt and Osborn believed macrovariables had a pervasive influence on the ways leaders act. Both role theory and the multiple-influence model highlight a major problem in addressing situational factors, which was noted previously: that situations can vary in countless ways. Because situations can vary in so many ways, it is helpful for leaders to have an abstract scheme for conceptualizing situations. This would be a step in knowing how to identify what may be most salient or critical to pay attention to in any particular instance.

One of the most basic abstractions is situational levels. The idea behind situational levels may best be conveyed with an example. Suppose someone asked you, “How are things going at work?” You might respond by commenting on the specific tasks you perform (e.g., “It is still pretty tough. I am under the gun for getting next year’s budget prepared, and I have never done that before.”). Or, you might respond by commenting on aspects of the overall organization (e.g., “It is really different. There are so many rules you have to follow. My old company was not like that at all.”). Or, you might comment on factors affecting the organization itself (e.g., “I’ve been real worried about keeping my job—you know how many cutbacks there have been in our whole industry recently.”). Each response deals with the situation, but each refers to a very different level of abstraction: the task level, the organizational level, and the environmental level. Each of these three levels provides a different perspective with which to examine the leadership process (see Figure 11.1).

These three levels certainly do not exhaust all the ways situations vary. Situations also differ in terms of physical variables like noise and temperature levels, workload demands, and the extent to which work groups interact with other groups. Organizations also have unique “corporate cultures,” which define a context for leadership. And there are always even broader economic, social, legal, and technological aspects...
of situations within which the leadership process occurs. What, amid all this situational complexity, should leaders pay attention to? We will try to provide some insights into this question by presenting a model which considers many of these factors. But first, let us consider an environmental aspect of the situation that is changing for virtually all of us as we move into the new millennium.

**From the Industrial Age to the Information Age**

All of us have grown up in the age of industry, but perhaps in its waning years. Starting just before the American Civil War and continuing up through the last quarter of the 20th century, the industrial age supplanted the age of agriculture. During the industrial age, companies succeeded according to how well they could capture the benefits from “economies of scale and scope” (Chandler, 1990). Technology mattered, but mostly to the extent that companies could increase the efficiencies of mass production. Now a new age is emerging, and in this information age many of the fundamental assumptions of the industrial age are becoming obsolete.

Kaplan and Norton (1996) described a new set of operating assumptions underlying the information age and contrasted them with their predecessors in the industrial age. They described changes in the following ways companies operate:

**Cross Functions.** Industrial age organizations gained competitive advantage through specialization of functional skills in areas like manufacturing, distribution, marketing, and technology. This specialization yielded substantial benefits, but over time, also led to enormous inefficiencies, and slow response processes. The information age organization operates with integrated business processes that cut across traditional business functions.

**Links to Customers and Suppliers.** Industrial age companies worked with customers and suppliers via arm’s-length transactions. Information technology enables today’s organizations to integrate supply, production, and delivery processes and to realize enormous improvements in cost, quality, and response time.
Customer Segmentation. Industrial age companies prospered by offering low-cost but standardized products and services (remember Henry Ford’s comment that his customers “can have whatever color they want as long as it is black.”) Information age companies must learn to offer customized products and services to diverse customer segments.

Global Scale. Information age companies compete against the best companies throughout the entire world. In fact, the large investments required for new products and services may require customers worldwide to provide adequate returns on those costs.

Innovation. Product life cycles continue to shrink. Competitive advantage in one generation of a product’s life is no guarantee of success for future generations of that product. Companies operating in an environment of rapid technological innovation must be masters at anticipating customers’ future needs, innovating new products and services, and rapidly deploying new technologies into efficient delivery processes.

Knowledge Workers. Industrial companies created sharp distinctions between an intellectual elite on the one hand (especially managers and engineers), and a direct labor workforce on the other. The latter group performed tasks and processes under direct supervision of white-collar engineers and managers. This typically involved physical rather than mental capabilities. Now, all employees must contribute value by what they know and by the information they can provide.

One needs only to reflect upon Kaplan and Norton’s list of changing operating assumptions to recognize that the situation leaders find themselves in today is different from the situation of 20 years ago. What’s more, it is probably changing at an ever increasing rate. In a very real sense, the pace of change today is like trying to navigate white-water rapids; things are changing so rapidly it can be difficult to get one’s bearings. Therefore, we believe it is helpful to use a model that identifies some of the key elements of the situation in an organizational setting.
The Congruence Model

Like Ginnett’s Team Effectiveness Leadership Model (TELM) described in the previous chapter, the Congruence Model, presented most recently by Nadler and Tushman (1997), is a systems model with inputs, processes, and outputs. We will focus on the four factors making up the organizational processes in this chapter, but we should briefly discuss the inputs and outputs first. As can be seen in Figure 11.2, there are three components under inputs: the environment, the resources, and the history. Attention to these components must be kept to a minimum here, but their importance in impacting leaders and followers is nonetheless significant. We already have noted the magnitude of changes resulting from the shift in environment from the industrial age to the information age. Beyond that, environment also includes market changes, governmental regulations and laws, competitors, financial institutions, and even changes in weather patterns (consider the impact of El Niño in 1998 or the drought in the western United States since 2002). We will return to examine some further ways to specify environmental factors later in the chapter. Resources are anything which the organization can use to its benefit, and may include not only material components such as capital or information, but also less tangible components such as perceptions of quality (e.g., Nikkon cameras or Mercedes automobiles). History of the organization includes not only the recent past that bears upon today’s work but also myths about the organization’s origin. For example, when taking important visitors on tours of the facilities at a large manufacturing plant, the guides would always stop and point out a series of visitor parking spots located near the executive wing of the building. The guides explained that the first plant manager and his team had decided to do away with executive parking slots by consensus, and that “consensus decision making was still the way everyone worked here”—25 years later.

Outputs are evaluated by the impact on the system as a whole, the unit, and the individual (again, very much like the TELM). At each of these levels, it is appropriate to ask how well the organization met its objectives, how efficient it was at achieving those outcomes, and how well the organization has scanned the horizon.
for new opportunities and threats. Before moving to the core process variables of the situation in this model, it is necessary to note that strategy is the collective set of business decisions about how to allocate scarce resources to maximize the strengths of the organization, given the external opportunities, while minimizing the organizational weaknesses, given the external threats.

The core of the Congruence Model has four components: the work, the people, the formal organization, and the informal organization. Note that each component relates to the other three. This is a key component of this model and is the basis of its name. Based upon a tenet of systems theory, the components of the model attempt to stay in balance or homeostasis. The better the fit of all the components, the more “congruence” there is between its various elements. Just one implication of this idea is that if a leader wanted to make changes in the outputs of his or her team, the model suggests it would be better to make small but equal changes in all the sub-systems than it would be to make a substantial change in only one component. If only one element is changed, the other major components in the model, in trying to achieve homeostasis, would tend to resist and react to pull the “out-of-balance” element back in line.

The Work

At the most fundamental level, the work is “what is to be done” by the organization and its component parts. Given the variety of tasks people perform, it is natural for people to try to order and make sense of them. In thinking back across the many different tasks you have performed, you might categorize them as boring, challenging, dangerous, fun, interesting, and so on. However, labeling tasks is just a reaction to them and does not foster understanding about what aspects of any task may have caused a particular reaction. In looking at tasks, therefore, we want to get beyond subjective reactions to more objective ways of analyzing them.

There are several objective ways to categorize tasks performed by leaders and followers. Tasks can be categorized according to their function, the skills or abilities needed to perform them, the equipment needed to perform them, and so on. As seen in an earlier chapter, tasks also can be described in terms of the characteristics of the job itself: skill variety, task identity, task significance, autonomy, and feedback from the job. We will add to those characteristics two other dimensions: task structure and task interdependence.

Job Characteristics

**Skill variety** and the next four dimensions of tasks are all components of the job characteristics model (Hackman & Oldham, 1976, 1980) described in Chapter 9. Skill variety refers to the degree to which a job involves performing a variety of different activities or skills. For example, if an individual attaches the left taillight to a car on an automobile assembly line by mechanically screwing in the fasteners,
there would be increased work but no increased skill variety if he subsequently stepped over the line to the other side to install the right taillight. Skill variety involves using different skills, whether mechanical, cognitive, or physical. We might also add that there is a qualitative dimension to skill variety. In general, jobs requiring greater skill variety are more enjoyable than those requiring lesser skill variety, but it also matters whether any particular individual personally values the skills she performs.

Although satisfaction may also depend on growth-need strength (the individual’s psychological need for personal accomplishment, for learning, and for personal development), typically jobs that require a low variety of skills are repetitive, monotonous, boring, and dissatisfying (Bass, 1990; Hackman & Oldham, 1980; House & Dressler, 1974). And like structured tasks, tasks with low levels of skill variety make it easier for leaders to use directive behaviors but, because followers already know how to do the job, also make directive leadership behavior somewhat redundant (Howell & Dorfman, 1981, 1986; Kerr & Jermier, 1978; Kipnis, 1984). In such situations, leaders might try to restructure a subordinate’s job in order to increase the number of (valued) skills needed. If that is not possible, then high levels of support and consideration for followers are helpful (Hackman & Oldham, 1980; House & Dressler, 1974).

**Task identity** refers to the degree to which a situation or task requires completion of a whole unit of work from beginning to end with a visible outcome. For example, if one works on an assembly line where circuit boards for compact disc (CD) players are being produced, and the task is to solder one wire to one electronic component and then pass the circuit board on to the next assembly worker, then this job would lack task identity. At the other extreme, if one assembled an entire CD player, perhaps involving 30 or 40 different tasks, then the perception of task identity would increase dramatically as one could readily see the final results of one’s efforts. Furthermore, the job’s skill variety (as discussed above) would increase as well.

**Task significance** is the degree to which a job substantially impacts others’ lives. Consider an individual whose task is to insert a bolt into a nut and tighten it down to a certain specification using a torque wrench. If that bolt is one of several that fasten a fender to other parts of an automobile body on an assembly line, then both skill variety and task identity would probably be very low. Moreover, if the assembly person leaves the entire bolt off, it may cause a squeak or a rattle, but probably would not cause the fender to fall off. In such a job, task significance would be quite low as well. However, if the worker tightens the only bolt securing a critical component of a brake assembly on the space shuttle, then skill variety and task identity would be exactly the same as for our fender installer. However, task significance would be substantially higher.

**Autonomy** is the degree to which a job provides an individual with some control over what he does and how he does it. Someone with considerable autonomy would have discretion in scheduling work and deciding the procedures used in accomplishing it. Autonomy often covaries with technical expertise, as workers with considerable expertise will be given more latitude, and those with few skills will be given more instruction and coaching when accomplishing tasks (Hersey &
Blanchard, 1977, 1984). Moreover, responsibility and job satisfaction often increase when autonomy increases (Hackman & Oldham, 1980).

The last task component in the job characteristics model is feedback, which refers to the degree to which a person accomplishing a task receives information about performance from performing the task itself. In this context feedback does not refer to feedback received from supervisors but rather to what is intrinsic to the work activity itself. Driving a car is one example of feedback intrinsic to a task. If you are a skilled driver on a road with a number of twists and turns, then you get all the feedback you need about how well you are accomplishing the task merely by observing how the car responds to the inputs you make. This is feedback from the job itself as opposed to feedback from another person (who in this example would be a classic backseat driver). Extending this example to work or team settings, leaders sometimes may want to redesign tasks so that they (the tasks) provide more intrinsic feedback. Although this does not absolve the leader from giving periodic feedback about performance, it can help to free up some of the leader’s time for other work-related activities. Additionally, leaders should understand that followers may eventually become dissatisfied if leaders provide high levels of feedback for tasks that already provide intrinsic feedback (House & Dressler, 1974; Howell & Dorfman, 1981; Kerr & Jermier, 1978).

**Task Structure**

Perhaps the easiest way to explain task structure is by using an example demonstrating the difference between a structured and an unstructured task. Assume the task to be accomplished is solving for \( x \) given the formula \( 3x + 2x = 15 \). If that problem were given to a group of people who knew the fundamental rules of algebra, then everyone would arrive at the same answer. In this example there is a known procedure for accomplishing the task; there are rules governing how one goes about it; and if people follow those rules, there is one result. These features characterize a structured task.

On the other hand, if the task is to resolve a morale problem on a team, committee, or work group, then there may be no clear-cut method for solving it. There are many different ways, perhaps none of which is obvious or necessarily best for approaching a solution. It may even be that different observers would not see the problem in the same way; they may even have quite different ideas of what morale is. Solving a morale problem, therefore, exemplifies an unstructured task.

People vary in their preferences for, or ability to handle, structured versus unstructured tasks. With the Myers-Briggs Type Indicator (MBTI), for example, perceivers are believed to prefer unstructured situations, whereas judges prefer activities that are planned and organized (Myers & McCaulley, 1985). Individuals with high tolerance for stress may handle ambiguous and unstructured tasks more easily than people with low tolerance for stress (Bass, 1990). Aside from these differences, however, we might ask whether there are any general rules for how leaders should interact with followers as a function of task structure. One consideration
here is that while it is easier for a leader or coach to give instruction in structured tasks, it is not necessarily the most helpful thing to do.

We can see that by returning to the algebra problem described earlier. If a student had never seen such an algebra problem before, then it would be relatively easy for the teacher to teach the student the rules needed to solve the problem. Once any student has learned the procedure, however, he can solve similar problems on his own. Extending this to other situations, once a subordinate knows or understands a task, a supervisor’s continuing instruction (i.e., initiating structure or directive behavior) may provide superfluous information and eventually become irritating (Ford, 1981; House & Dressler, 1974; Kerr & Jermier, 1978; Yukl, 1989). Subordinates need help when a task is unstructured, when they do not know what the desired outcome looks like, and when they do not know how to achieve it. Anything a supervisor or leader can do to increase subordinates’ ability to perform unstructured tasks is likely to increase their performance and job satisfaction (Siegall & Cummings, 1986). Paradoxically, though, unstructured tasks are by nature somewhat ill defined. Thus, they often are more difficult for leaders themselves to analyze and provide direction in accomplishing. Nonetheless, reducing the degree of ambiguity inherent in an unstructured situation is a leadership behavior usually appreciated by followers.

Task Interdependence

Task interdependence concerns the degree to which tasks require coordination and synchronization in order for work groups or teams to accomplish desired goals. Task interdependence differs from autonomy in that workers or team members may be able to accomplish their tasks in an autonomous fashion, but the products of their efforts must be coordinated in order for the group or team to be successful. Tasks with high levels of interdependence place a premium on leaders’ organizing and planning, directing, and communication skills (Curphy, 1991a, 1992; Galbraith, 1973). In one study, for example, coaches exhibiting high levels of initiating-structure behaviors had better-performing teams for sports requiring relatively interdependent effort, such as football, hockey, lacrosse, rugby, basketball, and volleyball; the same leader behaviors were unrelated to team performance for sports requiring relatively independent effort, such as swimming, track, cross-country, golf, and baseball (Fry, Kerr, & Lee, 1986). Like task structure and skill variety, task interdependence can also dictate which leader behaviors will be effective in a particular situation.

In summary, these seven task dimensions provide a variety of ways in which to categorize or describe tasks. For example, ironing a shirt would probably have high task structure, autonomy, task identification, and feedback, and low skill variety, task significance, and task interdependence. On the other hand, building your own home may garner high ratings on all seven dimensions. Still another familiar activity is evaluated on these dimensions in Highlight 11.2. These seven dimensions can provide leaders with insight about how their behavior and work assignments may either help or hinder followers’ satisfaction and performance. At the same time, leaders should remember that these dimensions exist somewhat in
The People

We can afford to be very brief here since much of the rest of the book has focused on this topic. Still, it is worth repeating that leaders should look at the followers in terms of skills, knowledge, experience, expectations, needs, and preferences. In an increasingly global society, leaders can no longer afford to be parochial in their selection of followers. Compounding the global nature of work is, as noted earlier, the increasing rate of change in the environment. In a stable environment, any species can select a niche and survive for eons. But in a rapidly changing environment, diversity allows the species to sense and adapt more quickly. The same is true in the leadership world as well. Diversity is no longer merely the politically correct facade of leadership—it is essential to quality and survival in a rapidly changing world.

The Formal Organization

As with tasks, there also are a variety of dimensions for conceptualizing the organizational level of situations. This section will address how level of authority, organizational structure, organizational design, lateral interdependence, and organizational culture affect leaders’ and followers’ behavior.
Level of Authority

Level of authority concerns one’s hierarchical level in an organization. The types of behaviors most critical to leadership effectiveness can change substantially as one moves up an organizational ladder. First-line supervisors, lower-level leaders, and coaches spend a considerable amount of time training followers, resolving work-unit or team-performance problems, scheduling practices, or arranging work schedules, and implementing policies. Leaders at higher organizational levels have more autonomy and spend relatively more time setting policies, coordinating activities, and making staffing decisions (Blankenship & Miles, 1968; Luthans, Rosenkrantz, & Hennessey, 1985; Mintzberg, 1973; Page & Tornow, 1987). Moreover, leaders at higher organizational levels often perform a greater variety of activities and are more apt to use participation and delegation (Chitayat & Venezia, 1984; Kurke & Aldrich, 1983). A quite different aspect of how level of authority affects leadership is presented in Highlight 11.3.

The Glass Ceiling and the Wall

Highlight 11.3

While the past 15 years have been marked by increasing movement of women into leadership positions, women still occupy only a tiny percentage of the highest leadership positions. In Fortune 500 companies, for example, less than 5 percent of the corporate officers are women. Researchers at the Center for Creative Leadership embarked on the Executive Woman Project to understand why (Morrison, White, & Van Velsor, 1987).

They studied 76 women executives in 25 companies who had reached the general-management level or the one just below it. The average woman executive in the sample was 41 and married. More than half had at least one child, and the vast majority were white.

The researchers expected to find evidence of a “glass ceiling,” an invisible barrier that keeps women from progressing higher than a certain level in their organizations because they are women. One reason the women in this particular sample were interesting was precisely because they had apparently “broken” the glass ceiling, thus entering the top 1 percent of the workforce. These women had successfully confronted three different sorts of pressure throughout their careers, a greater challenge than their male counterparts faced. One pressure was that from the job itself, and this was no different for women than for men. A second level of pressure, however, involved being a female executive, with attendant stresses such as being particularly visible, excessively scrutinized, and a role model for other women. A third level of pressure involved the demands of coordinating personal and professional life. It is still most people’s expectation that women will take the greater responsibility in a family for managing the household and raising children. And beyond the sheer size of such demands, the roles of women in these two spheres of life are often at odds (e.g., being businesslike and efficient, maybe even tough, at work yet intimate and nurturing at home).

The Center for Creative Leadership researchers described the “lessons for success” of this group of women who had broken through the glass ceiling. They also reported, however, a somewhat unexpected finding. Breaking through the glass ceiling presented women executives with an even tougher obstacle. They “hit a wall” that kept them out of the very top positions. The researchers estimated that only a handful of the women executives in their sample would enter the topmost echelon, called senior management, and that none would become president of their corporation.
Organizational Structure

Organizational structure refers to the way an organization’s activities are coordinated and controlled, and represents another level of the situation in which leaders and followers must operate. Organizational structure is a conceptual or procedural reality, however, not a physical or tangible one. Typically, it is depicted in the form of a chart that clarifies formal authority relationships and patterns of communication within the organization. Most people take organizational structure for granted and fail to realize that structure is really just a tool for getting things done in organizations. Structure is not an end in itself, and different structures might exist for organizations performing similar work, each having unique advantages and disadvantages. There is nothing sacrosanct or permanent about any structure, and leaders may find that having a basic understanding of organizational structure is not only useful but imperative. Leaders may wish to design a structure to enhance the likelihood of attaining a desired outcome, or they may wish to change structure to meet future demands. There are a number of ways to describe organizational structures, but perhaps the simplest way is to think of structure in terms of complexity, formalization, and centralization.

Complexity Horizontal, vertical, and spatial elements make up organizational complexity. Concerning an organizational chart, horizontal complexity refers to the number of “boxes” at any particular organizational level. The greater the number of boxes at a given level, the greater the horizontal complexity. Typically, greater horizontal complexity is associated with more specialization within subunits and an increased likelihood for communication breakdowns between subunits. Vertical complexity refers to the number of hierarchical levels appearing on an organization chart. A vertically simple organization may have only two or three levels from the highest person to the lowest. A vertically complex organization, on the other hand, may have 10 or more. Vertical complexity can affect leadership by impacting other factors such as authority dynamics and communication networks.

Spatial complexity describes geographical dispersion. An organization that has all of its people in one location is typically less spatially complex than an organization that is dispersed around the country or around the world. Obviously, spatial complexity makes it more difficult for leaders to have face-to-face communication with subordinates in geographically separated locations, and to personally administer rewards or provide support and encouragement. Generally, all three of these elements are partly a function of organizational size. Bigger organizations are more likely to have more specialized subunits (horizontal complexity) and a greater number of hierarchical levels (vertical complexity), and to have subunits that are geographically dispersed (spatial complexity).

Formalization Formalization describes the degree of standardization in an organization. Organizations having written job descriptions and standardized operating procedures for each position have a high degree of formalization. The degree of formalization in an organization tends to vary with its size, just as complexity generally increases with size (Robbins, 1986). Formalization also varies with the nature of work performed. Manufacturing organizations, for example, tend to have fairly formalized structures, whereas research-and-development organizations
tend to be less formalized. After all, how could there be a detailed job description for developing a nonexistent product or making a scientific discovery?

The degree of formalization in an organization poses both advantages and disadvantages for leaders and followers. Whereas formalizing procedures clarifies methods of operating and interacting, it also may constitute demands and constraints on leaders and followers. Leaders may be constrained in the ways they communicate requests, order supplies, or reward or discipline subordinates (Hammer & Turk, 1987; Podsaskoff, 1982). If followers belong to a union, then union rules may dictate work hours, the amount of work accomplished per day, or who will be the first to be laid off (Hammer & Turk, 1987). Other aspects of the impact of formalization and other situational variables on leadership are presented in Highlight 11.4.

Centralization

Centralization refers to the diffusion of decision making throughout an organization. An organization that allows decisions to be made by only one person is highly centralized. When decision making is dispersed to the lowest levels in the organization, the organization is very decentralized. Advantages of decentralized organizations include increased participation in the decision process and, consequently, greater acceptance and ownership of decision outcomes. These are both desirable outcomes. There are also, however, advantages to centralization, such as uniform policies and procedures (which can increase feel-

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**Highlight 11.4**

Are leaders always necessary? Or are certain kinds of leader behaviors, at least, sometimes unnecessary? Kerr and Jermier (1978) proposed that certain situational or follower characteristics may well effectively neutralize or substitute for leaders’ task or relationship behaviors. Neutralizers are characteristics that reduce or limit the effectiveness of a leader’s behaviors. Substitutes are characteristics that make a leader’s behaviors redundant or unnecessary.

Kerr and Jermier (1978) developed the idea of substitutes for leadership after comparing the correlations between leadership behaviors and follower performance and satisfaction with correlations between various situational factors and follower performance and satisfaction. Those subordinate, task, and organizational characteristics having higher correlations with follower performance and satisfaction than the two leadership behaviors were subsequently identified as substitutes or neutralizers. The following are a few examples of the situational factors Kerr and Jermier found to substitute for or neutralize leaders’ task or relationship behaviors:

- A subordinate’s ability and experience may well substitute for task-oriented leader behavior. A subordinate’s indifference toward rewards overall may neutralize a leader’s task and relationship behavior.
- Tasks that are routine or structured may substitute for task-oriented leader behavior, as can tasks that provide intrinsic feedback or are intrinsically satisfying.
- High levels of formalization in organizations may substitute for task-oriented leader behavior, and unbending rules and procedures may even neutralize the leader’s task behavior. A cohesive work group may provide a substitute for the leader’s task and relationship behavior.

ings of equity), and clearer coordination procedures (Bass, 1990). The task of balancing the degree of centralization necessary to achieve coordination and control, on the one hand, and gaining desirable participation and acceptance, on the other, is an ongoing challenge for the leader.

