2 Current Thinking about Leadership: A Review and Critique

The Questioner, who sits so sly,
Shall never know how to Reply.
He who replies to words of Doubt
Doth put the Light of Knowledge out.

William Blake (1757–1827), *Auguries of Innocence*

Overview

- The major theories and models we find in textbooks have each helped us to understand leadership. Each one is a piece in the jigsaw puzzle of leadership. This chapter reviews the major theories of leadership, how they help us to understand it, but also how none of them alone provides a complete picture.
- Trait theories of leadership, also known as 'great man' theories, postulate common qualities or characteristics of effective leaders. These theories raise the question of whether such qualities are inherited or acquired.
- Theories of emergent leadership, including 'servant leadership', postulate that leaders may emerge who have the characteristics and skills to meet the needs of their group, organization or society at a given time.
- Leadership-style theories describe what leaders do and classify it into two categories: people focused and task focused. 'Action-centred leadership' is a development of leadership-style theory, focusing on task, team and individual.
- Psychodynamic theory, or leader–member exchange theory, explains the effectiveness of leaders as a function of the psychodynamic exchange that occurs between leaders and group members. Leaders provide direction and guidance through influence permitted to them by members.
- Contingency and situational leadership theories suggest that there is no one best style of leadership. Successful and enduring leaders use different styles according to the nature of the situation and the followers.
- The 'new leadership' comprises visionary, charismatic and transformational leadership theories. Transformational leadership occurs when leaders raise people's motivation to act and create a sense of higher purpose. It is distinguished from transactional leadership, which typically involves an exchange between leader and followers with an emphasis on correcting deviations from requirements and providing a material or psychological reward in return for compliance with the

leader's wishes. Other theories discussed include strategic leadership and pragmatic leadership.

• No theory or model of leadership so far has provided a satisfactory explanation of leadership. Indeed there are many definitions of leadership that vary widely.

Trait Theories of Leadership

Trait theories started with Hippocrates' description of personality types based on 'body humour'. Effective leaders were believed to show common characteristics that cause them to behave in certain ways. This was the era of so-called 'great man' theories (Van Sters and Field, 1990). For example, Luther Bernard (1926) attempted to explain leadership in terms of the 'internal' qualities that a person is born with.

Leadership trait studies are mostly psychological in approach. However, the sociological approach is to analyse the characteristics of leaders that result from their position in society: social class, education, gender and religious, ethnic and kinship networks (Whittington, 1993). The problem with the resulting social elite theory is that it deals with the generalities of social strata rather than with the analysis of the personalities and behaviour of leaders. As Burns (1978: 880) said, leadership involves not only the power of control but also the power to motivate: 'one must look for motives as well as the weapon'.

However, social structures can be seen as enabling rather than determining (Pettigrew, 1987). Richard Whittington (1993: 183) says: 'Society provides both the social resources, material and symbolic, that empower our actions, and the social rules of accepted behaviour that … guides them.' Social structures provide people with the potential for leadership but it is the psychology of individuals, he says, that translates potential into actuality (Whittington, 1993: 184–185). 'Upper echelons' theory, favoured by macrotheorists and strategists (Waldman and Javidan, 2001), rejects the deterministic view taken by proponents of external control and focuses on the personal characteristics of top-level managers.

The idea that leadership is associated with superior intelligence originates in the teachings of Aristotle, Plato and Socrates and gained currency during the Age of Enlightenment. Intelligence is a particularly interesting trait, as it emerges in studies most often (Kotter, 1990b: 106):

people who provide effective leadership in big jobs appear to be always above average in some basic form of intelligence, although they rarely seem geniuses.

Judge, Colbert and Ilies (2004), in their meta-analysis of studies of intelligence and leadership, found that intelligence and leadership are significantly associated. And Dean Simonton found that differences in intelligence account for about 10% of the variation in the 'greatness' of US presidents (Dingfelder, 2004).