Organizational Design

In addition to being classified by their degree of complexity, formalization, and centralization, organizations can also be classified into several different kinds of organizational design. Organizational design can be thought of most easily in the following two questions: (1) How do I want to divide up the work? (2) How do I want the divisions to coordinate their work? Three of the most common kinds of organizational designs in the traditional (or industrial age) format include functional, product, and matrix organizations.

Functional  Some organizations have their structures designed around certain important and continuing functions. For example, a manufacturing company with a functional design might have its organizational chart include one block for manufacturing, one for sales or marketing, one for research and development, and so on (see Figure 11.3). Advantages of functional organizations include efficient use of scarce resources, skill development for technical personnel, centralized decision making and control, and excellent coordination within each functional department. Disadvantages of functional organizations can include poor coordination across departments, slow responses to change, a piling up of decisions at the top of the hierarchy, and narrow or limited views by employees of overall organizational goals.

FIGURE 11.3 A manufacturing company with a functional design.
(Austin, Conlon, & Daft, 1986). In other words, in organizations structured functionally the very commonality within the various functional units can create problems. Functional groups can become so cohesive that they create rigid boundaries and dysfunctional competitiveness between themselves and other groups within the same organization.

**Product**  In an organization with a *product design*, the blocks on the organization chart define the various products or services that are delivered ultimately to the consumer. One might consider an automobile organization such as General Motors, where there are the Buick, Chevrolet, Cadillac, Saturn, and Pontiac divisions. These are identifiable products, and employees are assigned to these product groupings. A different product design is represented in Figure 11.4. A product organization design overcomes some of the problems associated with functional organizations, as a product organization has better coordination across functional skills, places a premium on organizational goals rather than functional goals, and has better control over diverse products or services. The disadvantages of product organizations include duplication of resources, less in-depth technical expertise, and weak coordination across different product groupings.

**Matrix**  The *matrix design* is a combination of the product and functional designs. In this design, both product orientation and functional specialties are maintained (see Figure 11.5). In a matrix organization, there is a product manager for each product and one of his or her tasks is to obtain the resources necessary from the functional specialties as requirements demand. If the product will require the services of a computer software engineer, for example, then the product manager must acquire those services from the manager of the engineering function.

**FIGURE 11.4**  A petroleum company with a product design.
The greatest advantage of the matrix is efficient utilization of human resources. Imagine putting together a team to design a new product, and further suppose that a chemical engineer’s services are among the team’s needs. Also imagine, however, that the chemical engineer is required for only one month’s work whereas the total product design phase encompasses a whole year. If our imaginary organization were designed according to a product orientation, the product manager would have to hire a full-time chemical engineer despite needing his or her services for only one month. In a matrix organization, on the other hand, the chemical engineer could be assigned to the engineering division, and the various product managers could arrange to acquire the engineer’s time on an as-needed basis. Such an arrangement can create scheduling nightmares, but it also results in more efficient utilization of unusual or scarce resources. Another advantage of the matrix design includes increased lateral communication and coordination.

The greatest disadvantage of the matrix design is that employees end up working for two bosses. Such a dual-authority structure can create confusion and frustration. In the case above, the chemical engineer may have “professional loyalty” to the engineering group (which would dictate the highest-quality engineering possible) and “profitability loyalty” to the product group (which would dictate the most cost-effective engineering). Our chemical engineer might very well experience conflict over which loyalty to serve first. Additionally, matrix designs can lead to conflict and disagreements over the use of shared resources, and time is lost through
frequent meetings to resolve such issues. Thus, administrative costs are high in matrix organizations. Finally, matrix designs can work well only if managers see the big picture and do not adopt narrow functional or product perspectives.

**Lateral Interdependence**

The degree of lateral interdependence in an organization can also affect leaders’ and followers’ behaviors. Lateral interdependence concerns the degree of coordination or synchronization required between organizational units in order to accomplish work-group or organizational goals. Thus, lateral interdependence is similar to task interdependence but at a higher organizational level; lateral interdependence represents the degree to which a leader’s work group is affected by the actions or activities of other subunits within the organization (Bass, 1990; Sayles, 1979). For example, a leader of a final assembly unit for personal computers will be very dependent on the activities of the power supply, cabinet, monitor, mother board, floppy drive, and hard drive manufacturing units in order to successfully meet production goals. On the other hand, the leader of a manufacturing unit that makes all of the products used to assemble backpacks has a much lower degree of lateral interdependence. As lateral interdependence increases, leaders usually spend more time building and maintaining contacts in other work units or on public relations activities (Hammer & Turk, 1987; Kaplan, 1986). Moreover, leaders are more likely to use rational persuasion as an influence tactic when the level of lateral interdependence is high (Kanter, 1982; Kaplan, 1986).

**The Informal Organization**

One word which sums up the informal organization better than any other is its culture. Although most people probably think of culture in terms of very large social groups, the concept also applies to organizations. Organizational culture has been defined as a system of shared backgrounds, norms, values, or beliefs among members of a group (Schein, 1985), and organizational climate concerns members’ subjective reactions about the organization (Bass, 1990; Kozlowski & Doherty, 1989). These two concepts are distinct in that organizational climate is partly a function of, or reaction to, organizational culture; one’s feelings or emotional reactions about an organization are probably affected by the degree to which a person shares the prevailing values, beliefs, and backgrounds of organizational members (Schneider, 1983). If a person does not share the values or beliefs of the majority of members, then in all likelihood this person would have a fairly negative reaction about the organization overall. Thus, organizational climate (and indirectly organizational culture) is related to how well organizational members get along with each other (Bass, 1990; Kozlowski & Doherty, 1989). It is also important to note that organizational climate is narrower in scope but highly related to job satisfaction. Generally, organizational climate has more to do with nontask perceptions of work, such as feelings about co-workers or company policies, whereas job satisfaction usually also includes perceptions of workload and the nature of the tasks performed.
Just as there are many cultures across the world, there are a great number of different cultures across organizations. Members of many military organizations have different norms, background experiences, values, and beliefs, for example, from those of the faculty at many colleges. Similarly, the culture of an investment firm is very different from the culture of a research-and-development firm, a freight hauling company, or a college rugby team. Cultural differences can even exist between different organizations within any of these sectors. The culture of the U.S. Air Force is different from the culture of the U.S. Marine Corps, and Yale University has a different culture than the University of Colorado even though they are both fine institutions of higher learning.

One of the more fascinating aspects of organizational culture is that it often takes an outsider to recognize it; organizational culture becomes so second nature to many organizational members that they are unaware of how it affects their behaviors and perceptions (Bass, 1990). Despite this transparency to organizational members, a fairly consistent set of dimensions can be used to differentiate between organizational cultures. For example, Kilmann and Saxton (1983) stated that organizational cultures can be differentiated based on members’ responses to questions like those found in Table 11.1. Another way to understand an organization’s culture is in terms of myths and stories, symbols, rituals, and language (Schein, 1985). A more detailed description of the four key factors identified by Schein can be found in Highlight 11.5.

Here is an example of how stories contribute to organizational culture. A consultant was asked to help a plant that had been having morale and production problems for years. After talking with several individuals at the plant, the consultant believed he had located the problem. It seems everyone he talked to told him about Sam, the plant manager. He was a giant of a man with a terrible temper. He had demolished unacceptable products with a sledgehammer, stood on the plant roof screaming at workers, and done countless other things sure to intimidate everyone around. The consultant decided he needed to talk to this plant manager. When he did so, however, he met a very agreeable person named Paul. Sam, it seems, had been dead for nearly a decade, but his legacy lived on (Dumaine, 1990).

It is important for leaders to realize that they can play an active role in changing an organization’s culture, not just be influenced by it (Bass, 1985; Kouzes & Posner, 1987; Schein, 1985; Tichy & Devanna, 1986). Leaders can change culture by attending to or ignoring particular issues, problems, or projects. They can modify culture

<table>
<thead>
<tr>
<th>TABLE 11.1</th>
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<tr>
<td><strong>Some Questions That Define Organizational Culture</strong></td>
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<tr>
<td>• What can be talked about or not talked about?</td>
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<tr>
<td>• How do people wield power?</td>
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<tr>
<td>• How does one get ahead or stay out of trouble?</td>
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<tr>
<td>• What are the unwritten rules of the game?</td>
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<tr>
<td>• What are the organization’s morality and ethics?</td>
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<td>• What stories are told about the organization?</td>
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Source: Adapted from R. H. Kilmann and M. J. Saxton, *Organizational Cultures: Their Assessment and Change* (San Francisco: Jossey-Bass, 1983).
11. Characteristics of the Situation

Myths and stories are the tales about the organization that are passed down over time and communicate a story of the organization’s underlying values. Virtually any employee of Wal-Mart can tell you stories about Sam Walton and his behavior—how he rode around in his pickup truck, how he greeted people in the stores, and how he tended to “just show up” at different times. The Center for Creative Leadership has stories about its founder, H. Smith Richardson, who as a young man creatively used the mail to sell products. Sometimes stories and myths are transferred between organizations even though the truth may not lie wholly in either one. A story is told in AT&T about one of its founders and how he trudged miles and miles through a blizzard to repair a faulty component so that a woman living by herself in a rural community could get phone service. Interestingly enough, this same story is also told in MCI.

Symbols and artifacts are objects that can be seen and noticed and that describe various aspects of the culture. In almost any building, for example, symbols and artifacts provide information about the organization’s culture. For example, an organization may believe in egalitarian principles, and that might be reflected in virtually everyone having the same-size office. Or there can be indications of opulence, which convey a very different message. Even signs might act as symbols or artifacts of underlying cultural values. At one university that believed students should have first priority for facilities, an interesting sign showed up occasionally to reinforce this value. It was not a road sign, but a sign appearing on computer monitors. When the university’s main computer was being overused, the computer was programmed to identify nonstudent users, note the overload, and issue a warning to nonstudent users to sign off. This was a clear artifact, or symbol, underlying the priority placed on students at that school.

Rituals are recurring events or activities that reflect important aspects of the underlying culture. An organization may have spectacular sales meetings for its top performers and spouses every two years. This ritual would be an indication of the value placed on high sales and meeting high quotas. Another kind of ritual is the retirement ceremony. Elaborate or modest retirement ceremonies may signal the importance an organization places on its people.

Language concerns the jargon, or idiosyncratic terms, of an organization and can serve several different purposes relevant to culture. First, the mere fact that some know the language and some do not indicates who is in the culture and who is not. Second, language can also provide information about how people within a culture view others. Third, language can be used to help create a culture. A good example of the power of language in creating culture is in the words employees at Disneyland or Walt Disney World use in referring to themselves and park visitors. Employees—all employees, from the costumed Disney characters to popcorn vendors—are told to think of themselves as members of a cast, and never to be out of character. Everything happening at the park is part of the “show,” and those who paid admission to enter the park are not mere tourists, but rather “the audience.” Virtually everyone who visits the Disney parks is impressed with the consistently friendly behavior of its staff, a reflection of the power of words in creating culture. (Of course, a strict and strongly enforced policy concerning courtesy toward park guests also helps.)

through their reactions to crises, by rewarding new or different kinds of behavior, or by eliminating previous punishments or negative consequences for certain behaviors. Their general personnel policies send messages about the value of employees to the organization (e.g., cutting wages to avoid layoffs). They can use role modeling and self-sacrifice as a way to inspire or motivate others to work more vigorously or interact with each other differently. Finally, leaders can also change culture by the criteria they use to select or dismiss followers.
Changing an organization’s culture, of course, takes time and effort, and sometimes it may be extremely difficult. This is especially true in very large organizations or those with strong cultures (see, for example, Highlight 11.6). New organizations, on the other hand, do not have the traditions, stories or myths, or established rites to the same extent that older companies do, and it may be easier for leaders to change culture in these organizations.

Why would a leader want to change an organization’s culture? It all should depend on whether the culture is having a positive or a negative impact on various desirable outcomes. We remember one organization with a very “polite” culture, an aspect that seemed very positive at first. There were never any potentially destructive emotional outbursts in the organization, and there was an apparent concern for other individuals’ feelings in all interactions. However, a darker side of that culture gradually became apparent. When it was appropriate to give feedback
for performance appraisals or employee development, supervisors were hesitant to raise negative aspects of behavior; they interpreted doing so as not being polite. And so the organization continued to be puzzled by employee behavior that tended not to improve; the organization was a victim of its own culture.

Leaders especially need to be sensitive to how their own “brilliant ideas” may adversely impact subtle but important aspects of organizational culture. What may appear to be a major technical innovation (and therefore seemingly desirable) may also be devastating to organizational culture. For example, for hundreds of years in England, coal was mined by teams of three persons each. In England, coal is layered in very narrow seams, most only a few feet high. In the past, the only practical means to get the coal out was to send the three-person teams of miners down into the mines to dig coal from the seam and then haul it to the surface on a tram. These mining teams had extremely high levels of group cohesiveness. A technological development called the long-wall method of coal extraction was to upset these close relationships, however. In the long-wall method, workers were arrayed all along an entire seam of coal rather than in distinct teams, and the method should have resulted in higher productivity among the miners. However, the breakdown of the work teams led to unexpected decreases in productivity, much higher levels of worker dissatisfaction, and even disruption of social life among the miners’ families. Although the long-wall method was technically superior to the three-person mining team, the leaders of the coal-mining companies failed to consider the cultural consequences of this technological advancement (Emery & Trist, 1965).

After reading these examples, you may be asking whether it is better for leaders to create cultures that emphasize interpersonal relationships or organizational productivity. We can glean some insights into this question by looking at Mitchell’s (1985) study of two groups of successful organizations. Mitchell compared two different groups of organizational cultures: those of organizations considered well managed, and those of organizations considered well liked by people working in the organization. The former group consisted of the 62 organizations identified in In Search of Excellence (Peters & Waterman, 1982), and the latter group included firms identified in The One Hundred Best Companies to Work for in America (Levering, Moskowitz, & Katz, 1984).

Interestingly, there was relatively little overlap between the two lists. According to Mitchell, this lack of overlap was due primarily to differences between task- and relationship-oriented organizational cultures. Cultures in the well-liked organizations emphasized making employees feel they were part of a family, reducing social distance, and making the organization a pleasant one to work in. Cultures in the well-managed organizations, on the other hand, were much more manipulative. Those firms had cultures that valued people not for themselves but as instruments of productivity. Although which type of culture is best for an organization is still under debate, it is important to note that the 62 companies deemed excellently managed by Peters and Waterman did not provide any higher returns on investments than less well managed firms (Simpson & Ireland, 1987), and many of these 62 companies and cultures look considerably less excellent today.
An Afterthought on Organizational Issues for Students and Young Leaders

Let us conclude this section by adding an afterthought about what relevance organizational issues may have for students or others at the early stages of their careers, or at lower levels of leadership within their organizations. It is unlikely that such individuals will be asked soon to redesign their organization’s structure or change its culture. As noted earlier, this chapter is not intended as a how-to manual for changing culture. On the other hand, it has been our experience that younger colleagues sometimes develop biased impressions of leaders or have unrealistic expectations about decision making in organizations, based on their lack of familiarity with, and appreciation for, the sorts of organizational dynamics discussed in this section. In other words, one of the primary reasons for being familiar with such organizational variables is the context they provide for understanding the leadership process at your own level in the organization. Finally, we have worked with some senior leaders of huge organizations who have been with their company for their entire career. They have often been unable to identify any of the dimensions of their culture because they have never seen anything else. In these cases we were amazed by how junior managers were far better at describing the culture of the large organization. While these junior people may have had only five to eight years of total work experience, if that experience had been obtained in several different organizations, they were much better prepared to describe the characteristics of their new large organization’s culture than were the senior executives.

Environmental Characteristics

We mentioned the environment earlier in the chapter as an input variable in the Congruence Model. We now return to a slightly more in-depth analysis of environmental characteristics since not attending to environmental characteristics is the root of extinction, both for the organization and for the population at large. Environmental characteristics concern situational factors outside the task or organization that still affect the leadership process. These include technological, economic, political, social, and legal forces. For example, imagine how changing economic conditions, such as threats of layoffs from a recession, a hostile takeover, or global “off-shoring” would affect leaders’ and followers’ behavior. These factors often create anxiety, and therefore cause an increase in employees’ security needs. They also tend to result in decreased training budgets for workers (Bass, 1990). Recent changes in the valuation of high-technology and telecommunication stocks cannot be ignored. Political changes also can have substantial impacts on leaders and followers. Just imagine, for example, how leaders’ and followers’ behaviors are changing in Eastern Europe as the various countries move from communist systems to private ownership of companies even though the changes have not gone smoothly or uniformly. Legal forces affecting Western organizations include those contributing to the growth of new industries (e.g., industrial waste disposal) or to personnel reductions in other industries due to changes in governmental
rules and regulations (Ungson, James, & Spicer, 1985). Finally, technological advances are changing leader-follower relationships. For example, the advent of personal computers, fax machines, and high-speed access lines allows people to work at geographically dispersed locations.

**Technology and Uncertainty**

Technology affects the leadership process in other ways as well. For example, it might determine what design is best for an organization (Woodward, 1965). In environments of low technological complexity, workers play a large role and are able to modify their behavior depending on the situation. In environments of high technological complexity, there is a highly predictable work flow.
Examples of organizations in environments of low technological complexity are printing shops, tailor shops, and cabinetmakers. In each case, the organization is well suited to meeting specific customer orders. One of the authors of this book encountered an organization fitting this mold in trying to find an oak wall unit that would meet his requirements for a stereo system. After much frustrating shopping and finding a number of mass-produced units that would not work, he found a shop that had a variety of different units. Some of these came close to what he needed, but even the closest was not quite right. After listening in detail to the requirements, the owner agreed he didn’t have anything on the floor that would work. In the next breath, however, he said, “But if you can draw it, we can build it.”

A higher level of technological complexity occurs when mass production is the focus and orders are filled from inventory. An example would be furniture purchased from large warehouse stores. As opposed to the individually crafted wall unit described above, most furniture is not specifically designed and built precisely to meet special customer needs. Instead, manufacturers produce large quantities of various pieces of furniture likely to adequately meet the tastes and needs of most customers.

The highest level of technological complexity occurs when a continuous process is mechanized from beginning to end. People don’t play much of a role in such organizations at all except to monitor the process flow and detect problems. Oil refining operations, chemical production plants, and nuclear power plants are all examples of continuous-process organizations. In such plants, people are merely observing and monitoring the processes and detecting anomalies that need to be corrected.

The significance of such a range of technological complexity is that different kinds of organizational structures or designs are best suited for different technological environments. An organization is most likely to be successful if the structure fits the technology. If the technological environment is one of moderately high complexity (like large furniture-manufacturing companies), a mechanistic or bureaucratic structure to the organization may be most appropriate. On the other hand, if the technological environment is one of low complexity (like the custom cabinetmaker or printer), setting up a rigid, bureaucratic structure will make it difficult for your organization to produce and “flex” as required by the different specific orders.

In addition to technology, the degree of environmental uncertainty also affects optimal organizational design. In stable environments where there is little change, a relatively formalized, centralized, and bureaucratic structure may be desirable. In turbulent environments, on the other hand, structures should be flexible enough to adapt to changing conditions (Burns & Stalker, 1961). In a similar fashion, flat, highly differentiated, and organic structures are most appropriate for very uncertain environments (Lawrence & Lorsch, 1967a, 1967b).

Crises

Another environmental variable that affects the leadership process is the presence or absence of crises. Some researchers believe crises play such an important part in charismatic leadership that certain leaders will purposely create crises in order to be perceived as being charismatic (Bass, 1985; Curphy, 1991; Roberts & Bradley, 1988). Furthermore, the behaviors associated with effective leadership during crises differ from those associated with noncrisis situations. During crises, followers are
more likely to look to leaders to identify the problem as well as develop and implement a solution. Thus, work groups facing strong deadlines or crises generally expect their leaders to be more assertive, directive, and decisive (Mulder & Stemerding, 1963). Moreover, leaders are less apt to use participation or consultation during crises (Mulder, de Jong, Koppelaar, & Verhage, 1986; Pfeffer & Salancik, 1975). These findings make sense when contrasting emergency and nonemergency situations. For example, surgeons spend considerable time consulting with colleagues prior to conducting a difficult surgery. However, surgeons do not have time to consult with other specialists when a patient’s heart has just stopped during surgery; the doctor must quickly diagnose the reason for the heart failure and coordinate the efforts of the surgical team for the patient to live. Similarly, coaches often spend considerable time consulting with other coaches and staff members when preparing for games, but during particularly close games they may consult with relatively few members of even their own staffs.

Situational Engineering

One of the most important points this chapter can make concerns the idea of situational engineering. Although leaders’ and followers’ behaviors are affected by a variety of situational factors, all too often leaders and followers completely overlook how changing the situation can help them to change their behavior. Just as a dieter can better stick to a diet by identifying bad eating habits and limiting food cues, so can a leader or follower become more effective by identifying problem areas and restructuring the situation so that these problems become easier to overcome.

Say, for example, a leader attended a leadership development program and received feedback that he did not interact enough with his subordinates. This leader might set a goal and may genuinely make an attempt to increase the level of interaction with his followers. Because his typical day is hectic and he manages a work group with a high level of lateral interdependence, however, situational demands may more or less force him to revert to his old behaviors. This leader would be likely to realize more success if he also restructured the situation in order to facilitate the accomplishment of this goal.

He could, for example, delegate more activities to subordinates. This would give the leader more opportunities to interact with followers (by mutually setting performance goals and monitoring progress), and it would give the leader more time to engage in other activities. Moreover, the leader could project a more approachable and friendly attitude by rearranging office furniture, keeping his door open as much as possible, and building specific times into his daily schedule to “manage by wandering around” (Peters & Waterman, 1982).

There are a variety of ways in which leaders and followers can change the task, organizational, and environmental factors affecting their behaviors and attitudes. By asking questions and listening effectively, leaders may be able to redesign work using the suggestions from Hackman and Oldham’s (1980) job characteristics model or Herzberg’s (1966) two-factor theory in order to improve followers’ satisfaction and productivity levels. Similarly, leaders might discover ways to adjust followers’ work-
loads, responsibilities, or levels of task interdependence; rearrange office layouts; establish new or different policies or procedures; or modify reporting relationships and appraisal systems (Yukl, 1989). More senior leaders might be able to change the organization itself or work to influence changes in the environment. Perhaps the most important point regarding situational engineering is to get leaders and followers to understand that the situation is not set in concrete, and to think about how they can change the situation in order for everyone to be more satisfied and productive.

One final example may be useful not only to illustrate the powerful impact of the situational variables but also to link this section to our previous discussion of Ginnett’s Team Effectiveness Leadership Model, introduced in Chapter 10. You may recall that one of the important inputs in the TELM was the organizational level where we identified four types of systems impacting team process. These systems involved rewards, information, education, and control. In one of our research projects, we were observing a series of work processes performed by teams in a highly centralized and controlled organization. No work was ever performed without specific directions which were generated by a complex computer
program. Engineers, who were not in the buildings where the work was performed, would prepare the working procedures, which were then integrated in the computer system and finally printed out for each task. While engineers could change the procedures, the perception of the workers in the processing facility was that the procedures were “like the bible—and equally difficult to change.” In one series of work sequences, a team would prepare a sheet of flexible insulation (according to the printed instructions) for installation by the next team. However, when we followed the insulation, we found that the first thing the installation team would do was to unfold the flexible sheet and refold it in exactly the opposite manner so that it could be installed. When we asked the preparation team if they were aware that the installation team was having to redo their work, they had no idea that was happening. Even more surprising was that when they did
learn of this, both teams decided it was easier to continue their work as described on the computer task sheets than to try to change it! Using the TELM model, we were able to identify at least two systems that were creating problems. First, the interteam information system was inadequate; it should have allowed them to correct inappropriate strategies (e.g., folding it one way only to have that work undone and redone), but it didn’t. Of equal impact was the teams’ perception of powerlessness because of the oppressive control system in which they operated. Even after problems were discovered, the situation in which the teams operated created conditions that reduced the creative potential of those with direct knowledge of the work flow. Leadership could have changed the way work was done by these teams by improving the information system and modifying the control system. Highlight 11.8 describes one final example of dealing with situations. In this case, a young leader dealt with the stress of being in a new and dangerous situation with a team he’d only just met.

Summary

The situation may well be the most complex factor in the leader-follower-situation framework. Moreover, situations vary not only in complexity but also in strength. Situational factors can play such a pervasive role that they can effectively minimize the effects of personality traits, intelligence, values, and preferences on leaders’ and followers’ behaviors, attitudes, and relationships. Given the dynamic nature of leadership situations, finding fairly consistent results is a highly encouraging accomplishment for leadership researchers.

As an organizing framework, this chapter introduced the Congruence Model as a way to consider many of the situational factors leaders should consider. In terms of work factors, leaders need to be aware of how task interdependence, task structure, and job characteristics can affect both their own and their followers’ behaviors, and how they might change these factors in order to improve followers’ satisfaction and performance. Research also has shown that organizational factors, such as lateral interdependence, structure, design, and culture, play major roles in determining why certain communication problems and conflicts might exist, how work is accomplished, and why some people may be more satisfied in the organization than others. The informal organization or the organizational culture can have a profound impact on the way both leaders and followers behave—and may be the least recognizable since it is the water in the bowl where all the fish are swimming. Factors in the environment, such as legal, political, or economic forces, can also affect leaders’ and followers’ behaviors. Sometimes these may effectively wipe out any changes a leader may make to improve productivity or satisfaction among work-group members.

Finally, let’s look back one more time at our three outstanding leaders: Colin Powell, Aung San Suu Kyi, and Peter Jackson. Except this time, change the situation they find themselves in. Imagine instead Colin Powell as a filmmaker and producer, Aung San Suu Kyi as the U.S. Secretary of State, and Peter Jackson as the nonviolent leader of human rights in Myanmar. Consider the implications of how their personalities would impact their work in these situations and what would still make them effective. These are the kinds of questions we are continuing to ask and research in the 21st century.
1. The term bureaucratic has a pejorative connotation to most people. Can you think of any positive aspects of a bureaucracy?

2. Think of a crisis situation you are familiar with involving a group, team, or organization, and analyze it in terms of the leader-follower-situation framework. For example, were the followers looking for a certain kind of behavior from the leader? Did the situation demand it? Did the situation, in fact, contribute to a particular leader’s emergence?

3. Can you identify reward systems that impact the level of effort students are likely to put forth in team or group projects? Should these reward systems be different than for individual effort projects?

Leadership skills relevant to this chapter include:

- Problem solving
- Diagnosing performance problems in individuals, groups, and organizations
- Development planning

Your instructor has several exercises available which demonstrate the impact of situational factors on behavior. They are not described here since identifying the situational factors being manipulated in an exercise undercuts the purpose of that exercise.
Minicase

“Innovation at IKEA”

Redefcorating and renovating have become the international pasttime. In a post 9/11 world facing persistent terrorist alerts, more and more people are opting to stay home and make their homes safe havens. This phenomenon, coupled with lagging economies worldwide, has contributed tremendously to the success of IKEA—the Swedish home furniture giant. In the past 10 years sales for IKEA have tripled, growing from over $4 billion in 1993 to over $12 billion in 2003.

Much of IKEA’s success can be attributed to its founder, Ingvar Kamprad. Kamprad used graduation money to start IKEA in the small Swedish village where he was born. He started off selling belt buckles, pens, and watches, whatever residents in the small local village of Agunnaryd needed. Eventually, Kamprad moved on to selling furniture. One day in 1952, while struggling to fit a large table in a small car, one of Kamprad’s employees came up with the idea that changed the furniture industry forever—he decided to remove the legs. IKEA’s flat-pack and self-assembly methodology was born. It rocketed the company past the competition. “After that [table] followed a whole series of other self-assembled furniture, and by 1956 the concept was more or less systematized,” writes Kamprad.

Kamprad is dedicated to maintaining the corporate culture he has helped define over the past 50 years. He is a simple man—his idea of a luxury vacation is riding his bike. He is fiercely cost-conscious and, even though his personal wealth has been estimated in the billions, he refuses to fly first class. He values human interaction above all, and, even though retired, he still visits IKEA stores regularly to keep tabs on what is going on where the business really happens.

The culture at IKEA is a culture closely connected with Kamprad’s simple, farm-raised, Swedish roots. It is a culture that strives “to create a better everyday for the many people.” IKEA supports this culture by

- hiring coworkers (IKEA prefers the word coworkers to “employees”) who are supportive and work well in teams;
- expecting coworkers to look for innovative, better ways of doing things in every aspect of their work;
- respecting coworkers and their views;
- establishing mutual objectives and working tirelessly to realize them;
- making cost-consciousness part of everything they do from improving processes for production to purchasing wisely to traveling cost-effectively;
- avoiding complicated solutions—simplicity is a strong part of the IKEA culture;
- leading by example, so IKEA leaders are expected to pitch in when needed and create a good working environment; and
- believing that a diverse workforce strengthens the company overall.
The IKEA culture is one that resonates for many. The buildings are easy to identify—the giant blue and gold warehouses that resemble oversized Swedish flags are hard to miss. Millions of customers browse through the Klippan sofas and Palbo footstools (Nordic names are given to all IKEA products) in the stark, dimly lit warehouses. The surroundings may not be lavish and the service may be mostly self-service, but customers keep going back not just for the bargains, but to experience the IKEA culture as well.

1. Discuss the three input components of the Congruence Model as they apply to the success of IKEA.

2. Consider Schein’s Four Key Organizational Culture Factors as described in Highlight 11.5. What examples can you identify within the IKEA organization that contribute to the company’s strong corporate culture?

3. Based on the level of technological complexity and the degree of environmental uncertainty present at IKEA, what type of organizational structure would you expect?

Chapter 12

Contingency Theories of Leadership

Introduction

If we were to provide an extremely short summary of the book to this point, we would say leadership is a process that involves aspects of the leader, the followers, and the situation. In Part I we discussed the process aspects, while Part II was devoted exclusively to the leader. Part III focused on the followers, and in the previous chapter we discussed the situational components of leadership. You may have also noted that as much as we attempted to focus exclusively on the component of interest for the section, there were often overlapping areas in our leader-follower-situation (L-F-S) model. The overlap is true, and our attempts to segregate the concepts were done merely for simplicity. The world of leadership is really a rather complex one where multiple aspects of the L-F-S model will come into play. Leadership is contingent upon the interplay of all three aspects of our model, and these contingencies are the focus of this chapter.

This chapter reviews four of the more well-known contingency theories of leadership. All four address certain aspects of the leader, the followers, and the situation. These four theories also share several other similarities. First, because they are theories rather than someone’s personal opinions, these four models have been the focus of a considerable amount of empirical research over the years. Second, these theories implicitly assume that leaders are able to accurately diagnose or assess key aspects of the followers and the leadership situation. Third, with the exception of the contingency model (Fiedler, 1967), leaders are assumed to be able to act in a flexible manner. In other words, leaders can and should change their behaviors as situational and follower characteristics change. Fourth, a correct match between situational and follower characteristics and leaders’ behaviors is assumed to have a positive effect on group or organizational outcomes. Thus, these theories maintain that leadership effectiveness is maximized when leaders correctly make their behaviors contingent on certain situational and follower characteristics. Because of

It is a capital mistake to theorize before one has data.

Sir Arthur Conan Doyle
these similarities, Chemers (1984) argued that these four theories were more similar than they were different. He said they differed primarily in terms of the types of situational and follower characteristics upon which various leader behaviors should be contingent.

The Normative Decision Model

Obviously, in some situations leaders can delegate decisions to subordinates or should ask subordinates for relevant information before making a decision. In other situations, such as emergencies or crises, leaders may need to make a decision with little, if any, input from subordinates. The level of input subordinates have in the decision-making process can and does vary substantially depending on the issue at hand, followers' level of technical expertise, or the presence or absence of a crisis. Although the level of participation varies due to various leader, follower, and situational factors, Vroom and Yetton (1973) maintained that leaders could often improve group performance by using an optimal amount of participation in the decision-making process. Thus, the normative decision model is directed solely at determining how much input subordinates should have in the decision-making process. Precisely because the normative decision model is limited only to decision making and is not a grand, all-encompassing theory, it is a good model with which to begin the chapter.

Levels of Participation

Like the other theories in this chapter, the normative decision model (Vroom & Yetton, 1973) was designed to improve some aspects of leadership effectiveness. In this case, Vroom and Yetton explored how various leader, follower, and situational factors affect the degree of subordinates' participation in the decision-making process and, in turn, group performance. To determine which situational and follower factors affect the level of participation and group performance, Vroom and Yetton first investigated the decision-making processes leaders use in group settings. They discovered a continuum of decision-making processes ranging from completely autocratic (labeled “AI”) to completely democratic, where all members of the group have equal participation (labeled “GII”). These processes are listed in Highlight 12.1.

Decision Quality and Acceptance

After establishing a continuum of decision processes, Vroom and Yetton (1973) established criteria to evaluate the adequacy of the decisions made—criteria they believed would be credible to leaders and equally applicable across the five levels of participation. Although a wide variety of criteria could be used, Vroom and Yetton believed decision quality and decision acceptance were the two most important criteria for judging the adequacy of a decision.

Decision quality means simply that if the decision has a rational or objectively determinable “better or worse” alternative, the leader should select the better alternative. Vroom and Yetton (1973) intended quality in their model to apply when
the decision could result in an objectively or measurably better outcome for the group or organization. In the for-profit sector, this criterion can be assessed in several ways, but perhaps the easiest to understand is, Would the decision show up on the balance sheet? In this case, a high-quality (or, conversely, low-quality) decision would have a direct and measurable impact on the organization’s bottom line. In the public sector, one might determine if there was a quality component to a decision by asking, “Will one alternative have a greater cost saving than the other?” or “Does this decision improve services to the client?” Although it may seem that leaders should always choose the alternative with the highest decision quality, this is not always the case. Often, leaders are confronted with equally good (or bad) alternatives. At other times, the issue in question is fairly trivial, rendering the quality of the decision relatively unimportant.

**Decision acceptance** implies that followers accept the decision as if it were their own and do not merely comply with the decision. Acceptance of the decision outcome by the followers may be critical, particularly if it is the followers who will bear principal responsibility for implementing the decision. With such acceptance, there will be no need for superiors to monitor compliance, which can be a continuing and time-consuming activity (and virtually impossible in some circumstances, such as with a geographically dispersed sales staff).
As with quality, acceptance of a decision is not always critical for implementation. For example, most organizations have an accounting form that employees use to obtain reimbursement for travel expenses. Suppose a company’s chief financial officer (CFO) has decided to change the format of the form for reimbursing travel expenses and has had the new forms printed and distributed throughout the company. Further, she has sent out a notice that effective June 1, the old forms will no longer be accepted for reimbursement—only claims made using the new forms will be processed and paid. Assuming the new form has no gross errors, problems, or omissions, our CFO really has no concern with acceptance as defined here. If people want to be reimbursed for their travel expenses, then they will use the new form. This decision, in essence, implements itself.

On the other hand, leaders sometimes assume that they do not need to worry about acceptance because they have so much power over their followers that overt rejection of a decision is not likely to occur. A corporate CEO is not apt to see a junior accountant stand up and openly challenge the CEO’s decision to implement a new policy, even though the young accountant may not “buy into” the new policy at all. Because followers generally do not openly object to the decisions made by leaders with this much power, these leaders often mistakenly assume that their decisions have been accepted and will be fully implemented. This is a rather naive view of what really goes on in organizations. Just because the junior subordinate does not publicly voice his opposition does not mean he will rush right out and wholeheartedly implement the decision. In fact, the junior accountant has a lot more time to destructively undermine the policy than the CEO does to check to ensure it is being carried out to the letter.

The Decision Tree

Having settled on quality and acceptance as the two principal criteria for effective decisions, Vroom and Yetton then developed a normative decision model. (A normative model is one based on what ought to happen rather than describing what does happen.) They also developed a set of questions to protect quality and acceptance by eliminating decision processes that would be wrong or inappropriate. Generally, these questions concern the problem itself, the amount of pertinent information possessed by the leader and followers, and various situational factors.

In order to make it easier for leaders to determine how much participation subordinates should have to optimize decision quality and acceptance, Vroom and Yetton (1973) incorporated these questions into a decision tree (see Figure 12.1). To use the decision tree, one starts at the left by stating the problem and then proceeds through the model from left to right. Every time a box is encountered, the question associated with that box must be answered with either a yes or a no response. Eventually, all paths lead to a set of decision processes that, if used, will lead to a decision that protects both quality and acceptance.

Having reached a set of feasible alternatives that meet the desirable criteria for quality and acceptance among followers, the leader may then wish to consider additional criteria. One very practical consideration is the amount of time available. If time is critical, then the leader should select the alternative in the feasible set that is farthest to the left, again noting that the feasible set is arranged from AI through
It generally takes less time to make and implement autocratic decisions than it does to make consultative or group decisions. Nevertheless, it is important to note that the first step is to protect quality and acceptance (by using the model). Only after arriving at an appropriate set of outcomes should leaders consider time in the decision-making process. This tenet is sometimes neglected in the workplace by leaders who overemphasize time as a criterion. Obviously, there are some situations where time is absolutely critical, as in life-or-death emergencies. But too often, leaders ask for a decision to be made as if the situation were an emergency when, in reality, they (the leaders, not the situation) are creating the time pressure. Despite such behavior, it is difficult to imagine a leader who would knowingly prefer a fast decision that lacks both quality and acceptance among the implementers to one that is of high quality and acceptable to followers but that takes more time.

Another important consideration is follower development. Again, after quality and acceptance have been considered using the decision tree, and if the leader has determined that time is not a critical element, she may wish to follow a decision process more apt to allow followers to develop their own decision-making skills. This can be achieved by using the decision tree and then selecting the alternative within the feasible set that is farthest to the right. As was the case above, the arrangement of processes from AI to GII provides an increasing amount of follower development by moving from autocratic to group decisions.

Finally, if neither time nor follower development is a concern and multiple options are available in the feasible set of alternatives, the leader may select a style that best meets his or her needs. This may be the process with which the leader is most comfortable (“I’m a CII kind of guy”), or it may be a process in which he or she would like to develop more skill.
Concluding Thoughts about the Normative Decision Model

Having looked at this model in some detail, we will now look at it from the perspective of the leader-follower-situation (L-F-S) framework. To do this, we have used the different decision processes and the questions from the decision tree to illustrate different components in the L-F-S framework (see Figure 12.2). Several issues become apparent in this depiction. First, for ease of presentation we have placed each question or factor solely within one circle or another. Nevertheless, one could argue that some of the questions could or should be placed in another part of the model. For example, the question “Do I have sufficient information to make a high-quality decision?” is placed in the leader block. It might be argued, however, that no leader could answer this question without some knowledge of the situation. Strictly speaking, therefore, perhaps this question should be placed in the intersection between the leader and the situation. Nonetheless, in keeping with our theme that leadership involves interactions among all three elements, it seems sufficient at this point to illustrate them in their simplest state.

Irrationally held truths may be more harmful than reasoned errors.

Thomas Huxley

FIGURE 12.2
Factors from the normative decision model and the interactional framework.
A second issue also becomes apparent when the normative decision model is viewed through the L-F-S framework. Notice how the Vroom and Yetton (1973) model shifts focus away from the leader toward both the situation and, to an even greater degree, the followers. There are no questions about the leader’s personality, motivations, values, or attitudes. In fact, the leader’s preference is considered only after higher-priority factors have been considered. The only underlying assumption is that the leader is interested in implementing a high-quality decision (when quality is an issue) that is acceptable to followers (when acceptance is critical to implementation). Given that assumption and a willingness to consider aspects of the situation and aspects of the followers, the leader’s behavior can be channeled into more effective decision-making processes.

A third issue is that the L-F-S framework organizes concepts in a familiar conceptual structure. This is an advantage even for a theory with as limited a focus as the normative decision model (i.e., decision making); it will be even more helpful later as we consider more complex theories.

Finally, because the normative decision model is a leadership theory rather than Vroom and Yetton’s personal opinions, a number of empirical studies have investigated the model’s efficacy. Research conducted by Field (1982) and Vroom and Jago (1974, 1988) provided strong support for the model, as these studies showed that leaders were much more likely to make effective or successful decisions when they followed its tenets than when they ignored them. Nevertheless, although leaders may be more apt to make more effective decisions when using the model, there is no evidence to show that these leaders are more effective overall than leaders not using the model (Miner, 1975). The latter findings again point out that both
the leadership process and leadership effectiveness are complex phenomena; being a good decision-maker is not enough to be a good leader (although it certainly helps). Other problems with the model are that it views decision making as taking place at a single point in time (Yukl, 1989), assumes that leaders are equally skilled at using all five decision procedures (Yukl & Van Fleet, 1992), and assumes that some of the prescriptions of the model may not be the best for a given situation. For example, the normative decision model prescribes that leaders use a GII decision process if conflict may occur over a decision, but leaders may be more effective if they instead make an AI decision and avoid intragroup conflict (Couch & Yetton, 1987). Despite these problems, the normative model is one of the best supported of the four major contingency theories of leadership, and leaders would be wise to consider using the model when making decisions.

The Situational Leadership® Model

It seems fairly obvious that leaders do not interact with all followers in the same manner. For example, a leader may give general guidelines or goals to her highly competent and motivated followers but spend considerable time coaching, directing, and training her unskilled and unmotivated followers. Or leaders may provide relatively little praise and assurances to followers with high self-confidence but high amounts of support to followers with low self-confidence. Although leaders often have different interactional styles when dealing with individual followers, is there an optimum way for leaders to adjust their behavior with different followers and thereby increase their likelihood of success? And if there is, then what factors should the leader base his behavior on—the follower’s intelligence? Personality traits? Values? Preferences? Technical competence? A model called Situational Leadership® offers answers to these two important leadership questions.

Leader Behaviors

The Situational Leadership® model has evolved over time. Its essential elements first appeared in 1969 (Hersey & Blanchard), with roots in the Ohio State studies, in which the two broad categories of leader behaviors, initiating structure and consideration, were initially identified (see Chapter 8). As Situational Leadership® evolved, so did the labels (but not the content) for the two leadership behavior categories. Initiating structure changed to task behaviors, which were defined as the extent to which the leader spells out the responsibilities of an individual or group. Task behaviors include telling people what to do, how to do it, when to do it, and who is to do it. Similarly, consideration changed to relationship behaviors, or how much the leader engages in two-way communication. Relationship behaviors include listening, encouraging, facilitating, clarifying, explaining why the task is important, and giving support.

When the behavior of actual leaders was studied, there was little evidence to show these two categories of leader behavior were consistently related to leadership success; the relative effectiveness of these two behavior dimensions often depended on the situation. Hersey’s Situational Leadership® model explains why leadership effectiveness varies across these two behavior dimensions and situations. It arrays the
two orthogonal dimensions as in the Ohio State studies and then divides each of them into high and low segments (see Figure 12.3). According to the model, depicting the two leadership dimensions this way is useful because certain combinations of task and relationship behaviors may be more effective in some situations than in others. For example, in some situations high levels of task but low levels of relationship behaviors are effective; in other situations, just the opposite is true. So far, however, we have not considered the key follower or situational characteristics with which these combinations of task and relationship behaviors were most effective. Hersey says that these four combinations of task and relationship behaviors would increase leadership effectiveness if they were made contingent on the readiness level of the individual follower to perform a given task.

**Chapter 12 Contingency Theories of Leadership**

*The real world is a messy place—yet, even a messy place can (should?) be attacked systematically.*

Alex Cornell

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**FIGURE 12.3**

Situational Leadership.

Follower Readiness

In Situational Leadership®, follower readiness refers to a follower’s ability and willingness to accomplish a particular task. Readiness is not an assessment of an individual’s personality, traits, values, age, etc. It’s not a personal characteristic, but rather how ready an individual is to perform a particular task. Any given follower could be low on readiness to perform one task but high on readiness to perform a different task. An experienced emergency room physician would be high in readiness on tasks like assessing a patient’s medical status, but could be relatively low on readiness for facilitating an interdepartmental team meeting to solve an ambiguous and complex problem like developing hospital practices to encourage collaboration across departments.

Prescriptions of the Model

Now that the key contingency factor, follower readiness, has been identified, let us move on to another aspect of the figure—combining follower readiness levels with the four combinations of leader behaviors described earlier. The horizontal bar or arrow in Figure 12.3 depicts follower readiness as increasing from right to left (not in the direction we are used to seeing). There are four segments along this continuum, ranging from R1 (the lowest) to R4 (the highest). Along this continuum, however, the assessment of follower readiness can be fairly subjective. A follower who possesses high levels of readiness would clearly fall in the R4 category, just as a follower unable and unwilling (or insecure) to perform a task would fall in R1.

To complete the model, a curved line is added that represents the leadership behavior that will most likely be effective given a particular level of follower readiness. In order to apply the model, leaders should first assess the readiness level (R1-R4) of the follower relative to the task to be accomplished. Next, a vertical line should be drawn from the center of the readiness level up to the point where it intersects with the curved line in Figure 12.3. The quadrant in which this intersection occurs represents the level of task and relationship behavior that has the best chance of producing successful outcomes. For example, imagine you are a fire chief and have under your command a search-and-rescue team. One of the team members is needed to rescue a backpacker who has fallen in the mountains, and you have selected a particular follower to accomplish the task. What leadership behavior should you exhibit? If this follower has both substantial training and experience in this type of rescue, you would assess his readiness level as R4. A vertical line from R4 would intersect the curved line in the quadrant where both low task and low relationship behaviors by the leader are most apt to be successful. As the leader, you should exhibit a low level of task and relationship behaviors and delegate this task to the follower. On the other hand, you may have a brand-new member of the fire department who still has to learn the ins and outs of firefighting. Because this particular follower has low task readiness (R1), the model maintains that the leader should use a high level of task and a low level of relationship behaviors when initially dealing with this follower.

Hersey suggests one further step leaders may wish to consider. The model described above helps the leader select the most appropriate behavior given the current level of follower readiness. However, there may be cases when the leader would like to see the followers increase their level of readiness for particular tasks.
by implementing a series of developmental interventions to help boost follower readiness levels. The process would begin by first assessing the follower’s current level of readiness and then determining the leader behavior that best suits that follower in that task. Instead of using the behavior prescribed by the model, however, the leader would select the next higher leadership behavior. Another way of thinking about this would be for the leader to select the behavior pattern that would fit the follower if that follower were one level higher in readiness. This intervention is designed to help followers in their development, hence its name (see Highlight 12.3, on developmental interventions).

Concluding Thoughts about the Situational Leadership® Model
In Figure 12.4, we can see how the factors in Situational Leadership® fit within the L-F-S framework. In comparison to the Vroom and Yetton model, there are fewer factors to be considered in each of the three elements. The only situational consideration is knowledge of the task, and the only follower factor is readiness. On the other hand, the theory goes well beyond decision making, which was the sole domain of the normative decision model.

Situational Leadership® is usually appealing to students and practitioners because of its commonsense approach as well as its ease of understanding. Unfortunately, there is little published research to support the predictions of Situational Leadership® in the workplace (Vecchio, 1987; Yukl & Van Fleet, 1992). A great deal of research has been done within organizations that have implemented Situational Leadership®, but most of those findings are not available for public dissemination. Nevertheless, even with these shortcomings, Situational Leadership® is a useful way to get leaders to think about how leadership effectiveness may depend somewhat on being flexible with different subordinates, not on acting the same way toward them all.
FIGURE 12.4  
Factors from the Situational Leadership® model and the interactional framework.

The Contingency Model

Although leaders may be able to change their behaviors toward individual subordinates, leaders also have dominant behavioral tendencies. Some leaders may be generally more supportive and relationship-oriented, whereas others may be more concerned with task or goal accomplishment. The contingency model (Fiedler, 1967) recognizes that leaders have these general behavioral tendencies and specifies situations where certain leaders (or behavioral dispositions) may be more effective than others.

Fiedler’s (1967) contingency model of leadership is probably the earliest and most well-known contingency theory, and is often perceived by students to be almost the opposite of SLT. Compared to the contingency model, SLT emphasizes flexibility in leader behaviors, whereas the contingency model maintains that leaders are much more consistent (and consequently less flexible) in their behavior. Situational leadership theory maintains that leaders who correctly base their behaviors on follower maturity will be more effective, whereas the contingency model suggests that leader effectiveness is primarily determined by selecting the right kind of leader for a certain situation or changing the situation to fit the particu-
lar leader’s style. Another way to say this is that leadership effectiveness depends on both the leader’s style and the favorableness of the leadership situation. Some leaders are better than others in some situations but less effective in other situations. To understand contingency theory, therefore, we need to look first at the critical characteristics of the leader and then at the critical aspects of the situation.

The Least-Preferred-Coworker Scale
In order to determine a leader’s general style or tendency, Fiedler developed an instrument called the least-preferred-coworker (LPC) scale. The scale instructs a leader to think of the single individual with whom he has had the greatest difficulty working (i.e., the least-preferred coworker) and then to describe that individual in terms of a series of bipolar adjectives (e.g., friendly-unfriendly, boring-interesting, sincere-insincere). Those ratings are then converted into a numerical score.

In thinking about such a procedure, many people assume that the score is determined primarily by the characteristics of whatever particular individual the leader happened to identify as his least-preferred coworker. In the context of contingency theory, however, it is important to understand that the score is thought to represent something about the leader, not the specific individual the leader evaluated.

The current interpretation of these scores is that they identify a leader’s motivation hierarchy (Fiedler, 1978). Based on their LPC scores, leaders are categorized into two groups: low-LPC leaders and high-LPC leaders. In terms of their motivation hierarchy, low-LPC leaders are primarily motivated by the task, which means that these leaders primarily gain satisfaction from task accomplishment. Thus, their dominant behavioral tendencies are similar to the initiating structure behavior described in the Ohio State research or the task behavior of SLT. However, if tasks are being accomplished in an acceptable manner, then low-LPC leaders will move to their secondary level of motivation, which is forming and maintaining relationships with followers. Thus, low-LPC leaders will focus on improving their relationships with followers after they are assured that assigned tasks are being satisfactorily accomplished. As soon as tasks are no longer being accomplished in an acceptable manner, however, low-LPC leaders will refocus their efforts on task accomplishment and persist with these efforts until task accomplishment is back on track.

In terms of motivation hierarchy, high-LPC leaders are primarily motivated by relationships, which means that these leaders are primarily satisfied by establishing and maintaining close interpersonal relationships. Thus, their dominant behavioral tendencies are similar to the consideration behaviors described in the Ohio State research or the relationship behaviors in SLT. If high-LPC leaders have established good relationships with their followers, then they will move to their secondary level of motivation, which is task accomplishment. As soon as leader-follower relations are jeopardized, however, high-LPC leaders will cease working on tasks and refocus their efforts on improving relationships with followers.

You can think of the LPC scale as identifying two different sorts of leaders with their respective motivational hierarchies depicted in Figure 12.5. Lower-level needs must be satisfied first. Low-LPC leaders will move “up” to satisfying relationship
needs when they are assured the task is being satisfactorily accomplished. High-LPC leaders will move “up” to emphasizing task accomplishment when they have established good relationships with their followers.

Because all tests have some level of imprecision, Fiedler (1978) suggested that the LPC scale cannot accurately identify the motivation hierarchy for those individuals with certain intermediate scores. Research by Kennedy (1982) suggested an alternative view. Kennedy has shown that individuals within the intermediate range of LPC scale scores may more easily or readily switch between being task- or relationship-oriented leaders than those individuals with more extreme scale scores. They may be equally satisfied by working on the task or establishing relationships with followers.

**Situational Favorability**

The other critical variable in the contingency model is **situational favorability**, which is the amount of control the leader has over the followers. Presumably, the more control a leader has over followers, the more favorable the situation is, at least from the leader’s perspective. Fiedler included three subelements in situation favorability. These were leader-member relations, task structure, and position power.

*Leader-member relations* is the most powerful of the three subelements in determining overall situation favorability. It involves the extent to which relationships between the leader and followers are generally cooperative and friendly or antagonistic and difficult. Leaders who rate leader-member relations as high would feel they had the support of their followers and could rely on their loyalty.

*Task structure* is second in potency in determining overall situation favorability. Here the leader would objectively determine task structure by assessing whether there were detailed descriptions of work products, standard operating procedures, or objective indicators of how well the task is being accomplished. The more one could answer these questions affirmatively, the higher the structure of the task.
Position power is the weakest of the three elements of situational favorability. Leaders who have titles of authority or rank, the authority to administer rewards and punishments, and the legitimacy to conduct follower performance appraisals have greater position power than leaders who lack them.

The relative weights of these three components, taken together, can be used to create a continuum of situational favorability. When using the contingency model, leaders are first asked to rate items that measure the strength of leader-member relations, the degree of task structure, and their level of position power. These ratings are then weighted and combined to determine an overall level of situational favorability facing the leader (Fiedler & Chemers, 1982). Any particular situation’s favorability can then be plotted on a continuum Fiedler divided into octants representing distinctly different levels of situational favorability. The relative weighting scheme for the subelements and how they make up each of the eight octants can be seen in Figure 12.6.

You can see that the octants of situational favorability range from 1 (highly favorable) to 8 (very unfavorable). The highest levels of situational favorability occur when leader-member relations are good, the task is structured, and position power is high. The lowest levels of situational favorability occur when there are high levels of leader-member conflict, the task is unstructured or unclear, and the leader does not have the power to reward or punish subordinates. Moreover, the relative weighting of the three subelements can easily be seen by their order of precedence in Figure 12.6, with leader-member relations appearing first, followed by task structure and then position power. For example, because leader-member relations carry so much weight, it is impossible for leaders with good leader-member relations to have anything worse than moderate situational favorability, regardless of their task structure or position power. In other words, leaders with good leader-member relations will be in a situation that has situational favorability no worse than octant 4; leaders with poor leader-member relations will be facing a leadership situation with situational favorability no better than octant 5.

Prescriptions of the Model

Fiedler and his associates have conducted numerous studies to determine how different leaders (as described by their LPC scores) have performed in different situations (as described in terms of situational favorability). Figure 12.7 describes
which type of leader (high or low LPC) Fiedler found to be most effective, given different levels of situation favorability. The solid dark line represents the relative effectiveness of a low-LPC leader, and the dashed line represents the relative effectiveness of a high-LPC leader. It is obvious from the way the two lines cross and recross that there is some interaction between the leader’s style and the overall situation favorability. If the situational favorability is moderate (octants 4, 5, 6, or 7), then those groups led by leaders concerned with establishing and maintaining relationships (high-LPC leaders) seem to do best. However, if the situation is either very unfavorable (octant 8) or highly favorable (octants 1, 2, or 3), then those groups led by the task-motivated (low-LPC) leaders seem to do best.

Fiedler suggested that leaders will try to satisfy their primary motivation when faced with unfavorable or moderately favorable situations. This means that low-LPC leaders will concentrate on the task and high-LPC leaders will concentrate on relationships when faced with these two levels of situational favorability. Nevertheless, leaders facing highly favorable situations know that their primary motivations will be satisfied and thus will move to their secondary motivational state. This means that leaders will behave according to their secondary motivational state only when faced with highly favorable situations (see Highlight 12.4).

There are several interesting implications of Fiedler’s (1967) model worthy of additional comment. Because leaders develop their distinctive motivation hierarchies and dominant behavior tendencies through a lifetime of experiences, Fiedler believed these hierarchies and tendencies would be difficult to change through training. Fiedler maintained it was naive to believe that sending someone to a relatively brief leadership training program could substantially alter any leader’s personality or typical way of acting in leadership situations; after all, such tendencies had been developed over many years of experience. Instead of trying to change the leader, Fiedler concluded, training would be more effective if it showed leaders how to recognize and change key situational characteristics to better fit their personal motivational hierarchies and behavioral tendencies. Thus, according to Fiedler, the
content of leadership training should emphasize situational engineering rather than behavioral flexibility in leaders. Relatedly, organizations could become more effective if they matched the characteristics of the leader (in this case LPC scores) with the demands of the situation (i.e., situational favorability) than if they tried to change the leader to fit the situation. These suggestions imply that high- or low-LPC leaders in mismatched situations should either change the situation or move to jobs that better match their motivational hierarchies and behavioral patterns.

Concluding Thoughts about the Contingency Model

Before reviewing the empirical evidence, perhaps we can attain a clearer understanding of the contingency model by examining it through the L-F-S framework. As seen in Figure 12.8, task structure is a function of the situation and LPC scores are a function of the leader. Because position power is not a characteristic of the leader but of the situation the leader finds him- or herself in, it is included in the situational circle. Leader-member relations is a joint function of the leader and the followers; thus, it best belongs in the overlapping intersection of the leader and follower circles.

As opposed to the dearth of evidence for Hersey and Blanchard’s (1969, 1982) situational theory, Fiedler and his fellow researchers have provided considerable evidence that the predictions of the model are empirically valid, particularly in
laboratory settings (Fiedler, 1978, 1995; Fiedler & Chemers, 1982; Peters, Hartke, & Pohlmann, 1985; Strube & García, 1981). However, a review of the studies conducted in field settings yielded only mixed support for the model (Peters, Hartke, & Pohlmann, 1985). Moreover, researchers have criticized the model for the uncertainties surrounding the meaning of LPC scores (Kennedy, 1982; Rice, 1978; Schriesheim & Kerr, 1977), the interpretation of situational favorability (Jago & Ragan, 1986a, 1986b), and the relationships between LPC scores and situational favorability (Jago & Ragan, 1986a, 1986b, Vecchio, 1983). Despite such questions, however, the contingency model has stimulated considerable research and is the most validated of all leadership theories.

The Path-Goal Theory

Perhaps the most sophisticated (and comprehensive) of the four contingency models is path-goal theory. The underlying mechanism of path-goal theory deals with expectancy, a cognitive approach to understanding motivation where people calculate effort-to-performance probabilities (If I study for 12 hours what is the
probability I will get an A on the final exam?), performance-to-outcome probabilities (If I get an A on the final what is the probability of getting an A in the course?), and assigned valences or values to outcome (How much do I value a higher GPA?). Theoretically at least, people were assumed to make these calculations on a rational basis, and the theory could be used to predict what tasks people will put their energies into, given some finite number of options.

Path-goal theory uses the same basic assumptions as expectancy theory. At the most fundamental level, the effective leader will provide or ensure the availability of valued rewards for followers (the “goal”) and then help them find the best way of getting there (the “path”). Along the way, the effective leader will help the followers identify and remove roadblocks, and avoid dead ends; the leader will also provide emotional support as needed. These “task” and “relationship” leadership actions essentially involve increasing followers’ probability estimates for effort-to-performance and performance-to-reward expectancies. In other words, the leader’s actions should strengthen followers’ beliefs that if they exert a certain level of effort, then they will be more likely to accomplish a task, and if they accomplish the task, then they will be more likely to achieve some valued outcome.

Although not very complicated in its basic concept, the model added more variables and interactions over time. Evans (1970) is credited with the first version of path-goal theory, but we will focus on a later version developed by House and Dressler (1974). Their conceptual scheme is ideally suited to the L-F-S framework because they described three classes of variables, which include leader behaviors, followers, and the situation. We will examine each of these in turn.

### Leader Behaviors

The four types of leader behavior in path-goal theory can be seen in Table 12.1 (see page 381). Like SLT, path-goal theory assumes that leaders not only may use varying styles with different subordinates but might very well use differing styles with the same subordinates in different situations. Path-goal theory suggests that depending on the followers and the situation, these different leader behaviors can increase followers’ acceptance of the leader, enhance their level of satisfaction, and raise their expectations that effort will result in effective performance, which in turn will lead to valued rewards (see Highlight 12.5).

### The Followers

Path-goal theory contains two groups of follower variables. The first relates to the satisfaction of followers, and the second relates to the followers’ perception of their own abilities relative to the task to be accomplished. In terms of followers’ satisfaction, path-goal theory suggests that leader behaviors will be acceptable to the followers to the degree followers see the leader’s behavior either as an immediate source of satisfaction or as directly instrumental in achieving future satisfaction. In other words, followers will actively support a leader as long as they view the leader’s actions as a means for increasing their own levels of satisfaction. However, there is only so much a leader can do to increase followers’ satisfaction levels, as satisfaction also depends on characteristics of the followers themselves.
A frequently cited example of how followers’ characteristics influence the impact of leader behaviors on followers’ levels of satisfaction involves the trait of locus of control. People who believe they are “masters of their own ship” are said to have an internal locus of control; people who believe they are (relatively speaking) “pawns of fate” are said to have an external locus of control. Mitchell, Smyser, and Weed (1975) found that follower satisfaction was not directly related to the degree of participative behaviors manifested by the leader (i.e., followers with highly participative leaders were not any more satisfied than followers with more autocratic leaders). However, when followers’ locus-of-control scores were taken into account, a contingency relationship was discovered. As can be seen in Figure 12.9, internal-locus-of-control followers, who believed outcomes were the result of their own decisions, were much more satisfied with leaders who exhibited participative behaviors than they were with leaders who were directive. Conversely, external-locus-of-control followers were more satisfied with directive leader behaviors than they were with participative leader behaviors.
TABLE 12.1
The Four Leader Behaviors of Path-Goal Theory

<table>
<thead>
<tr>
<th>Leader Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directive leadership.</td>
</tr>
<tr>
<td>These leader behaviors are very similar to the task behaviors from SLT. They include telling the followers what they are expected to do, how to do it, when it is to be done, and how their work fits in with the work of others. This behavior would also include setting schedules, establishing norms, and providing expectations that followers will adhere to established procedure and regulations.</td>
</tr>
<tr>
<td>Supportive leadership.</td>
</tr>
<tr>
<td>Supportive leadership behaviors include having courteous and friendly interactions, expressing genuine concern for the followers’ well-being and individual needs, and remaining open and approachable to followers. These behaviors, which are very similar to the relationship behaviors in SLT, also are marked by attention to the competing demands of treating followers equally while recognizing status differentials between the leader and the followers.</td>
</tr>
<tr>
<td>Participative leadership.</td>
</tr>
<tr>
<td>Participative leaders engage in the behaviors that mark the consultative and group behaviors described by Vroom and Yetton (1973). As such, they tend to share work problems with followers; solicit their suggestions, concerns, and recommendations; and weigh these inputs in the decision-making process.</td>
</tr>
<tr>
<td>Achievement-oriented leadership.</td>
</tr>
<tr>
<td>Leaders exhibiting these would be seen as both demanding and supporting in interactions with their followers. In the first place, they would set very challenging goals for group and follower behavior, continually seek ways to improve performance en route, and expect the followers to always perform at their highest levels. But they would support these behaviors by exhibiting a high degree of ongoing confidence that subordinates can put forth the necessary effort; will achieve the desired results; and, even further, will assume even more responsibility in the future.</td>
</tr>
</tbody>
</table>

FIGURE 12.9
Interaction between followers’ locus of control scores and leader behavior in decision making.

Followers’ perceptions of their own skills and abilities to perform particular tasks can also affect the impact of certain leader behaviors. Followers who believe they are perfectly capable of performing a task are not as apt to be motivated by, or as willing to accept, a directive leader as they would a leader who exhibits participative behaviors. Using the same rationale as for locus of control, one can predict the opposite relationship for followers who do not perceive they have sufficient abilities to perform the task. Once again, the acceptability of the leader and the motivation to perform are in part determined by followers’ characteristics. Thus, path-goal theory suggests that both leader behaviors and follower characteristics are important in determining outcomes.

The Situation

Path-goal theory considers three situational factors that impact or moderate the effects of leader behavior on follower attitudes and behaviors. These include the task, the formal authority system, and the primary work group. Each of these three factors can influence the leadership situation in one of three ways. These three factors can serve as an independent motivational factor, as a constraint on the behavior of followers (which may be either positive or negative in outcome), or as a reward.

However, it should also be increasingly apparent that these variables can often affect the impact of various leader behaviors. For example, if the task is very structured and routine, the formal authority system has constrained followers’ behaviors, and the work group has established clear norms for performance, then leaders would be serving a redundant purpose by manifesting directive or achievement-oriented behaviors. These prescriptions are similar to some of those noted in substitutes for leadership theory (Kerr & Jermier, 1978), as everything the follower needs to understand the effort-to-performance and performance-to-reward links is provided by the situation. Thus, redundant leader behaviors might be interpreted by followers as either a complete lack of understanding or empathy by the leader, or an attempt by the leader to exert excessive control. Neither of these interpretations is likely to enhance the leader’s acceptance by followers or increase their motivation.

Although we have already described how follower characteristics and situational characteristics can impact leader behaviors, path-goal theory also maintains that follower and situational variables can impact each other. In other words, situational variables, such as the task performed, can also impact the influence of followers’ skills, abilities, or personality traits on followers’ satisfaction. Although this seems to make perfect sense, hopefully you are beginning to see how complicated path-goal theory can be when one starts considering how situational variables, follower characteristics, and leader behaviors interact in the leadership process.

Prescriptions of the Theory

In general, path-goal theory maintains that leaders should first assess the situation and select a leadership behavior appropriate to situational demands. By manifesting the appropriate behaviors, leaders can increase followers’ effort-to-performance...
expectancies, performance-to-reward expectancies, or valences of the outcomes. These increased expectancies and valences will improve subordinates’ effort levels and the rewards attained, which in turn will increase subordinates’ satisfaction and performance levels and the acceptance of their leaders. Perhaps the easiest way to explain this fairly complicated process is through the use of an example. Suppose we have a set of followers who are in a newly created work unit and do not have a clear understanding of the requirements of their positions. In other words, the followers have a reasonably high level of role ambiguity. According to path-goal theory, leaders should exhibit a high degree of directive behaviors in order to reduce the role ambiguity of their followers. The effort-to-performance link will become clearer when leaders tell followers what to do and how to do it in ambiguous situations, which in turn will cause followers to exert higher effort levels. Because role ambiguity is assumed to be unpleasant, these directive leader behaviors and higher effort levels should eventually result in higher satisfaction levels among followers.

Figure 12.10 illustrates this process. Similarly, leaders may look at the leadership situation and note that followers’ performance levels are not acceptable. The leader may also conclude that the current situation offers few, if any, incentives for increased performance. In this case, the leader may use directive behaviors to increase the value of the rewards (or valence), which in turn will increase followers’ effort levels and performance.

Concluding Thoughts about the Path-Goal Theory

Before getting into the research surrounding path-goal theory, you may wish to examine the theory using the L-F-S framework. As seen in Figure 12.11, the components of path-goal theory fit quite nicely into the L-F-S model. The four leader behaviors fit nicely in the leader circle, the characteristics of the followers fit into
In terms of research, the path-goal theory has received only mixed support to date (Schriesheim & DeNisi, 1981; Schriesheim & Kerr, 1977; Yukl, 1989). Although many of these mixed findings may be due to the fact that the path-goal theory excludes many of the variables found to impact the leadership process, that may also be due to problems with the theory. Yukl (1989) maintained that most of these criticisms deal with the methodology used to study path-goal theory and the limitations of expectancy theory. Moreover, the path-goal theory assumes that the only way to increase performance is to increase followers’ motivation levels. The theory ignores the roles leaders play in selecting talented followers, building their skill levels through training, and redesigning their work (Yukl & Van Fleet, 1992).
Nonetheless, path-goal theory is useful for illustrating two points. First, as noted by Yukl (1989), “path-goal theory has already made a contribution to the study of leadership by providing a conceptual framework to guide researchers in identifying potentially relevant situational moderator variables” (p. 104). Path-goal theory also illustrates that as models become more complicated, they may be more useful to researchers and less appealing to practitioners. Our experience is that pragmatically oriented students and in-place leaders want to take something from a model that is understandable and can be applied in their work situation right away. This does not mean they prefer simplicity to validity—they generally appreciate the complexity of the leadership process. But neither do they want a model that is so complex as to be indecipherable.

**Summary**

This chapter is designed to provide an overview of four of the more well-known contingency theories of leadership, which include the normative decision model (Vroom & Yetton, 1973), the Situational Leadership® model, the contingency model (Fiedler, 1967), and the path-goal theory (House & Dessler, 1974). All four models are fairly similar in that they specify that leaders should make their behaviors contingent on certain aspects of the followers or the situation in order to improve leadership effectiveness. In addition, all four theories implicitly assume that leaders can accurately assess key follower and situational factors. However, as the material regarding perception in Chapter 3 shows, it is entirely possible that two leaders in the same situation may reach very different conclusions about followers’ level of knowledge, the strength of leader-follower relationships, the degree of task structure, or the level of role ambiguity being experienced by followers. These differences in perception could lead these two leaders to reach different conclusions about the situation, which may in turn cause them to take very different actions in response to the situation. Furthermore, these actions may be in accordance or in conflict with the prescriptions of any of these four theories. Also, the fact that leaders’ perceptions may have caused them to act in a manner not prescribed by a particular model may be an underlying reason why these four theories have reported conflicting findings, particularly in field settings.

Another reason these theories have generally found mixed support in field settings concerns the fact that they are all fairly limited in scope. Many of the factors that affect leader and follower behaviors in work group, team, or volunteer committee settings are not present in laboratory studies but often play a substantial role in field studies. For example, none of the models take into account how levels of stress, organizational culture and climate, working conditions, technology, economic conditions, or type of organizational design affect the leadership process. Nevertheless, the four contingency theories have been the subject of considerable research, and even if only mixed support for the models has been found, this research has succeeded in adding to our body of knowledge about leadership and has given us a more sophisticated understanding of the leadership process.
**Key Terms**

- normative decision model, 362
- decision quality, 362
- autocratic processes, 363
- consultative processes, 363
- group process, 363
- decision acceptance, 363
- situational leadership®, 368
- task behaviors, 368
- relationship behaviors, 368
- follower readiness, 370
- developmental interventions, 371
- contingency model, 372
- least-preferred-coworker (LPC) scale, 373
- low-LPC leaders, 373
- high-LPC leaders, 373
- situational favorability, 374
- path-goal theory, 378
- directive leadership, 381
- supportive leadership, 381
- participative leadership, 381
- achievement-oriented leadership, 381

**Questions**

1. Given the description of the leadership situation facing the airplane crash survivors described in Chapter 1, how would the normative decision model, the situational leadership theory, the contingency model, and path-goal theory prescribe that a leader should act?

2. Can leaders be flexible in how they interact with others? Do you believe leaders can change their behavior? Their personalities?

3. Think of a leadership situation you are fairly familiar with. Apply each of the theories in this chapter to the situations; which theory best fits the interaction of the leader, followers, and situation in your example? Does any theory allow you to predict a likely or preferred outcome for a current challenge?

**Skills**

Leadership skills relevant to this chapter include:

- Diagnosing performance problems in individuals, groups, and organizations
- Development planning

**Activity**

**Tower Building**

Purpose: Observe decision-making skills in a leaderless group challenged to build a free-standing tower out of Tinker-Toys. Process how situational leadership theory was applied—how the group reacted to a skilled worker. Have the group determine the situational favorability for the task.

Summary: Divide the class into small groups of approximately 8 to 10 students each. Each group will need its own container of Tinker-Toys. Additionally, it is especially worthwhile in this exercise to appoint at least one observer for each group.

Each group receives identical instructions:

Your task is to build the tallest freestanding tower you can, using the materials in this container (i.e., the Tinker-Toys). You will have 20 minutes to plan your tower and 40 seconds to actually build it. During the planning phase, you may examine your materials but you may not connect any pieces. If you do so, those pieces will be removed and you will not be allowed to use them to construct your tower. The
instructor will announce when the planning phase begins and when it ends. At the end of the planning phase, all of the pieces must be returned to the container; the pieces must be in the container when the building phase begins. As with the planning phase, the instructor will announce when the building period starts and when it ends. When the instructor says “Stop” you must cease all construction. (If there are any questions, reread the relevant portion of the instructions.)

Minicase

“Big Changes for a Small Hospital”

As F. Nicholas Jacobs toured Windber Medical facility he was dismayed by the industrial pink painted walls, the circa 1970 furniture, and the snow leaking through the windows of the conference room. Employees earned 30 percent less than their counterparts in the area, and turnover was steep. As Windber’s newest president, Jacobs knew he was the facility’s last hope—if he couldn’t successfully turn around the aging facility, it would mean closing the doors forever.

Coming to Windber Medical Center in 1997, Jacobs was keenly aware that the hospital could be the next in a series of small hospitals that had fallen victim to a struggling economy. Determined not to see that happen, he began by making connections with the employees of the hospital and the community at large. Jacobs’s first step was to interview each of the employees to find out firsthand what they wanted for the Windber community and the medical center. He also looked to members of local community groups like the local library, the Agency on Aging, and local politicians and asked these groups what they wanted from their local medical facility. When Jacobs realized that octogenarians make up a larger percent of the population in Windber, Pennsylvania, than in all of Dade County, Florida, he made it a priority to provide more options to seniors for improving their health and quality of life. He set forth a vision of a medical center that was more of a community center—a center that would allow members of the community to exercise in a state-of-the-art facility while having access to professionals to answer health-related questions. Jacobs realized that keeping people in the community both physically and mentally healthy also meant keeping the hospital financially healthy. He made the center’s new preventative-care philosophy clear to the public: “Work out at our hospital so you can stay out of our hospital.”

Jacobs’s efforts have paid off—in an era when small hospitals are closing left and right, Windber Medical Center is thriving. Under Jacobs’s leadership Windber has established an affiliation with the Planetree treatment system, which integrates meditation, massage, music, and other holistic methods into traditional health care. Windber’s wellness center, which offers fitness training, yoga, and acupuncture, among other treatments, opened in January 2000 and now generates over $500,000 annually. Gone are the pink walls and dated furniture—replaced with fountains, plants, and modern artwork. Jacobs recruited a former hotel manager to oversee food service. And, despite the dismissal of about 32 employees (those used to a more traditional hospital setting had a tough time in the new environment),
the staff has nearly doubled to 450 employees, and pay has improved. Windber has raised more than $50 million in public and private funding and has forged research partnerships with the Walter Reed Army Health System and the University of Pittsburgh, among others. The Windber Research Institute, Windber’s heart-disease-reversal program, has treated about 250 patients.

1. Consider the factors from the situational leadership theory outlined in Figure 12.4. Apply these factors to Jacobs and Windber.

2. How do you think Jacobs would score on the least-preferred-coworker (LPC) scale? Why?

3. Based on the success of Windber, in what range would you guess the overall situational favorability might fall for Jacobs on the continuum illustrated in Figure 12.6?

Chapter 13

Leadership and Change

Old is easy, new is hard.

David B. Peterson and Mary Dee Hicks, Personnel Decisions International

Introduction

Organizations today face a myriad of potential challenges. To be successful they must cope effectively with the implications of new technology, globalization, changing social and political climates, new competitive threats, shifting economic conditions, industry consolidation, swings in consumer preferences, and new performance and legal standards. Think how technology affected Peter Jackson’s ability to make the Lord of the Rings trilogy, or the changes Colin Powell had to make as the Chairman of the Joint Chiefs of Staff as the U.S. military shifted from stemming the tide of communism to fighting more regionalized conflicts. And how the events of 9/11, the wars in Iraq and Afghanistan, the threats of global terrorism, the emergence of the European Union, and the growth of the Chinese and Indian economies have affected how Colin Powell leads the State Department and influences other world leaders. Likewise, the ability of Aung San Suu Kyi to influence others was dramatically affected by the military takeover of Burma. Her long bouts of house arrest and constant surveillance by the military authorities have changed the way she leads others to create a democratic Burma. These three leaders had to change the organizations they led, and leading change is perhaps the most difficult challenge facing any leader. Yet it may be that this skill is the best differentiator of managers from leaders, and of mediocre from exceptional leaders. The best leaders are those who recognize the situational and follower factors inhibiting or facilitating change, paint a compelling vision of the future, and formulate and execute a plan that moves their vision from a dream to reality.

The scope of any change initiative varies dramatically. Leaders can use goal setting, coaching, mentoring, delegation, or empowerment skills to effectively change the behaviors and skills of individual direct reports. But what would you need to do if you led a pharmaceutical company of 5,000 employees, and you had just
received FDA approval to introduce a revolutionary new drug into the marketplace? How would you get the research and development, marketing, sales, manufacturing, quality, shipping, customer service, accounting, and information technology departments to work together to ensure a profitable product launch? Or what would you do if you had to reduce company expenses by 40 percent for the next two years, or deal with a recent acquisition of a competitor? Obviously, change on this scale involves more than individual coaching and mentoring. Because this chapter builds on much of the content of the previous chapters, it is fitting that it appears at the end of the text. To successfully lead larger-scale change initiatives, leaders need to attend to the situational and follower factors affecting their group or organization (Chapters 10–12). They then must use their intelligence, problem-solving skills, creativity, and values to sort out what is important and formulate solutions to the challenges facing their group (Chapters 6–8). But solutions in and of themselves are no guarantee for change; leaders must use their power and influence, personality traits, coaching and planning skills, and knowledge of motivational techniques and group dynamics in order to drive change (Chapters 5, 7–10). Finally, leaders can use some of the measures described in Chapter 4 to monitor the progress of their change initiatives (see Highlight 13.1).

### Change in the Waste Industry

**Highlight 13.1**

Even something as mundane as trash disposal can present some significant leadership challenges. One company, Waste Management, has acquired over 1,600 smaller waste disposal companies since the late 1990s. All of the acquired companies had their own financial systems, pay scales and benefits, trucks and equipment, and operating procedures. None of the IT or financial systems could “talk” to each other, drivers followed very different operating procedures and had different performance standards and compensation packages, many of the companies were former competitors that now had to collaborate in order to achieve overall company goals, and few if any supervisors had been through any type of leadership training. The Board of Directors brought in an outsider, Maury Myers from Yellow Freight, to integrate all these acquisitions into a single company. As CEO, Maury’s first task was to create a common financial system so that all the company’s revenues and expenses could be consolidated into a single financial statement. And given the large number of acquired companies, this in itself was no small task. He also created a system that allowed supervisors and drivers to set goals and measure daily productivity and customer satisfaction rates and introduced other major organizational change initiatives to improve safety and vehicle maintenance, optimize vehicle use, and reduce operating expenses.

The results of these change initiatives have been nothing short of spectacular. Waste Management is now the industry leader in the waste industry, consisting of approximately 50,000 employees that create $1.5 billion in profits on a $12 billion annual revenue stream. Driver productivity, customer satisfaction, and driver safety have improved over 50 percent, and operating expenses have been dramatically reduced. Maury Myers retired from the CEO role in November 2004 and has been replaced by David Steiner, the former CFO. Moving ahead, David Steiner plans to focus on execution, people development, and capital allocation in order for the company to reach the next level of performance.
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As an overview, this chapter begins by revisiting the leadership versus management discussion from Chapters 1 and 2. We then describe a rational approach to organizational change and spell out what leaders can do if they are to be successful with their change efforts. This model also provides a good diagnostic framework for understanding why many change efforts fail. We conclude the chapter with a discussion of an alternative approach to change—charismatic and transformational leadership. The personal magnetism, heroic qualities, and spellbinding powers of these leaders can have unusually strong effects on followers, which often leads to dramatic organizational, political, or societal change. Unlike the rational approach to change, the charismatic and transformational leadership framework places considerable weight on followers’ heightened emotional levels to drive organizational change. Much of the leadership research over the past 20 years has helped us to better understand the situational, follower, and leader characteristics needed for charismatic or transformational leadership to occur. The chapter concludes with an overview of these factors and a review of the predominant theory in the field, Bass’s (1985) theory of transformational and transactional leadership.

Leadership and Management: Revisited Again

Earlier in this text we described leadership as “the process of influencing an organized group toward accomplishing its goals” (Roach & Behling, 1984). We also differentiated leadership from management, with leadership being more concerned with doing the right thing and management more concerned with doing things right. Bennis (1989) stated that leaders inspire and develop others, challenge the status quo, ask what and why questions, and are more apt to take a long-term view. Managers administer programs, control budgets and costs, maintain the status quo, and are more likely to take a short-term view. Building on Bennis’s distinctions, one could say that leadership involves changing the way things are, whereas management involves maintaining the current state of affairs. This distinction between leadership and management is more clearly depicted in Table 13.1. Much like a driver uses the gas, brakes, clutch, gears, and steering wheel to control the speed and direction of a car, a manager uses various accounting, information, hiring, performance management, compensation, training, planning, quality, and inventory systems to align the behavior of followers toward the accomplishment of team or organizational goals. If followers are over budget on travel expenses or fail to come to work on time, then managers use various levers in the accounting or performance management system to correct the situation. These systems help followers to behave in both a consistent and an efficient manner. Organizations tend to be more successful when followers exhibit those behaviors most closely aligned with organizational goals. And organizations that need
fewer resources to deliver goods and services tend to be more profitable (i.e., efficient) than those needing more resources to do the same thing. There is nothing inherently good or bad with organizational systems, but to some degree the quality of these systems dictates the ease with which a manager can do his or her job.

Although there are several benefits to organizational systems, one of their inherent problems is that they are fairly resistant to change. And well they should be, as they are specifically designed to minimize variability in the way expenses are paid, how software packages are used, the quality of goods and services provided, and so forth. Adding to this resistance is that many people have high security values and have a tendency to fall in love with their systems. Whole bureaucracies and departments are designed to do nothing but support organizational systems. Oftentimes the people working in the accounting, information technology, or quality departments invented the relevant systems used throughout the organization, and pride of ownership may get in the way of needed changes. Likewise, the users of these systems may not want to learn new graphics programs, accounting procedures, sales models, or six sigma quality processes. Even if current systems are inefficient and dysfunctional, people know how to use them, and with this knowledge comes a certain degree of stability and predictability. Learning new systems and behaviors requires some tolerance for ambiguity and can take a considerable amount of patience, persistence, and hard work. All things being equal, many followers may prefer to have a predictable path rather than risk their success on some uncharted course for the future (O’Toole, 1995; Pritchett, 2001; McNulty, 2002; Heifetz & Linsky, 2000d; Moss Kanter, 2003; Curphy, 2003; Krile, Lund & Curphy, 2005).

So where does leadership come into play in the car analogy? A leader is a person who takes the car down a different road, has a different final destination, or determines whether a car is even the right vehicle. Because technology, globalization, market conditions, consumer preferences, and demographic changes can have big impact on any team or organization, leadership is the key to aligning organizational systems and follower behaviors around a new organizational vision. Whereas managers focus on compliance with existing procedures, leaders take a step back and ask why a system even exists. They create and align systems around a new set of goals for the organization, rather than having existing systems dictate what the or-

<table>
<thead>
<tr>
<th>Leadership = Change</th>
<th>Management = Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision</td>
<td>Plan</td>
</tr>
<tr>
<td>Inspire</td>
<td>Reward</td>
</tr>
<tr>
<td>Empower</td>
<td>Direct</td>
</tr>
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<td>Coach</td>
<td>Train</td>
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<tr>
<td>Revenues</td>
<td>Expenses</td>
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<td>Forecasts</td>
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<td>Possibilities</td>
<td>Systems and procedures</td>
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<tr>
<td>Opportunity</td>
<td>Schedule</td>
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<tr>
<td>Synergy</td>
<td>Coordinate</td>
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</tbody>
</table>

The definition of neurotic management is to continue to do the same thing but expect a different result.

Anonymous
ganization can and cannot do. Successful leaders are also able to align followers’ behaviors with this new vision and systems. But changing followers’ behaviors and organizational systems, structure, and goals takes a tremendous amount of skill and effort. You will see that it takes a combination of both leadership and management skills to successfully implement any team or organizational change effort. One of the main reasons for the high base rate of managerial incompetence is that many people in positions of authority struggle with leadership, management, or both sets of skills (see Highlight 13.2). The rest of this chapter describes some of the pertinent research and the steps leadership practitioners must take if they wish to use either the rational or the emotional approach to drive organizational change.

Change in a Rural Community

Highlight 13.2

There is no limit to what an organized group can do if it wants to.

*George McLean, the father of the Tupelo Model*

Change does not just happen in organizations, it also occurs in communities. Whereas many suburbs are experiencing dramatic growth, most urban and rural communities are experiencing declines in population and business. Some communities are working hard to attract new businesses and build new schools or new community centers; others are organizing to prevent Wal-Mart or other large retailers from building stores in their communities. One of the real success stories of how a community transformed itself is Tupelo, Mississippi. Tupelo is famous for being the birth place of Elvis Presley; in 1940 it also had the distinction of being the county seat of the poorest county in the poorest state in the country. But Lee County now has a medical center with over 6,000 employees, boasts 18 *Fortune* 500 manufacturing plants, and has added 1,000 new manufacturing jobs in each of the past 13 years. Tupelo now has a symphony, an art museum, a theater group, an 8,000-seat coliseum, and an outstanding recreational program. Its public schools have won national academic honors and its athletic programs have won several state championships.

So how was Tupelo able to transform from a poor to a vibrant rural community? The town had no natural advantages, such as harbor or natural resources, which would give it a competitive advantage. It also had no interstate highways and the closest metropolitan centers were over 100 miles away. The key to Tupelo’s success was the ability of the town’s citizens to work together. More specifically, the citizens of Tupelo were able to: (1) collaborate effectively in identifying the problems and needs of the community; (2) achieve a working consensus on goals and priorities; (3) agree on ways and means to implement goals and priorities; and (4) collaborate effectively in the agreed actions.

Tupelo’s success started when local community members pooled resources to acquire a siring bull. The bull’s offspring were used to start local ranches. Farmers shifted from planting cotton to those crops needed to support the ranchers and local populace, and farming and ranching equipment distributors started up local operations. George McLean, the local newspaper publisher, kept the community focused on economic development and helped local entrepreneurs by subsidizing office and warehouse space. With various tax breaks and incentives from local bankers, furniture manufacturers started moving to town. A number of other businesses then sprang up to support the manufacturers, and community leaders made a concerted effort to expand and improve local health care and educational facilities to support the new workforce. Despite the successes to date, Tupelo is now facing even bigger challenges, as many of the local furniture manufacturers are being threatened by low-cost manufacturers in China. But if any community were to succeed in the face of challenge, it would likely be Tupelo. The community seems to have the leaders needed to help citizens fully understand these new challenges and what to do to meet them.

The Rational Approach to Organizational Change

A number of authors have written about organizational change, including Burns (1978), Kanter (1983), Bennis and Nanus (1985), Tichy and Devanna (1986), Bridges (1991), O’Toole (1995), Kotter (1996), Collins and Porras (1997), Treacy and Wiersma (1997), Beer (1988, 1999), Fryer (2001), Huy (2001), Pritchett (2001, 2002), Heifetz and Laurie (2001), Collins (2001), Hirschhorn (2002), McNulty (2002), Heifetz and Linsky (2002), Moss Kanter (2003), Ruvolo and Bullis (2003), and Curphy (2003d, 2004). All of these authors have unique perspectives on leadership and change, but they also share a number of common characteristics. Beer (1988, 1999) has offered a rational and straightforward approach to organizational change that addresses many of the issues raised by the other authors. Beer’s model also provides a road map for leadership practitioners wanting to implement an organizational change initiative, as well as a diagnostic tool for understanding why change initiatives fail. According to Beer:

\[ C = D \times M \times P > R \]

The D in this formula represents followers’ dissatisfaction with the current status quo. M symbolizes the model for change, and includes the leader’s vision of the future as well as the goals and systems that need to change to support the new vision. P represents process: This is concerned with developing and implementing a plan that articulates the who, what, when, where, and how of the change initiative. R stands for resistance; people resist change because they fear a loss of identity or social contacts, and good change plans address these sources of resistance. Finally the C corresponds to the amount of change. Notice that leaders can increase the amount of change by increasing the level of dissatisfaction, increasing the clarity of vision, developing a well-thought-out change plan, or decreasing the amount of resistance in followers. You should also note that the \( D \times M \times P \) is a multiplicative function—increasing dissatisfaction but having no plan will result in little change. Likewise, if followers are content with the status quo, then it may be very difficult for leaders to get followers to change, no matter how compelling their vision or change plan may be. This model maintains that organizational change is a very systematic process, and large-scale changes can take months if not years to implement (Beer, 1988, 1999). Leadership practitioners who possess a good understanding of the model should be able to do a better job developing change initiatives and diagnosing where their initiatives may be getting stuck. Because change is an important component of leadership, we will go into more detail on each of the components of Beer’s model.

Dissatisfaction

Followers’ level of satisfaction is an important ingredient in a leader’s ability to drive change. Followers who are relatively content are not apt to change; malcontents are much more likely to do something to change the situation. Although employee satisfaction is an important outcome of leadership, leaders who want
to change the status quo may need to take action to decrease employee satisfaction levels. Follower’s emotions are the fuel for organizational change, and change often requires a considerable amount of fuel. The key for leadership practitioners is to increase dissatisfaction (D) to the point where followers are inclined to take action, but not so much that they decide to leave the organization. So what can leaders do to increase follower dissatisfaction levels? Probably the first step is to determine just how satisfied followers are with the current situation. This information can be gleaned from employee satisfaction surveys, grievance records, customer complaints, or conversations with followers. To increase dissatisfaction, leaders can talk about potential competitive, technology, or legal threats or employee concerns about the status quo. They can also capitalize on or even create some type of financial or political crisis, benchmark against other organizations, or substantially increase performance standards. All of these actions can potentially heighten followers’ emotional levels; however, leaders must ensure that these emotions are channeled toward the leader’s vision for the organization.

Model

There are four key components to the model (M) variable in the change formula, and these include environmental scanning, a vision, setting new goals to support the vision, and identifying needed system changes. As discussed earlier, organizations are constantly bombarded with economic, technological, competitive, legal, and social challenges. Good leaders are constantly scanning the external environment to assess the seriousness of these threats. They are also adept at internal scanning; they understand where the organization is doing well and falling short. Thus, keeping up to date on current events, spending time reviewing organizational reports, and taking time to listen to followers’ concerns are some of the techniques leaders use to conduct external and internal scans (O’Toole, 1995; Kotter, 1996; Beer, 1999; Curphy, 2002, 2003c, 2004b, c, f, g; Krile, Lund, & Curphy, 2005). This information in turn is used to formulate a vision for the change initiative. What would a new organization look like if it were to successfully counter the gravest external threats, take advantage of new market opportunities, and overcome organizational shortcomings? What would be the purpose of the new organization and why would people want to work in it? A good vision statement should answer these questions. The good news about a vision statement is that it does not have to be a solo effort on the part of the leader. Oftentimes leaders will either solicit followers for ideas or work with a team of followers to craft a vision statement (Bennis & Nanus, 1985; Tichy & Devanna, 1996; Curphy, 2004b, c, f, g; Krile, Lund, & Curphy, 2005). Both of these actions can help to increase followers’ commitment to the new vision.

The ultimate curse is to be a passenger on a large ship, to know that the ship is going to sink, to know precisely what to do to prevent it, and to realize that no one will listen.
Myron Tribus, Massachusetts Institute of Technology

A vision is only a dream if it does not have the commitment and support of the people involved.
David Lee and Lou Quast, Personnel Decisions International
It is important to understand the difference between an organization’s vision and goals. Just as the ancient mariners used the stars to navigate, so too should a vision provide guidance for an organization’s actions. A vision helps the organization make choices about what it should and should not do, the kind of people it should hire and retain, the rules by which it should operate, and so on (Treacy & Wiersma, 1997; Curphy, 2004b, c, f, g). But just as the stars were not the final destination for the ancient mariners, so too is a vision not the final destination for an organization. An organization’s goals are the equivalent of the ancient mariner’s final destination, and they should spell out specifically what the organization is trying to accomplish and when they will get done (Collins & Porras, 1997; O’Toole, 1995; Curphy, 2004b, c, f, g; Krile, Lund, & Curphy, 2005). Depending on the organization, these goals might concern market share, profitability, revenue or customer growth, quality, the implementation of new customer service or information technology systems, the number of patents awarded, school test scores, fundraising targets, or the reduction of crime rates. Thus, an organization’s goals can be externally or internally focused or both, depending on the results of the environmental scan and the vision of the organization. Highlight 13.3 provides an example of a vision statement and organizational goals for a hospital in rural Minnesota.

After determining its goals, the leader will need to determine which systems need to change in order for the organization to fulfill its vision and accomplish its goals. In other words, how do the marketing, sales, manufacturing, quality, human resource, shipping, accounting, or customer service systems need to change if the organization is to succeed? And does the current organizational structure or culture support or interfere with the new vision? Leaders wanting their organizational change initiatives to succeed will need to take a systems thinking approach (Senge, 1994; Curphy, 2004f, g, i) after setting organizational goals. A systems thinking approach asks leaders to think about the organization as a set of interlocking systems, and explains how changes in

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**An Example of a Vision Statement and Organizational Goals**

**Highlight 13.3**

**VISION STATEMENT**

The mission of this organization is to improve and enhance the well-being of individuals and our communities through education, prevention, treatment, and intervention.

**SELECTED ORGANIZATIONAL GOALS**

- Improve local market share from 28 to 45 percent.
- Achieve 4.5 out of 5.0 physician satisfaction ratings.
- Improve net revenues from 18 to 20.4 million dollars.
- Improve operating margins from –.2 to 5.0 percent.
- Improve operating room utilization from 49 to 55 percent.
- Increase the number of births from 8 to 12 per month.
- Reduce employee turnover from 18 to 10 percent.
- Reduce time to hire from 62 to 25 days.

one system can have intended and unintended consequences for other parts of the organization. For example, if a company wanted to grow market share and revenues, then it might change the compensation system to motivate salespeople to go after new customers. However, this approach could also cause a number of problems in the manufacturing, quality, shipping, accounting, and customer service departments. Leaders who anticipate these problems make all of the necessary systems changes in order to increase the odds of organizational success. Leaders may need to set goals and put action plans in place for each of these system changes. These actions can be contrasted to siloed thinking, where leaders act to optimize their part of the organization at the expense of suboptimizing the organization’s overall effectiveness (Senge, 1994; Curphy, 2004f, g, i). For example, the vice president of sales could change the sales compensation plan if she believed her sole concern was annual revenues. This belief could be reinforced if her compensation was primarily based on hitting certain revenue targets. If she is a siloed thinker, she would also believe that profitability, quality, or customer service were not her concern. However, this mode of thinking could ultimately lead to her downfall, as quality and order fulfillment problems may cause customers to leave at a faster rate than new customers are buying products.

Figure 13.1 is a graphic depiction of a systems model for leadership practitioners. All of the components of this model interact with and affect all the other components of the model. Therefore, leaders changing organizational vision or goals will need to think through the commensurate changes in the organization’s structure, culture, systems, and leader and follower capabilities. Similarly, changes in the information or hiring systems can affect the organization’s capabilities, culture, structure, or ability to meet its goals. One of the keys to successful organizational change is ensuring that all components in Figure 13.1 are in alignment. A common mistake for many leaders is to change the organization’s vision, structure, and systems and overlook the organization’s culture and leader and follower capabilities. This makes sense in that it is relatively easy to create a new vision statement, organization chart, or compensation plan. Leaders either discount the importance of organizational culture and capabilities, falsely believe they are easy to change, or believe they are a given because they are so difficult to change. It is possible to change the culture and capabilities of an organization, but it takes considerable time and focused effort (Dickson, Smith, Grojean, & Ehrhart, 2001). Unfortunately, about 70 percent of change initiatives fail, and the underlying cause for many of these failures is the leader’s inability or unwillingness to address these culture and capabilities issues (Beer, 1999; Marks & Mirvis, 2001; Pritchett & Pound, 2001; Heifetz & Laurie, 2001; Huy, 2001; Heifetz & Linsky, 2002; Moss Kanter, 2003; Ruvolo & Bullis, 2003; Krile, Lund, & Curphy, 2005).

**Process**

At this point in the change process, the leader may have taken certain steps to increase follower dissatisfaction. She may also have worked with followers to craft a new vision statement, set new team or organizational goals, and determined what
organizational systems, capabilities, or structures need to change. In many ways, the D and M components of the change model are the easiest for leadership practitioners to accomplish. The process (P) component of the change model is where the change initiative becomes tangible and actionable because it consists of the development and execution of the change plan (Bossidy & Charan, 2002; Curphy, 2004f, g; Krile, Lund, & Curphy, 2005). Good change plans outline the sequence of events, key deliverables, timelines, responsible parties, metrics, and feedback mechanisms needed to achieve the new organizational goals. It may also include the steps needed to increase dissatisfaction and deal with anticipated resistance, an outline of training and resource needs, and a comprehensive communication plan to keep all relevant parties informed.

Depending on the depth and breadth of change, change plans can be fairly detailed and complicated. For example, the hospital discussed earlier could no longer do what it had always done if it were to reach its goals outlined in Highlight 13.3. The hospital needed new behaviors, metrics, and feedback systems to achieve these goals. The hospital’s change plan was quite extensive, and consisted of an overall plan for the hospital as well as department specific goals and change plans. Each of these plans outlined the action steps, responsible parties, metrics, and due dates; progress against the plans was regularly reviewed in hospital and depart-

Organizational change initiatives will only succeed when the changes are specified down to the individual employee level. Employees need to understand which old attitudes and behaviors are to be discarded and which new ones are to be acquired.

Jerry Jellison,
University of Southern California
ment meetings. The goals and change plans were constantly adjusted in these meetings to take into account unforeseen barriers, sooner than expected progress, etc.

Of course the plan itself is only a road map for change. Change will only occur when the action steps outlined in the plan are actually carried out. This is another area where leadership practitioners can run into trouble. One of the reasons why CEOs fail is an inability to execute (Charan & Colvin, 1999; Hirschhorn, 2002; Bossidy & Charan, 2002; Hogan & Curphy 2004; Curphy & Hogan, 2004a), and it is also one of the reasons why first-line supervisors through executives derail. Perhaps the best way to get followers committed to a change plan is to have them create it. This way followers become early adopters and know what, why, when, where, who, and how things are to be done. Nevertheless, many times it is impossible for all the followers affected by the change to be involved with the creation of the plan. In these cases follower commitment can be increased if the new expectations for behavior and performance are explicit, the personal benefits of the change initiative are made clear, and followers already have a strong and trusting relationship with their leader (Curphy, 2004b, c). Even after taking all of these steps, leadership practitioners will still need to spend considerable time holding people accountable for their roles and responsibilities in the change plan. Followers face competing demands for the time and effort, and a lack of follow-through will cause many followers to drop the change initiative off of their radar screens. Leaders should also anticipate shifts in followership styles once the change plan is implemented. Exemplary followers may shift to become alienated followers, conformist to passive followers, or passive to alienated followers. Leaders who address these shifts in styles and inappropriate follower behaviors in a swift and consistent manner are more likely to succeed with their change initiatives.

Resistance

So why would followership styles shift as a result of a change initiative? One reason is that it may take some time before the benefits of change are realized. Many times leaders, followers, and other stakeholders assume that performance, productivity, or customer service will immediately improve upon the acquisition of new equipment, systems, behaviors, and so on. However, there is often a temporary drop in performance or productivity as followers learn new systems and skills (Jellison, 2000; Curphy 2004b, c, f, g). This difference between initial expectations and reality can be the source of considerable frustration (see Figure 13.2). If not managed properly, it can spark resistance (R), causing followers to revert back to old behaviors and systems to get things done. Leadership practitioners can help followers deal with their frustration by setting realistic expectations, demonstrating a high degree of patience, and ensuring followers gain proficiency with the new systems and skills as quickly as possible.
By all accounts, Continental Airlines was ready to go under in 1993. The company ranked last in customer service of the 10 major airlines, it lost $600 million in 1994, and employees were so disgruntled that they tore the Continental Airlines logos off their uniforms. The company had gone through 10 CEOs in as many years, and had no vision or strategy in place to pull out of its nosedive. Because of the crisis facing the company, Gordon Berthune from Boeing and Greg Brenneman from Bain & Company were asked in early 1994 to be the next in line to turn Continental Airlines around. Fortunately for the customers, employees, and shareholders, these two leaders have been remarkably successful with their change efforts. But how were they able to turn around such a company facing such a crisis? They did so through a combination of rational and emotional change approaches. They started with a thorough assessment of the situation facing the company. They then built a vision and implemented a set of strategies to improve financial and customer service results. Some of these strategies included changing the Continental Airlines brand, eliminating nonprofitable routes, improving maintenance and operational performance, tracking cash flow, building employee trust and morale through constant communication and numerous “town hall” meetings, eliminating 7,000 positions (of 50,000 employees), and aligning the compensation system around desired employee behaviors. None of these changes were easy—Brenneman likened them to having a 12-hour surgery without anesthesia. However, during the time that these two leaders were on board, Continental Airlines’ revenues doubled, the company made a profit every year from 1995 to 2000, stock prices increased fivefold, employee morale soared, and customer satisfaction ratings placed the airline among the best in the industry.


FIGURE 13.2 The expectation-performance gap.
Good change plans address the expectation-performance gap by building in training and coaching programs to improve follower skill levels.

Another reason why followers resist change is a fear of loss (Beer, 1988; Pritchett, 2001, 2002; Pritchett & Pound, 2001; Heifetz & Laurie, 2001; Heifetz & Linsky, 2002; McNulty, 2002; Hirschhorn, 2002; Ruvolo & Bullis, 2003; Curphy, 2004f, g; Krile, Lund, & Curphy, 2005). Because of the change, followers are afraid of losing power, close relationships with others, valued rewards, and their sense of identity or, on the other hand, being seen as incompetent. According to Beer (1999), the fear of loss is a predictable and legitimate response to any change initiative, and some of a leader’s responses to these fears can be found in Table 13.2. Change initiatives are more likely to be successfully adopted if their change plans identify potential and address these areas of resistance. People also seem to go through some very predictable reactions when confronted with change. An example might help to clarify the typical stages people go through when coping with change. Suppose you were working for a large company that needed to lay off 30 percent of the workforce due to a slowdown in the economy and declining profits. If you were one of the people asked to leave, your first reaction might be shock or surprise. You may not have been aware that market conditions were so soft, or that you would be among those affected by the layoff. Next you would go through an anger stage. You may be angry that you had dedicated many long evenings and weekends to the company, and now the company no longer wanted your services. After anger comes the rejection stage. In this stage, you start to question whether the company really knew what it was doing by letting you go, and perhaps rationalize that they will probably be calling you back. In the final stage, acceptance, you realize that the company is not going to ask you back and you start to explore other career options. These four reactions to change—shock, anger, rejection, and acceptance—make up what is known as the SARA model (Kubler-Ross, 1981). It is important to note that most people go through these four stages whenever they get passed over for a promotion, receive negative feedback on a 360-degree report, get criticized by their boss, and so on.

But what should a leadership practitioner do with the SARA model? Perhaps the first step is to simply recognize the four reactions to change. Second, leaders

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**TABLE 13.2**

<table>
<thead>
<tr>
<th>Loss of:</th>
<th>Possible Leader Actions</th>
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<tbody>
<tr>
<td>Power</td>
<td>Demonstrate empathy, good listening skills, and new ways to build power.</td>
</tr>
<tr>
<td>Competence</td>
<td>Coaching, mentoring, training, peer coaching, job aids, and so forth.</td>
</tr>
<tr>
<td>Relationships</td>
<td>Help employees build new relationships before change occurs, or soon thereafter.</td>
</tr>
<tr>
<td>Rewards</td>
<td>Design and implement new reward system to support change initiative.</td>
</tr>
<tr>
<td>Identity</td>
<td>Demonstrate empathy; emphasize value of new roles.</td>
</tr>
</tbody>
</table>
need to understand that individual followers can take more or less time to work through the four stages. Leaders can, however, accelerate the pace in which followers work through the four stages by maintaining an open door policy, demonstrating empathy, and listening to concerns. Third, it is important to note that people are not likely to take any positive action toward a change initiative until they reach the acceptance stage. This does not mean they are happy with the change; only that they accept the inevitability of the change. Fourth, they also need to understand that where people are in the SARA model often varies according to organization level. Usually the first people to realize that a change initiative needs to be implemented are the organization’s top leaders. Like everyone else, they go through the four stages, but they are the first to do so. The next people to hear the news are middle managers, followed by first-line supervisors and individual contributors. These three groups also go through the emotional stages of the SARA model, but do so at different times. These differences in emotional reactions by organizational level are depicted in Figure 13.3. What is interesting in Figure 13.3 is that just when top executives have reached the acceptance stage, first-line supervisors and individual contributors are in the shock or anger stages. By this time top

FIGURE 13.3
Reactions to change.
leaders are ready to get on with the implementation of the change initiative and may not understand why the rest of the organization is still struggling. Because they are already at the acceptance stage, top leaders may fail to demonstrate empathy and listening skills, and this may be another reason for the depressed performance depicted in Figure 13.2.

Concluding Comments about the Rational Approach to Organizational Change

The situational, follower, and leader components of the rational approach to organizational change are shown in Figure 13.4. Although organizational vision, goals, and change plans are often a collaborative effort between the leader and followers, they are the primary responsibility of the leader. Leaders also need to think about the importance of critical mass for driving change (Huy, 2001; Curphy, 2004f, g; Krile, Lund, & Curphy, 2005). They may be more successful by initially focusing their change efforts on early adopters and those on the fence rather than on those followers who are the most adamant about maintaining the status quo. Once critical mass is reached, the adopters can then exert peer

Commitment is nice, but doses of compliance may be necessary.
Michael Beer,
Harvard Business School
pressure on those followers reluctant to change (Beer, 1999; Curphy, 2004f, g; Krile, Lund, & Curphy, 2005). This approach also maintains that the leader needs both good leadership and good management skills if a change initiative is to be successful over the long term. Leadership skills are important for determining a new vision for the organization, increasing dissatisfaction, coaching followers on how to do things differently, and overcoming resistance. Management skills are important when setting new goals and creating and implementing change plans. Both sets of skills not only are important components in organizational change but also may play a key role in determining whether a new company will succeed or fail. Because of their strong leadership skills, entrepreneurs are often very good at starting up new organizations, such as dot-coms. Many of these leaders can get followers excited about the leader’s vision for the new company. However, if entrepreneurial leaders fail to possess or appreciate the importance of management skills, they may not create the systems, policies, and procedures necessary to keep track of shifting consumer preferences, revenues, customer satisfaction, quality, and costs. As a result, these leaders may not have the information needed to make good operational and financial decisions, and their companies may eventually have to file for bankruptcy. On the other hand, it is hard to see how planning and execution skills alone will result in the formation of a new company or drive organizational change. It is almost impossible to start up a new company—or an organization to successfully change—if the person in charge does not have a compelling vision or fails to motivate others to do something different. As seen in Table 13.3, many of the other reasons why organizational change initiatives succeed or fail also have their roots in underdeveloped leadership or management skills.

Although both sets of skills are important, leadership practitioners should recognize that there is a natural tension between leadership and management skills. In many ways management skills help to maintain the status quo; they help to ensure consistency in behaviors and results. Leadership skills are often used to change the status quo; they help to change the purpose and processes by which an organization gets things done. Leaders who overuse or overemphasize either set of skills are likely to suboptimize team or organizational performance. The first part of this chapter was designed to help leadership practitioners better under-

<table>
<thead>
<tr>
<th>Table 13.3</th>
<th>Eight Reasons Why Change Efforts Succeed or Fail</th>
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<tbody>
<tr>
<td>1. Demonstrate a sense of urgency.</td>
<td>1. Allow too much complacency.</td>
</tr>
<tr>
<td>2. Form a strong change coalition.</td>
<td>2. Fail to create a strong change coalition.</td>
</tr>
<tr>
<td>3. Envision the future and build strategy.</td>
<td>3. Underestimate the power of vision.</td>
</tr>
<tr>
<td>4. Constantly communicate the vision.</td>
<td>4. Undercommunicate the vision by a factor of 10.</td>
</tr>
<tr>
<td>5. Remove barriers and align the organization.</td>
<td>5. Permit obstacles to block the vision.</td>
</tr>
<tr>
<td>7. Maintain (or increase) the pace of change.</td>
<td>7. Declaring victory too soon.</td>
</tr>
<tr>
<td>8. Put systems in place to reinforce change.</td>
<td>8. Neglect to anchor changes in the culture.</td>
</tr>
</tbody>
</table>

stand when to use these skills in the change process, and education and experience can help leadership practitioners to improve both sets of skills.

Finally, it is worth noting that the rational approach provides leaders with a systematic process on how to drive change and increased understanding on why change initiatives succeed or fail in their respective organizations. Leadership practitioners can use the C = D × M × P > R model as a roadmap for creating a new vision and goals, changing the products and services their organizations provide, or changing the IT, financial, operations, maintenance, or human resource systems used to support organizational goals. Likewise, leadership practitioners can also use this model as diagnostic to determine where their change initiatives have fallen short—perhaps followers were reasonably satisfied with the status quo, did not buy-in to the new vision and goals, critical systems changes were not adequately identified, or change plans were incomplete or were not properly implemented. Given the explanatory power of the model, the rational approach to change provides leaders and leaders-to-be with a useful heuristic for driving organizational and community change.

The Emotional Approach to Organizational Change: Charismatic and Transformational Leadership

Although the rational approach provides a straightforward model for organizational change, it seems like many of the large-scale political, societal, or organizational changes were not this formulaic. For example, it is doubtful that Jesus Christ, Muhammad, Joan of Arc, Vladimir Lenin, Adolf Hitler, Mahatma Gandhi, Mao Zedong, Martin Luther King, Jr., the Ayatollah Khomeini, Nelson Mandela, Charles Taylor, Foday Sankoh, or Muhammad Omar followed some change formula or plan, yet these individuals were able to fundamentally change their respective societies. Although these leaders differ in a number of important ways, one distinct characteristic they all share is charisma. Charismatic leaders are passionate, driven individuals who are able to paint a compelling vision of the future. Through this vision they are able to generate high levels of excitement among followers and build particularly strong emotional attachments with them. The combination of a compelling vision, heightened emotional levels, and strong personal attachments often compels followers to put forth greater effort to meet organizational or societal challenges. The enthusiasm and passion generated by charismatic leaders seems to be a dual-edged sword, however. Some charismatic movements can result in positive and relatively peaceful organizational or societal changes; some more recent examples might include the Falun Gong movement in China, Louis Farrakhan’s Million Man March, or Aung San Suu Kyi’s democracy movement in Burma. On the downside, when this passion is used for selfish or personal gains, history mournfully suggests it can have an equally devastating effect on society. Examples here might include David Koresh...
of Waco infamy, Adolf Hitler, the Serbian leader Slobodan Milosevic, Foday Sankoh of Sierra Leore, or Muhammad Omar, the leader of the Taliban movement in Afghanistan.

So what is it about charismatic leadership that causes followers to get so excited about future possibilities that they may willingly give up their lives for a cause? Even though many people conjure up images of charismatic individuals when thinking about leadership, the systematic investigation of charismatic leadership is relatively recent. The remainder of this chapter begins with a historical review of the research on charismatic leadership and the leader-follower-situation components of charismatic leadership. We will then review the most popular conceptualization of charisma, Bass’s (1985) theory of transformational and transactional leadership. We conclude this chapter by comparing and contrasting the rational and emotional approaches to organizational change.

Charismatic Leadership: A Historical Review

Prior to the mid-1970s charismatic leadership was studied primarily by historians, political scientists, and sociologists. Of this early research, Max Weber (1947) arguably wrote the single most important work. Weber was a sociologist interested primarily in how authority, religious, and economic forces affected societies over time. Weber maintained that societies could be categorized into one of three types of authority systems: traditional, legal-rational, and charismatic.

In the traditional authority system, the traditions or unwritten laws of the society dictate who has authority and how this authority can be used. The transfer of authority in such systems is based on traditions such as passing power to the first-born son of a king after the king dies. Historical examples would include the monarchies of England from the 1400s to 1600s or the dynasties of China from 3000 B.C. to the 1700s. Some of the modern-day examples of the traditional authority system include Saudi Arabia, Kuwait, Syria, North Korea, Brunei, and Libya. But these examples should not be limited to countries, as many of the CEOs in privately held companies or publicly traded companies that are controlled by a majority shareholder are often the children or relatives of the previous CEO. Examples include Ford, Anheuser-Busch, Cargill, Coors, Amway, and Carlson Companies (owners of T.G.I.F. restaurants and Radisson Hotels). In the legal-rational authority system a person possesses authority not because of tradition or birthright, but because of the laws that govern the position occupied. For example, elected officials and most leaders in nonprofit or publicly traded companies are authorized to take certain actions because of the position they occupy. The power is in the position itself, rather than in the person who occupies the position. Thus, Colin Powell can take certain actions not because of who he is or is related to, but because of his role as secretary of state.

These two authority systems can be contrasted to the charismatic authority system, in which persons derive authority because of their exemplary characteristics. Charismatic leaders are thought to possess superhuman qualities or powers of divine origin that set them apart from ordinary mortals. The locus of authority in this system rests with the individual possessing these unusual qualities; it is not derived from birthright or laws. Ac-
According to Weber, charismatic leaders come from the margins of society and emerge as leaders in times of great social crisis. These leaders serve to focus society both on the problem it faces and on the revolutionary solutions proposed by the leader. Thus, charismatic authority systems are usually the result of a revolution against the traditional and legal-rational authority systems. Examples of these revolutions might be the overthrow of the shah of Iran by the Ayatollah Khomeini, the ousting of the British in India by Mahatma Gandhi, the success of Martin Luther King, Jr., in changing the civil rights laws in the United States, or the democracy movement led by Aung San Suu Kyi in Burma. Unlike traditional or legal-rational authority systems, charismatic authority systems tend to be short-lived. Charismatic leaders must project an image of success in order for followers to believe they possess superhuman qualities; any failures will cause followers to question the divine qualities of the leader and in turn erode the leader’s authority.

A number of historians, political scientists, and sociologists have commented on various aspects of Weber’s conceptualization of charismatic authority systems. Of all these comments, however, probably the biggest controversy surrounding Weber’s theory concerns the locus of charismatic leadership. Is charisma primarily the result of the situation or social context facing the leader, the leader’s extraordinary qualities, or the strong relationships between charismatic leaders and followers? A number of authors argued that charismatic movements could not take place unless the society was in a crisis (Blau, 1963; Chinoy, 1961; Wolpe, 1968). Along these lines, Friedland (1964), Gerth and Mills (1946), and Kanter (1972) argued that before a leader with extraordinary qualities would be perceived as charismatic, the social situation must be such that followers recognize the relevance of the leader’s qualities. Others have argued that charismatic leadership is primarily a function of the leader’s extraordinary qualities, not the situation (Tucker, 1968; Dow, 1969). These qualities include having extraordinary powers of vision, the rhetorical skills to communicate this vision, a sense of mission, high self-confidence and intelligence, and setting high expectations for followers. Finally, several authors have argued that the litmus test for charismatic leadership does not depend on the leader’s qualities or the presence of a crisis, but rather on followers’ reactions to their leader (Clark, 1972; Deveraux, 1955; Downton, 1973; Marcus, 1961; Shils, 1965). According to this argument, charisma is attributed only to those leaders who can develop particularly strong emotional attachments with followers.

The debate surrounding charismatic leadership shifted dramatically with the publication of James MacGregor Burns’s Leadership (1978). Burns was a prominent political scientist who had spent a career studying leadership in the national political arena. He believed that leadership could take one of two forms. **Transactional leadership** occurred when leaders and followers were in some type of exchange relationship in order to get needs met. The exchange could be economic, political, or psychological in nature, and examples might include exchanging money for work, votes for political favors, loyalty for consideration, and so forth. Transactional leadership is very common...
but tends to be transitory, in that there may be no enduring purpose to hold parties together once a transaction is made. Burns also noted that while this type of leadership could be quite effective, it did not result in organizational or societal change and instead tended to perpetuate and legitimize the status quo.

The second form of leadership is transformational leadership, which serves to change the status quo by appealing to followers’ values and their sense of higher purpose. Transformational leaders articulate the problems in the current system and have a compelling vision of what a new society or organization could be. This new vision of society is intimately linked to the values of both the leader and the followers; it represents an ideal that is congruent with their value systems. According to Burns, transformational leadership is ultimately a moral exercise in that it serves to raise the standard of human conduct. This implies that the acid test for transformational leadership might be the answer to the question, “Do the changes advocated by the leader advance or hinder the development of the organization or society?” Transformational leaders are also adept at reframing issues; they point out how the problems or issues facing followers can be resolved if they fulfill the leader’s vision of the future. These leaders also teach followers how to become leaders in their own right and incite them to play active roles in the change movement (see Highlight 13.5).

It is important to note that all transformational leaders are charismatic, but not all charismatic leaders are transformational. Transformational leaders are charis-
matic because they are able to articulate a compelling vision of the future and form strong emotional attachments with followers. However, this vision and these relationships are aligned with followers’ value systems and help them get their needs met (Turner, Barling, Epitropaki, Butcher, & Milner, 2002; Price, 2003). Charismatic leaders who are not transformational can convey a vision and form strong emotional bonds with followers, but they do so in order to get their own (i.e., the leader’s) needs met. Both charismatic and transformational leaders strive for organizational or societal change; the difference is whether the changes are for the benefit of the leader or the followers. This distinction can be appreciated more fully by reading Highlight 13.6. Finally, transformational leaders are always controversial. Charismatic leadership almost inherently raises conflicts over values or definitions of the social “good.” Controversy also arises because the people with the most to lose in any existing system will put up the most resistance to a transformational change initiative. The emotional levels of those resisting the transformational leadership movement are often just as great as those who embrace it, and this may be the underlying cause for the violent ends to Martin Luther King, Jr., John F. Kennedy, Mahatma Gandhi, Joan of Arc, or Jesus Christ. Burns stated that transformational leadership always involves conflict and change, and transformational leaders must be willing to embrace conflict, make enemies, exhibit a high level of self-sacrifice, and be thick-skinned and focused in order to perpetuate the cause.

An Example of a Charismatic Leader: David Koresh

**Highlight 13.6**

In April 1993 approximately 85 people died at a religious compound outside Waco, Texas. Many of them died from the fire that consumed the compound, but a single shot in the head had killed others. Twenty-five of the deceased were children. How did this happen? The story of David Koresh is a classic example of what can go wrong when the situational, follower, and leadership elements necessary for charismatic leadership are in place but the leader exploits followers for his own selfish purposes. As a child, David’s nickname was Sputnik—he was smart, inquisitive, energetic, but also had a strong need for security. When David turned nine his mother decided to attend the local Seventh-day Adventist church. Apparently David loved church and religion—he would be spellbound during sermons and spend hours listening to religious programs on the radio. David had a strong need to be the center of attention and spent time convincing others that he was special and worthwhile (i.e., colorful, bold, mischievous, imaginative, and skeptical—dark-side personality traits from Chapter 7). He did so by reciting long passages of Scripture during church meetings and by telling others that God was talking to him. He eventually joined the Branch Davidians, a splinter group of the Seventh-day Adventists. Over the next four years David consolidated his hold on leadership, and convinced his fellow sect members that he was a living prophet and that Armageddon was at hand. To meet the challenge of Armageddon, he and fellow Branch members acquired a large cache of handguns, assault weapons, and explosives. During this time David’s behavior became increasingly tem- peramental and violent. He made fellow members watch violent war movies, listen to his rock and roll sessions, and put them through long fasts and strange diets. This bizarre behavior continued until the Alco- hol, Tobacco, and Firearms raid in February 1993.

Yukl (1999), Hunt (1999) and Conger and Hunt (1999) all maintained that the publication of Leadership (Burns, 1978) played a key role in renewing interest in the topic of leadership. As a result, research over the past 25 years has explored cross-cultural, gender, succession, leader, follower, situational, and performance issues in charismatic or transformational leadership. From these efforts we now know that charismatic or transformational leadership is both common and rare. It is common because it can occur in almost every social stratum across every culture. For example, a high school student leader in France, a military cadet leader at the United States Air Force Academy, a Kenyan community leader, an Indonesian hospital leader, or a Russian business executive could all be perceived as charismatic or transformational leaders (Bass, 1999; Den Hartog, Hanges, Dorfman, Ruitz-Quintana & Associates, 1999). But it is also rare because most people in positions of authority are not perceived to be charismatic or transformational leaders. We also know that females such as Margaret Thatcher, Mary Kay Ash, or Anita Roddick tend to be perceived as more charismatic than their male counterparts, and that transformational leadership results in higher group performance than transactional leadership (Eagly, 1987; Rosener, 1990; Druskat, 1994; Bass, Avolio, & Atwater, 1996; Ross & Ofermann, 1991; Avolio & Bass, 2000; Bass, 1999, 2000; Waldman, Ramireez, House, & Puranam, 2001; Barling, Laughlin, & Kelloway, 2002; Dvir, Eden, Avolio, & Shamir, 2002; Bono, 2002; Bass, Avolio, Jung, & Berson, 2003; Towler, 2003; Waldman, Javidan, & Varella, 2004). Although charismatic or transformational leadership often results in large-scale organizational change and higher organizational performance, there is little evidence that these changes remain permanent in business settings after the leader moves on (Conger, 1999). In addition, some researchers have found that charismatic or transformational leaders did not result in higher organizational performance, but they did earn higher paychecks for themselves (Khurana, 2002; Tosi, Misangyi, Fanelli, Waldman, & Yammarino, 2004). In other words, these leaders were very good at calling attention to themselves and changing their respective organizations, but many of these changes did not result in higher organizational performance.

As a result of this research, we also have three newer theories of charismatic or transformational leadership. Conger and Kanungo (1998) used a stage model to differentiate charismatic from noncharismatic leaders. Charismatic leaders begin by thoroughly assessing the current situation and pinpointing problems with the status quo. They then articulate a vision that represents a change from the status quo. This vision represents a challenge to and is a motivating force for change for followers. The vision must be articulated in such a way that increases dissatisfaction with the status quo and compels followers to take action. In the final stage, leaders build trust in their vision and goals by personal example, risk taking, and their total commitment to the vision. The theory developed by House and his colleagues (House, 1977; House & Shamir, 1993; Shamir, House, & Arthur, 1993) describes how charismatic leaders achieve higher performance by changing followers’ self-concepts. Charismatic leaders are believed to motivate followers by changing their perceptions of work itself, offering an appealing vision of the future, developing a collective identity among followers, and increasing their confidence in getting the job done. Avolio and Bass’s (2000) theory of transactional and transformational leadership is essen-
tially an extension of Burns’s theory. Unlike Burns, who viewed transactional and transformational leadership as the extremes of a single continuum, Avolio and Bass viewed these two concepts as independent leadership dimensions. Thus, leaders can be transformational and transactional, transactional but not transformational, and so on. Transformational leaders are believed to achieve stronger results because they heighten followers’ awareness of goals and the means to achieve them, they convince followers to take action for the collective good of the group, and their vision of the future helps followers satisfy higher-order needs. Because Avolio and Bass created a questionnaire to assess a leader’s standing on transactional and transformational leadership, this theory is by far the most thoroughly researched and will be discussed in more detail later in this chapter.

What Are the Common Characteristics of Charismatic and Transformational Leadership?

Although there are some important differences in the theories offered by Conger and Kanungo (1998), House (1977), and Avolio and Bass (2000), in reality they are far more similar than different. It is also important to note that these researchers either do not differentiate charismatic from transformational leadership, or see charisma as a component of transformational leadership. Therefore, we will use the terms somewhat interchangeably in the next section, although we acknowledge the fundamental difference between these two types of leadership. A review of the common leader, follower, and situational factors from Burns and the three more recent theories can be found in Figure 13.5. Like the past debates surrounding charismatic leadership, modern researchers are divided on whether charismatic leadership is due to the leader’s superhuman qualities, a special relationship between leaders and followers, the situation, or some combination of these factors. Irrespective of the locus of charismatic leadership, the research does provide overwhelming support for the notion that transformational leaders are effective at large-scale societal or organizational change.

Leader Characteristics

Leadership researchers have spent considerably more time and effort trying to identify the unique characteristics of charismatic leaders than they have exploring follower or situational factors (Conger, 1999). This is partly because some researchers believe that it is possible to drive higher levels of organizational change or performance through the selection or training of charismatic leaders (Avolio & Bass, 1998, 2000; Bass, 1999; Hooijberg & Choi, 2000; Ross & Offermann, 1997; Zacharatos, Barling, & Kelloway, 2000; Bono, 2002; Bass, Avolio, Jung, & Berson, 2003; Towler, 2003; Frese, Beimel, & Schoenborn, 2003). Although some scholars have argued that the
leader’s personal qualities are the key to charismatic or transformational leadership (Boal & Bryson, 1987; C. W. Hill; 1984; Kets de Vries, 1977, 1993; Sashkin, 1988; Zeleznik, 1974), we do not believe the leader’s qualities alone result in charismatic leadership. We do, however, acknowledge several common threads in the behavior and style of both charismatic and transformational leaders, and these include their vision and values, rhetorical skills, ability to build a particular kind of image in the hearts and minds of their followers, and personalized style of leadership.

Vision

Both transformational and charismatic leaders are inherently future-oriented. They involve helping a group move “from here to there.” Charismatic leaders perceive fundamental discrepancies between the way things are and the way things can (or should) be. They recognize the shortcomings of a present order and offer an imaginative vision to overcome them. Several aspects of vision are worth elaboration. First, vision is not limited to grand social
movements; leaders can use vision to help drive organizational change and performance in any kind or level of organization. Second, both Bennis and Nanus (1985) and Tichy and Devanna (1986) reported that the leader’s vision of the future is often a collaborative effort; the genius of the leader is his or her ability to synthesize seemingly disparate issues and problems and develop a vision that ties all of these concerns together. Paradoxically, the magic of a leader’s vision is often that the more complicated the problem, the more people may be drawn to simplistic solutions. Third, values play a key role in the leader’s vision, and serve as a moral compass for aligning the actions of leaders and followers with change initiatives (Ket de Vries, 1993; Shamir, Arthur, & House, 1994; Shamir, House, & Arthur, 1993; Bass, 1999; Bass & Steidlmeier, 1999; Turner, Barling, Eptiropaki, Butcher, & Milner, 2002; Strange & Mumford, 2002; Popper & Mayseless, 2003; Price, 2003). As noted previously, this is one way transformational leaders differ from “mere” charismatic leaders: the former builds a vision based on followers’ values whereas the latter’s vision is based solely on their own values. Fourth, the leader’s vision helps followers interpret events and actions in terms of a common perceptual framework (Wofford & Goodwin, 1994; Fairhurst & Sarr, 1996; Gardner & Avolio, 1998; McKee, 2003; Palus, Horth, Selvin, & Pulley, 2003). Fifth, Berlew (1974, 1992) maintained that the vision of the charismatic leader had both a stimulating and a unifying effect on the efforts of followers. As seen in Figure 13.6, these effects can help drive greater organizational change and higher performance levels by followers.

Win or lose, hit the booze.

—Gordy Curphy

FIGURE 13.6

A leader’s vision of the future can align efforts and help groups accomplish more.

Rhetorical Skills

In addition to having vision, charismatic leaders are gifted in sharing their vision. As discussed earlier, charismatic and transformational leaders have superb rhetorical skills that heighten followers’ emotional levels and inspire them to embrace the vision. As it turns out, both the content of a transformational leader’s speeches and the way they are delivered are vitally important. Charismatic leaders make extensive use of metaphors, analogies, and stories rather than abstract and colorless rational discourse to reframe issues and make their points. Moreover, these stories and metaphors can be particularly effective when they invoke potent cultural symbols and elicit strong emotions. Transformational leaders are adept at tailoring their language to particular groups, thereby better engaging them mentally and emotionally. Many transformational or charismatic religious and political leaders effectively use speech techniques like repetition, rhythm, balance, and alliteration to strengthen the impact of their messages (Conger, 1989; Holladay & Coombs, 1994; Shamir, Arthur, & House, 1994; Den Hartog & Verburg, 1997; Awamleh & Gardner, 1998; Berson, Shamir, Avolio, & Popper, 2001; Gargiulo, 2001; McKee, 2003; Palus, Horth, Selvin, & Pulley, 2003). Often the delivery of the speech is even more important than the content itself, as poor delivery can detract from compelling content. Adolf Hitler mastered his delivery techniques so well that his speeches can have a hypnotizing power even to people who do not understand German (Willner, 1984). Similarly, many people consider Martin Luther King, Jr.’s “I Have a Dream” speech one of the most moving speeches they have ever heard. Note his use of different speech techniques and his masterful evocation of patriotic and cultural themes in the excerpt presented in Highlight 13.7.

“I Have a Dream”

Highlight 13.7

This will be the day when all of God’s children will be able to sing with new meaning—“my country ’tis of thee, sweet land of liberty, of thee I sing; land where my fathers died, land of the pilgrim’s pride; from every mountain side, let freedom ring”—and if America is to be a great nation, this must become true. So let freedom ring from the prodigious hilltops of New Hampshire. Let freedom ring from the mighty mountains of New York. Let freedom ring from the snow-capped Rockies of Colorado. Let freedom ring from the curved slopes of California. But not only that. Let freedom ring from Stone Mountain of Georgia. Let freedom ring from Lookout Mountain of Tennessee. Let freedom ring from every hill and molehill of Mississippi, from every mountainside, let freedom ring. And when we allow freedom to ring, when we let it ring from every village and every hamlet, from every state and every city, we will be able to speed up that day when all of God’s children—Black and White men, Jews and Gentiles, Protestants and Catholics—will be able to join hands and to sing in the words of the old Negro spiritual: “Free at last, free at last; thank God Almighty, we are free at last.”

Source: Martin Luther King, Jr., “I Have a Dream” speech.
Image and Trust Building

As seen in Highlight 13.8, transformational leaders build trust in their leadership and the attainability of their goals through an image of seemingly unshakable self-confidence, strength of moral conviction, personal example and self-sacrifice, and unconventional tactics or behavior (House, 1977; Conger, 1989; Bass & Avolio, 1994; Bass, 1997; Gardner & Avolio, 1998; Bass & Steidlmeier, 1999; Conger, 1999; Yorges, Weiss, & Strickland, 1999; Choi & Mai-Dalton, 1999; Sosik, Avolio, & Jung, 2002; Pillai, Williams, Lowe, & Jung, 2003). They are perceived to have unusual insight and ability and act in a manner consistent with their vision and values. Some charismatic leaders even seem to place more importance on creating the appearance of success than on success per se (House, 1977; Khurana, 2002; Tosi, Misangyi, Fanelli, Waldman, & Yammarino, 2004). Whereas transformational leaders build trust by showing commitment to followers’ needs over self-interest, some charismatic leaders are not beyond taking credit for others’ accomplishments or exaggerating their expertise (Conger, 1989).

Personalized Leadership

One of the most important aspects of charismatic and transformational leadership is the personal nature of the leader’s power. These leaders share strong, personal bonds with followers, even when the leader occupies a formal organizational role (Yagil, 1998; Conger, 1999; Avolio & Bass, 2000). It is this personalized leadership style that seems to be responsible for the feelings of empowerment notable among followers of charismatic or transformational leaders, and it has three important components. First, charismatic leaders are more sensitive to the emotional states of followers (Judge & Bono, 2000). They seem to be more adept at picking up social cues and tailoring their messages accordingly. Second, they also tend to be emotionally expressive, especially through such nonverbal channels as their eye contact,

Highlight 13.8

Aung San Suu Kyi was involved in a dramatic incident on the evening of April 5, 1989. As they were returning home, she and a group of pro-democracy organizers were stopped and ordered off the road by government soldiers. Rather than having everyone get out of the car, Aung San Suu Kyi told everyone to remain in the car and then got out to approach the soldiers. “It seemed so much simpler,” she later explained, “to provide them with a single target.” The captain of the soldiers ordered his troops to raise their rifles and shoot, but Aung San Suu Kyi continued to advance. At the last second, a major ran forward and overruled the captain. Later that year at her mother’s funeral, she stated that she would serve the Burmese people without fear of personal cost, and she eventually was placed under house arrest for “endangering the state.”
posture, movement, gestures, tone of voice, and facial expressions (Bass, 1990; Den Hartog & Verburg, 1997). It is partly through their ability to pick up on emotional cues and their nonverbal behaviors that some people are perceived to have a “magnetic” personality. Third, transformational leaders empower followers by building their self-efficacy. They do this by giving followers tasks that lead to successively greater success experiences and heightened self-confidence, encouraging followers to continually upgrade their skills, and creating an environment of heightened expectations and positive emotions (Larmore & Ayman, 1998; Bass, 1997; Bass & Avolio, 1994; Conger & Kanungo, 1998; Rost, 1991; Bono & Judge, 2003). In all likelihood, charismatic leaders possess more surgency; agreeableness, and adjustment (see Chapter 7) than noncharismatic leaders (Curphy, 2003a; Antonakis & House, 2004).

Follower Characteristics

If charismatic leadership were defined solely by a leader’s characteristics, then it would be relatively easy to identify those individuals with good visioning, rhetorical, and impression management skills, and place them in leadership positions. Over time we would expect that a high percentage of followers would embrace and act on the leader’s vision. However, a number of leaders appear to possess these attributes, yet are not seen as charismatic. They may be good, competent leaders in their own right, but they seem unable to evoke strong feelings in followers or to get followers to do more than they thought possible. In reality, charisma is probably more a function of the followers’ reactions to a leader than of the leader’s personal characteristics. If followers do not accept the leader’s vision or become emotionally attached to the leader, then the leader simply will not be perceived to be either charismatic or transformational. Thus, charisma is in the eyes and heart of the beholder; it is a particularly strong emotional reaction to, identification with, and belief in some leaders by some followers. It is important to note that this definition is value-free—leaders seen as charismatic may or may not share the same values as their followers or meet Burns’s criteria for transformational leadership. A recent example of followers’ divergent reactions can be seen in President George W. Bush. Some followers, particularly those in the Republican party, perceive President Bush to be a very charismatic leader. Most Democrats believe he lacks charisma and does not share the same values as the American people, yet he is clearly the same person. Many of the more popular conceptualizations of charisma and charismatic leadership today also define charisma in terms of followers’ reactions to the leader (Bass, 1985, 1997; Avolio & Bass, 2000; Conger & Kanungo, 1998; Shamir, House, & Arthur, 1993; Howell, 1988; Willner, 1984). Defining charisma as a reaction that followers have toward leaders makes it reasonable to turn our attention to the four unique characteristics of these reactions.
Identification with the Leader and the Vision

Two of the effects associated with charismatic leadership include a strong affection for the leader and a similarity of follower beliefs with those of the leader. These effects describe a sort of bonding or identification with the leader personally, and a parallel psychological investment to a goal or activity (a “cause”) bigger than oneself. Followers bond with a leader because they see the implementation of the vision as a solution to all of their problems. Followers may be intensely dissatisfied with the status quo but unsuccessful in developing a satisfactory solution on their own. Charismatic leaders capitalize on this dissatisfaction and on the belief that most people want to make a difference in their organizations or society. Followers’ identities or self-concepts also become defined in terms of the leader. Being like the leader, or approved by the leader, becomes an important part of one’s self-worth (Ehrhart & Klein, 2001; Lord & Brown, 2001; Kark, Shamir, & Chen, 2003). Effects like these go well beyond what might be expected from the typical contractual or exchange relationships between most supervisors and subordinates.

Heightened Emotional Levels

Charismatic leaders are able to stir followers’ feelings, and this heightened emotional level results in increased levels of effort and performance (Fox & Amichai-Hamburger, 2001; Bono & Judge, 2003). Emotions are often the fuel driving large-scale initiatives for change, and charismatic leaders will often do all they can to maintain them, including getting followers to think about their dissatisfaction with the status quo or making impassioned appeals directly to followers. There are several dangers with increasing followers’ emotional levels, however. The leader must ensure that followers’ emotions are channeled toward the change initiative, otherwise followers will find some other outlet for their feelings and efforts (see Table 13.4). In addition, the people alienated by a charismatic leader and the movement can have emotions just as intense as those of the followers of the vision. This polarizing effect of charismatic leaders may be one reason why they tend to have violent deaths, as those alienated by a charismatic leader are just as likely to act on their emotions as followers within the movement (House, Woycke, & Fodor, 1988).

**TABLE 13.4**
Followers’ Responses to Change

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Malicious Compliance:</strong> This occurs when followers either ignore or actively sabotage change requests.</td>
</tr>
<tr>
<td><strong>Compliance:</strong> This takes place when followers do no more than abide by the policies and procedures surrounding change requests.</td>
</tr>
<tr>
<td><strong>Cooperation:</strong> Followers willingly engage in those activities needed to make the change request become reality.</td>
</tr>
<tr>
<td><strong>Commitment:</strong> Followers embrace change requests as their own and often go the extra mile to make sure work gets done. Charismatic and transformational leaders are very adept at getting followers committed to their vision of the future.</td>
</tr>
</tbody>
</table>

*We’re not worthy; we’re not worthy!*  
Wayne and Garth, *Wayne’s World*
Willing Subordination to the Leader

Whereas the preceding factor dealt with followers’ emotional and psychological closeness to the leader, willing subordination to the leader involves their deference to his or her authority (Kark, Shamir, & Chen, 2003). Charismatic leaders often seem imbued with superhuman qualities. As a result, followers often naturally and willingly submit to the leader’s apparent authority and superiority. Followers seem to suspend their critical thinking skills; they have few if any doubts about the intentions or skills of the leader, the correctness of the vision or change initiative, or the actions they need to take in order to achieve the vision.

Feelings of Empowerment

Followers of charismatic leaders are moved to expect more of themselves, and they work harder to achieve these higher goals. Charismatic leaders capitalize on the Pygmalion Effect: They set high expectations while boosting the self-confidence of followers by expressing confidence in their abilities and providing ongoing encouragement and support (Dvir, Eden, Avolio, & Shamir, 1999, 2000; Larmore & Ayman, 1998; Bass & Avolio, 1994; Bono & Judge, 2003; Popper & Mayseless, 2003). Somewhat paradoxically, followers feel stronger and more powerful at the same time they willingly subordinate themselves to the charismatic leader. Charismatic leaders are able to make their followers feel more powerful without any diminution or threat to their own status. These feelings of empowerment, when combined with heightened emotional levels and a leader’s vision of the future, often result in increases in organizational, group, or team performance or significant social change.

Situational Characteristics

Most of the research up to now has focused on identifying the leader attributes associated with charismatic leadership. There is considerably more to learn about the underlying attributes of followers and the situational characteristics of charismatic or transformational leadership (Beyer, 1999; Conger, 1999). Despite this gap in knowledge, some researchers believe that situational factors do play an important role in determining whether a leader will be perceived as charismatic (Bradley, 1987; Roberts & Bradley, 1988; Westley & Mintzberg, 1988; Gardner & Avolio, 1998; Conger, 1999; Hunt, Boal, & Dodge, 1999; Shamir & Howell, 1999; Waldman, Ramirez, House, & Puranam, 2001; Bono, 2002; Tosi, Misangyi, Fanelli, Waldman, & Yammarino, 2004). It may be that individuals possessing the qualities of charismatic leaders will be perceived as charismatic only when confronting certain types of situations. It may also be that the more favorable the situation is for charismatic leadership, the fewer qualities leaders will need before they are perceived to be charismatic (Conger, 1999). Because the situation may play an important role in the attribution of charisma, it will be useful to review some of the situational factors believed to affect charismatic leadership (see also Highlight 13.9).
Crises

Perhaps the most important situational factor associated with charismatic leadership is the presence or absence of a crisis. Followers who are content with the status quo are relatively unlikely to perceive a need for a charismatic leader or be willing to devote great effort to fundamentally change an organization or society. On the other hand, a crisis—whether reflected by the failure of traditional social institutions or a corporation’s imminent financial failure—often creates a “charisma hunger” in followers; they are looking for a leader to alleviate or resolve their crisis (Madsen & Snow, 1983; Trice & Beyer, 1986). Leaders are given considerably more latitude and autonomy and may temporarily (or sometimes permanently) suspend accepted rules, policies, and procedures in order to pull the organization out of the crisis. Some researchers even believe that some leaders purposely create or manufacture crises to increase followers’ acceptance of their vision, the range of actions they can take, and followers’ level of effort (Pawar & Eastman, 1997; Avolio & Bass, 1988; Boal & Bryson, 1987; Kets de Vries, 1977). Although a crisis situation does not necessarily make every leader look charismatic, such a situation may lead to a leader being perceived as charismatic.
“set the stage” for particular kinds of leader behaviors to be effective (Hunt, Boal, & Dodge, 1999; Waldman, Ramirez, House, & Puranam, 2001; Bono, 2002; Tosi, Misangyi, Fanelli, Waldman, & Yammarino, 2004).

**Task Interdependence and Social Networks**

It may be easier for leaders to be seen as charismatic when the tasks performed by their followers require a high level of interdependent rather than independent effort (Curphy, 1991a, 1992a). With *task interdependence*, for example, it may be easier for leaders to be perceived as charismatic when they are leading a software design team rather than a sales team because each individual programmer’s code could be affected by the code developed by the other programmers. However, a sales representative with a defined territory will probably not be affected by efforts of the other sales representatives on the team. In addition to task interdependence, *social networks* can also affect the attribution of charisma. Attributions of charisma will spread more quickly in organizations having well-established social networks, where everybody tends to know everyone else (Pastor, Meindl, & Mayo, 2002).

**Other Situational Characteristics**

Several other situational characteristics may help or hinder the emergence of a charismatic leader. Howell and Avolio (1993) found that organizations placing a premium on innovation were much more supportive of transformational leadership than those less committed to innovation. Another situational factor that may affect charismatic leadership is outsourcing and organizational downsizing. In the minds of many peoples, downsizing has destroyed the implicit contract between employer and employee, and left many employees disillusioned with corporate life (Church, 1994). On the one hand, because charismatic or transformational leadership is intensely relational in nature, destroying the implicit contract between leaders and followers could greatly diminish the odds of charismatic leadership emergence. On the other hand, this disillusionment has caused many talented managers to leave large organizations to form their own companies. Employees are drawn to these start-up organizations precisely because the company’s vision is consistent with their own personal values. But of all the situational variables affecting charismatic leadership, perhaps the most important and overlooked variable is *time*. Charismatic or transformational leadership does not happen overnight. It takes time for leaders to develop and articulate their vision, heighten followers’ emotional levels, build trusting relationships with followers, and direct and empower followers to fulfill the vision. It may be that a crisis compresses the amount of time while relatively stable situations lengthen the amount of time needed for charismatic leadership to emerge.

**Concluding Thoughts about the Characteristics of Charismatic and Transformational Leadership**

Several final points about the characteristics of charismatic leadership need to be made. First, although we defined charisma as a quality attributed to certain leaders based on the relationships they share with followers, charismatic leadership is most fully understood when we also consider how leader and situational factors
affect this attribution process. The special relationships charismatic leaders share with followers do not happen by accident; rather, they are often the result of interaction between the leader’s qualities, leader and follower values, and the presence of certain situational factors. Second, it seems unlikely that all the characteristics of charismatic leadership need to be present before charisma is attributed to a leader. The bottom line for charisma seems to be the relationships certain leaders share with followers, and there may be a variety of ways in which these relationships can develop. This also implies that charisma may be more of a continuum than an all-or-nothing phenomenon. Some leaders may be able to form particularly strong bonds with a majority of followers, others with a few followers, and still others may get along with most but not form particularly strong bonds with any followers. Third, it does seem that charismatic leadership can happen anywhere—schools, churches, communities, businesses, government organizations, and nations—and does not happen only on the world stage.

Fourth, given that there are a number of ways to develop strong emotional attachments with followers, one important question is whether it is possible to attribute charisma to an individual based solely on his or her position or celebrity status (Etzioni, 1961; Hollander, 1978; Bass, 1990). Some individuals in positions of high public visibility and esteem (e.g., film stars, musicians, athletes, television evangelists, and politicians) can develop (even cultivate) charismatic images among their fans and admirers. In these cases, it is helpful to recognize that charismatic leadership is a two-way street. Not only do followers develop strong emotional bonds with leaders, but leaders also develop strong emotional bonds with followers and are concerned with follower development (Burns, 1978; Dvir, Eden, Avolio, & Shamir, 1999, 2002, Popper & Mayseless, 2003). It is difficult to see how the one-way communication channels of radio and television can foster these two-way relationships or enhance follower growth. Thus, although we sometimes view certain individuals as charismatic based on media manipulation and hype, this is not transformational leadership in the truest sense.

So what can leadership practitioners take from this research if they want to use an emotional approach to drive organizational change? They will probably be more successful at driving organizational change if they capitalize on or create a crisis. They also need to be close enough to their followers to determine the sources of discontent and ensure their vision is aligned with followers’ values and paints a compelling picture of the future. Leaders must passionately articulate their vision of the future; it is difficult to imagine followers being motivated toward a vision that is unclear or presented by a leader who does not seem to really care about it. Leadership practitioners also need to understand that they alone cannot make the vision a reality; they need their followers’ help and support to create organizational or societal changes. Along these lines, they will need to be a role model and coach followers on what they should (and should not) be doing, provide feedback and encouragement, and persuade followers to take on more responsibilities as their skills and self-confidence grow. Finally, leadership
practitioners using this approach to organizational change also need to be thick skinned, resilient, and patient (see Highlight 13.10). They will need to cope with the polarization effects of charismatic leadership and understand that it takes time for the effects of this type of leadership to yield results. However, the rewards appear to be well worth the efforts. There appears to be overwhelming evidence that charismatic or transformational leaders are more effective than their noncharismatic counterparts, whether they be presidents of the United States (Deluga, 1998), CEOs (Waldman, Ramirez, House, & Puranam, 2001; Waldman, Javidan, & Varella, 2004), military cadets and officers (Bass, 2000; Curphy, 1991a;

### Highlight 13.10

An alternative conceptualization of organizational change worth noting comes from the book *Good to Great* (Collins, 2001). Collins and his research team reviewed the financial performance of 1,435 companies that appeared on the *Fortune* 500 list from 1965–1995. From this list, 11 companies made the leap from being a good to a truly great company—a company that yielded financial returns much higher than those for the overall stock market or industry competitors for at least 15 consecutive years. For example, a dollar invested in these 11 companies in 1965 would have yielded $471 in January 2000, whereas the same dollar invested in the stock market would have returned $56. Collins’s research indicates that these 11 companies all followed the same six rules:

1. **Level 5 Leadership:** The *Good to Great* companies were not led by high profile celebrity leaders, but rather by humble, self-effacing and reserved individuals who also possessed an incredibly strong drive to succeed.

2. **First Who, Then What:** Before developing a future vision or goals, these leaders first made sure they had the right people with the right skills in the right jobs. Leadership talent management was a key focus of these top companies.

3. **Confront the Brutal Facts (Yet Never Lose Faith):** These leaders met reality head-on—they did not sugarcoat organizational challenges or difficulties. But they also had an unshakable faith in their organizations’ ability to meet these challenges.

4. **The Hedgehog Concept:** These companies all focused on being the best in the world at what they did, were deeply passionate about their business, and identified one or two key financial or operational metrics to guide their decision making and day-to-day activities.

5. **A Culture of Discipline:** Companies that had disciplined people did not need hierarchies, bureaucracies, or excessive controls, as the people out in the field knew what they needed to do and made sure it happened.

6. **Technology Accelerators:** All these companies selectively used technology as a means for enhancing business operations, but they were not necessarily leaders in technical innovation.

There were several other surprising findings in Collins’s research. First, none of these top performing companies was led by transformational or charismatic leaders. Second, because these top companies were constantly undergoing small but noticeable changes, they did not need to launch major change initiatives or organizational restructuring programs. Third, companies need to abide by all six of these rules to go from good to great; three or four of the six rules were not enough for companies to make the leap to becoming a top performer.

Clover, 1990; Adams, Price, Instone, & Rice, 1984), college professors (Labak, 1973), or first-line supervisors and middle-level managers in a variety of public and private sector companies (Avolio & Bass, 2000; Bono, 2002; Barling, Loughlin, & Kelloway, 2002; Bono & Judge, 2003; Shin & Zhou, 2003).

### Bass’s Theory of Transformational and Transactional Leadership

Much of what we know about the leader, follower, and situational characteristics associated with charismatic or transformational leaders comes from research on Bass’s (1985, 1997) *Theory of Transformational and Transactional Leadership*. Bass believed that transformational leaders possessed those leader characteristics described earlier; he used perceptions or reactions of subordinates’ to determine whether or not a leader was transformational. Thus, transformational leaders possess good visioning, rhetorical, and impression management skills, and they use these skills to develop strong emotional bonds with followers. Transformational leaders are believed to be more successful at driving organizational change because of followers’ heightened emotional levels and their willingness to work toward the accomplishment of the leader’s vision (Antonakis & House, 2004; Bono & Judge, 2003; Avolio & Bass, 2000; Bass, 1997; Bass & Avolio, 1996). In contrast, transactional leaders do not possess these leader characteristics, nor are they able to develop strong emotional bonds with followers or inspire followers to do more than followers thought they could. Instead, transactional leaders were believed to motivate followers by setting goals and promising rewards for desired performance. Avolio and Bass (1987, 1988) maintained that transactional leadership could have positive effects on follower satisfaction and performance levels, but they also stated that these behaviors were often underutilized because of time constraints, a lack of leader skills, and a disbelief among leaders that rewards could boost performance. Bass (1997) also maintained that transactional leadership only perpetuates the status quo; a leader’s use of rewards does not result in the long-term changes associated with transformational leadership.

Like the “initiating structure” and “consideration” behaviors described in Chapter 8, Bass hypothesized that transformational and transactional leadership comprised two independent leadership dimensions. Thus, individuals could be high transformational but low transactional leaders, low transformational and low transactional leaders, and so on. Bass developed a questionnaire, known as the Multifactor Leadership Questionnaire (MLQ), to assess the extent to which leaders exhibited transformational or transactional leadership and the extent to which followers were satisfied with their leader and believed their leader was effective. The MLQ is a 360-degree feedback instrument that assesses five transformational and three transactional factors and a nonleadership factor (Rafferty & Griffen, 2004; Antonakis, Avolio, & Sivasubramaniam, 2003; Bass & Avolio, 2000; Bass, 1997). The transformational leadership factors assess the degree to which the
leader instills pride in others, displays power and confidence, makes personal sacrifices or champions new possibilities, considers the ethical or moral consequences of decisions, articulates a compelling vision of the future, sets challenging standards, treats followers as individuals, and helps followers understand the problems they face. The three transactional leadership factors assess the extent to which leaders set goals, make rewards contingent on performance, obtain necessary resources, provide rewards when performance goals have been met, monitor followers’ performance levels, and intervene when problems occur. The MLQ also assesses another factor called laissez-faire leadership, which assesses the extent to which leaders avoid responsibilities, fail to make decisions, are absent when needed, or fail to follow up on requests.

Research Results of Transformational and Transactional Leadership
To date, over 200 studies have used the MLQ to investigate transformational and transactional leadership across a wide variety of situations. These results indicated that transformational leadership can be observed in all countries, institutions, and organizational levels, but it was more prevalent in public institutions and at lower organizational levels (Bono, 2002; Sosik, Avolio & Jung, 2002; Avolio & Bass, 2000; Bass, 1999, 2000; Lowe, Kroeck, & Sivasubramaniam, 1996). In other words, there seemed to be more transformational leaders in the lower levels of the military or other public sector organizations than anywhere else. Second, there is overwhelming evidence that transformational leadership is a significantly better predictor of organizational effectiveness than transactional or laissez-faire leadership. Transformational leaders, whether they are U.S. presidents, CEOs, school administrators, or plant managers, seem to be more effective at driving organizational change and getting results than transactional leaders (see Highlight 13.11). Avolio and Bass (2000) also believed that transformational leadership augments performance above and beyond what is associated with transactional leadership. Third, as expected, laissez-faire leadership was negatively correlated with effectiveness.

Given that the MLQ can reliably identify transformational leaders and that these leaders can drive higher levels of organizational change and effectiveness than their transactional counterparts, it seems reasonable to ask whether it is possible to train or select charismatic leaders. Fortunately, Bono (2002), Bass, Avolio, Jung & Berson (2003), Towler, (2003), Frese, Beimel & Schoenborn (2003), Avolio (1999), Avolio and Bass (1998; 2000), Bass (1999), and Barling, Weber, and Kelloway (1996) have all looked at the effects of transformational leadership training on the performance of military, public sector, and private industry leaders in the United States, Canada, and Israel. Usually these training programs consisted of a one- to five-day initial training session where participants learned about the Theory of Transformational and Transactional Leadership; received MLQ feedback on the extent to which they exhibit transformational, transactional, and laissez-faire leadership; and then went through a series of skill-building exercises and activities to improve their leadership effectiveness. At the end of the initial session, participants were asked to create a development plan to improve specific transformational or transactional leadership skills. Approximately 6 to 24 months after the initial program, participants attended a second training session that also provided a second round
of MLQ feedback. The time 1 and time 2 MLQ results allowed researchers to determine quantitatively whether the training program improved the transformational and transactional leadership skills of the participants. These results indicated that improving transactional leadership skills is fairly easy; participants who targeted these skills for improvement reported higher time 2 MLQ scores on the transactional leadership factor. There were also modest gains in the time 2 MLQ transformational leadership factor scores for those participants who targeted these skills in their development plan. Moreover, those areas that were not targeted for improvement saw no commensurate increase in time 2 MLQ scores. Thus, the higher time 2 scores were not due to some general effect, but rather were limited only to those skills that were part of a participant’s development plan. These results provided strong evidence that it is possible for leaders to systematically develop their transformational and transactional leadership skills.

An alternative to training leaders to be more transformational is to select leaders with the propensity to be transformational or charismatic in the first place. Several researchers have looked at the importance of childhood experiences, leadership traits, and even genetics in transformational leadership. Zacharatos, Barling, and

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**Duane Lund: A Rural Transformational Leader**

**Highlight 13.11**

Although transformational leaders come from all walks of life, one common characteristic they share is their ability to drive change and get things done. One of the best examples of a rural transformational leader is Duane Lund, a retired school superintendent in Staples, MN. In his first year as Superintendent of the Staples-Motley school district, Duane lobbied the state legislature and Department of Education to build a new vocational school in the community. Although no new vocational schools had been built in the previous several years, Duane was able to convince key state officials to provide the funding necessary to make this happen. He also helped secure the equipment needed for what would soon be one of the largest machine and allied trades programs in the country. Duane then worked closely with the local Chamber of Commerce and other economic development groups to attract manufacturers that would employ vocational school graduates, and through his efforts more than a dozen such plants sprang up around town.

A tireless promoter of the community, Duane convinced the local railroad to give up some land on a lake just outside of town in order to develop a city park, swimming beach, campground, and athletic fields. An avid writer, Duane has written 36 books and started up and was President of the Community Arts Council for a number of years.

Duane also played a key role in changing the school district–community relationships. He helped pass a bond issue in order to build a new high school auditorium and pool, both of which were made available to community members. He assembled a team of grant writers and secured enough additional funding to keep his class sizes small, his student achievement scores were among the best in the state, and his athletic teams won a number of state championships.

Some of the keys to Duane’s success are his ability to create a compelling vision of the future, ability to tell jokes and stories, his unbridled optimism and enthusiasm, and genuine down-to-earth charm. All of these qualities help him to get diverse groups working together to get things done. Because of his positive impact on the community, a local foundation has decided to create the “Duane Lund Lifetime Achievement Community Service Award” in his honor, and awards the prize to one person every other year or so for outstanding community service.
Kelloway (2000) reported that adolescents who were rated by coaches and peers to be more transformational were also more likely to have parents who were transformational leaders. There is also evidence that certain leadership traits differentiate transformational from transactional leaders. Antonakis and House, (2004), Hogan, Curphy, and Hogan (1994), Curphy and Nilsen (1995), Nilsen (1995), House, Spangler, and Woycke (1991), House, Woycke, and Fodor (1988), Ross and Offermann (1991), and Judge and Bono (2000) all showed that certain Five Factor Model (FFM) leadership traits (Chapter 7) could be reliably used to identify transformational leaders. Some of the most compelling evidence comes from Nilsen (1995), who looked at the relationships between FFM personality traits and 125 CEOs. As seen in Table 13.5, not only are the FFM personality dimensions strongly correlated with certain components of transformational leadership, but the pattern of high and low correlations seems to make sense. Given that certain leadership traits are related to transformational leadership, and that leadership traits have a genetic component, then it is not surprising that some researchers also believe that some aspect of transformational leadership is also heritable (Hooijberg & Choi, 2000).

Despite this evidence that it may be possible to select and train transformational leaders, the fact remains that charisma ultimately exists in the eyes of the beholder. Thus, there never could be any guarantee that leaders who had the right stuff and were schooled in the appropriate techniques will be seen as charismatic by followers. As discussed earlier, follower and situational variables will play a key role in determining whether leaders are perceived to be transformational and drive organizational change. Certain leaders may get higher transformational leadership scores as a result of a training program, but do they actually heighten followers’ emotional levels, get followers to exert extra effort, and as a result achieve greater organizational change or performance after the program? Furthermore, while it may be possible to train some leaders to improve their visioning, impression management, and rhetorical skills, leaders who have relatively low scores on certain personality traits or other individual differences (e.g., intelligence, creativity, surgency, agreeableness, adjustment, and intellectance) may not benefit much from transformational leadership training. Bass (1985), Curphy (1991a; 2002; 2003c), Judge and Bono (2000), and Segal (1985) have all stated that personality is going to have a big effect on whether a leader will be seen as charismatic. Given what we

<table>
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know about individual differences and leadership skills training, it seems likely that a leader’s personality will also play a major role in determining whether he or she will benefit from such training.

Finally, several other important comments about the Theory of Transformational and Transactional Leadership are worth noting. First, and perhaps most important, this theory has generated a considerable amount of interest among leadership researchers. This research has helped leadership practitioners to better understand the leader, follower, and situational components of charismatic or transformational leadership, whether transformational leaders are born or made, and so forth. Nevertheless, much of the research is based on surveys and correlational studies; the handful of experiments exploring the effects of transformational and transactional leadership have involved college students, not leadership practitioners (Hunt, 1999; Yukl, 1999). Third, this approach to leadership seems to have a strong bias toward people, in that measures such as the MLQ may be more a reflection of socially desirable leadership behaviors than the full range of skills needed by leaders (Beyer, 1999; Antonakis & House, 2004). For example, it seems likely that business leaders wanting to drive organizational change or performance need to have a good understanding of the industry, business operations, market trends, finance, strategy, and technical/functional knowledge; they also need to effectively cope with stress, negotiate contracts with vendors, demonstrate good planning skills, and develop and monitor key metrics. Yet none of these attributes and skills are directly measured by the MLQ. Relatedly, Beyer (1999), Yukl (1999), and Antonakis and House (2004) pointed out that the primary problem with this theory is that there is only one way to be an effective leader, and that is by demonstrating transformational leadership skills. The contingency theories of leadership no longer matter, and situational or follower factors have little impact on leadership effectiveness. In this regard Beyer, Yukl, and Antonakis and House may be right; leaders probably need to do more than exhibit only transformational leadership skills if they wish to achieve greater organizational change and performance.

Summary

This chapter began by revisiting the topic of leadership and management. Management skills are important to ensure compliance with existing systems, processes, and procedures; they are used to help preserve the status quo, improve consistency and efficiency, and maintain control. Leadership skills are needed when changes need to be made to existing systems and processes; they are used to create new systems and drive organizational change. The chapter then reviewed two major approaches to organizational change. Although independent lines of research were used to develop the rational and emotional approaches to change, in reality these approaches have several important similarities. With the rational approach, leaders increase follower dissatisfaction by pointing out problems with the status quo, systematically identifying areas of needed change, developing a vision of the future, and developing and implementing a change plan. In the emotional approach, leaders develop and articulate a vision of the future, heighten the emotions of followers, and empower followers to act on their vision. Charismatic leaders are also more likely to emerge during times of uncertainty or crisis, and may actually manufacture a crisis to improve the odds that followers will become
committed to their vision of the future. The rational approach puts more emphasis on analytic, planning, and management skills whereas the emotional approach puts more emphasis on leadership skills, leader–follower relationships, and the presence of a crisis to drive organizational change. This chapter described the steps leadership practitioners must take if they wish to drive organizational change. There is ample evidence to suggest that either the rational or the emotional approach can result in organizational change, but the effectiveness of the change may depend on which approach leadership practitioners are most comfortable with and the skill with which they can carry it out.

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Questions

1. Are Colin Powell, Peter Jackson, or Aung San Suu Kyi transformational or charismatic leaders? What data would you need to gather to answer this question?
2. Is Osama bin Laden a charismatic or transformational leader? Would your answer differ if you were sympathetic to his cause?
3. Research shows that females are seen as more transformational leaders, yet hold relatively few top leadership positions compared to men. Why do you think this is the case? What, if anything, could you do to change this situation?
4. How does the model of community leadership (Chapter 8) compare to the rational and emotional approaches to organizational change?
5. Research shows that charismatic and transformational leaders need to project an image of success, but muckraking and negativity in political campaigns are at an all-time high. Which leader, follower, or situational components of
charismatic leadership do political advertisements attempt to undermine? Given these ads, is it even possible for a political leader today to be seen as charismatic?

6. Can leaders possess the dark-side personality traits described in Chapter 7 and still be seen as charismatic?

7. Suppose you wanted to build a new student union at your school. What would you need to do to make this happen if you used a rational versus emotional approach to organizational change?

Skills

Leadership skills relevant to this chapter include:

- Communication
- Setting goals
- Credibility
- Coaching
- Empowerment

Activity

1. Break up into teams and identify something that needs to change at your school or at work. Use the rational approach to change (C=D×M×P) to develop a plan for your change initiative.

2. Interview a mid-level leader or executive and ask him or her about the biggest change initiative they were ever a part of. Did they use more of a rational or emotional approach to organizational change, and was the change initiative successful? Why or why not?

3. Create a force field analysis diagram for a change you would like to see happen at your work or school.

Minicase

“Keeping Up with Bill Gates”

Bill Gates inherited intelligence, ambition, and a competitive spirit from his father, a successful Seattle attorney. After graduating from a private prep school in Seattle, he enrolled in Harvard but dropped out to pursue his passion—computer programming. Paul Allen, a friend from prep school, presented Gates with the idea of writing a version of the BASIC computer language for the Altair 8800, one of the first personal computers on the market. Driven by his competitive nature, Gates decided he wanted to be the first to develop a language to make the personal computer accessible for the general public. He and Allen established the Microsoft Corporation in 1975. Gates’s passion and skill were programming—he would work night and day to meet the extremely aggressive deadlines he set for himself and his company. Eventually Gates had to bring in other programmers—he focused on recent college graduates. “We decided that we wanted them to come with clear minds, not polluted by some other approach, to learn the way that we liked to develop software, and to put the kind of energy into it that we thought was key.”
In the early days of Microsoft, Gates was in charge of product planning and programming while Allen was in charge of the business side. He motivated his programmers with the claim that whatever deadline was looming, no matter how tight, he could beat it personally if he had to. What eventually developed at Microsoft was a culture in which Gates was king. Everyone working under Gates was made to feel they were lesser programmers who couldn’t compete with his skill or drive, so they competed with each other. They worked long hours and tried their best to mirror Gates—his drive, his ambition, his skill. This internal competition motivated the programmers and made Microsoft one of the most successful companies in the computer industry, and one of the most profitable. The corporation has created a tremendous amount of wealth—many of its employees have become millionaires while working at Microsoft, including, of course, Bill Gates, currently one of the richest men in the world. During the 1990s, Bill Gates’s net worth grew at an average rate of $34 million per day; that’s $200 million per week!

Gates needed a castle for his kingdom and so he built a much-talked-about house on Lake Washington. The house lies mainly underground and looks like a set of separate buildings when viewed from above. The house was conceived as a showcase for Microsoft technology—it took $60 million dollars, seven years of planning and construction, and three generations of computer hardware before it was finally finished. A feature of the house that reveals a lot about its owner is the house’s system of electronic badges. These badges let the house computers know where each resident and visitor is in the house. The purpose of the badges is to allow the computer to adjust the climate and music and to match the preferences of people in the house as they move from room to room. What happens when more than one person is in a room? The computer defaults to Gates’s personal preferences.

1. Would you classify Bill Gates as a charismatic or transformational leader? Why?
2. Consider followers/employees of Gates. What are some of the unique characteristics of Gates’s followers that might identify him as charismatic or transformational?