Superior intelligence in the leader, however, can have disadvantages as well as advantages (Levicki, 1998: 98–99). For example, it has been shown that too high a level of intelligence may interfere with effective decision making (Gill, 1980, 1982). And

there is evidence that leadership effectiveness is impaired when a leader's intelligence substantially exceeds that of the follower group (Bass, 1990a). Simonton suggests that 'The [US presidents] who are the most intellectually brilliant are often barely elected … . They have trouble speaking in sound bites and communicating with the public' (Dingfelder, 2004). The only US president rated as intelligent and with a PhD degree, Woodrow Wilson, was elected, Simonton notes, with only 20% of the popular vote.

Early studies of leadership and personality, in the 1930s and 1940s, assumed that effective leaders have special traits in common. Following a period during which the results of research aimed at identifying them generally have been inconclusive, more promising results have emerged more recently. Peter Northouse's analysis suggests that the main qualities appearing to be important for leadership, in addition to intelligence or cognitive ability, are integrity, self-confidence, dominance, sociability, and persistence or determination (Northouse, 1997: 17). In another study, employing the five-factor model of personality, Judge et al. (2002) also found significant relationships between several personality traits and leadership that were even higher than for intelligence and leadership, namely extraversion, agreeableness and conscientiousness, in addition to openness to experience (intelligence).

Another analysis, of successful CEOs, suggests the following characteristics:

- Integrity, maturity and energy
- Business acumen (a deep understanding of the business and a strong profit orientation)
- 'People' acumen (judging people, leading teams, coaching and growing people, and cutting losses (mismatches between people and jobs) where necessary)
- Organizational acumen (engendering trust, sharing information, listening expertly as well as diagnosing under-performance, delivering on commitments, change orientation, and being both decisive and incisive)
- Curiosity, intellectual capacity, and a global mindset (being externally oriented, eager for knowledge of the world, and adept at connecting developments and spotting patterns)
- Superior judgement
- An insatiable appetite for accomplishment and results
- A powerful motivation to grow and convert learning into practice

(Charan and Colvin, 1999)

Most of these characteristics are cognitive, emotional or interpersonal, and some are deeply embedded in individual values. Whether they are exhaustive or consistently displayed is highly questionable. And some tend to emphasize the individual in isolation rather than in relationships with others.

In a study of 17 CEOs, their top management teams (TMTs) and organizational performance, Randall Peterson et al. (2003) found the following significant associations between CEO personality and TMT dynamics and between TMT dynamics and organizational performance:

- CEO conscientiousness with TMT concern for legality and sense of control over the environment
- CEO emotional stability with team cohesion, intellectual flexibility and leader dominance

- CEO agreeableness with team cohesion and power decentralization
- CEO extraversion with leader strength (dominance)
- CEO openness with team risk taking and intellectual flexibility
- Income growth with TMT intellectual flexibility, optimism and cohesiveness

Joyce Bono and Timothy Judge (2004), in a meta-analysis of 26 studies of personality and the six dimensions of transactional and transformational leadership (which we discuss later in this chapter), identified by Bruce Avolio et al. (1999), found weak relationships between personality and leadership. With regard to transformational leadership in particular, the 'Big Five' personality traits (Digman, 1990) – neuroticism, extraversion, openness, agreeableness and conscientiousness – explained 12% of the variation in charisma (idealized influence and inspirational motivation combined) and only 5% of the variation in intellectual stimulation and 6% in individualized consideration. Extraversion was the strongest and most consistent correlate of transformational leadership. Correlations between personality traits and transactional and laissez-faire leadership were generally weak and of little practical significance.

A survey by management consultants Deloitte & Touche reported the most frequently identified characteristics of good corporate leadership (Table 2.1). The picture of personal qualities for leadership, however, is still not complete or even agreed. For example, recent research of databases of corporate results for companies that had been transformed into great companies going back to 1965 came up with only one finding: they all had leaders who displayed 'a paradoxical mixture of personal humility and professional will', an unusual mix of being 'timid and ferocious, shy and fearless' at the same time (Collins, 2001a).

Many traits undoubtedly develop in early life. Yet many people still believe that 'leaders are born, not made': leaders are born with the traits that mark them out as future leaders. Perhaps some traits are genetically determined or at least predisposed, which is a question we return to in Chapter 9. Meanwhile, suffice it to say that the search for the elusive 'leadership gene' continues.

It cannot be disputed that leaders who do not possess all the traits, whatever they are, are often effective. And leaders who possess many of them are often not effective. Mike Pedler et al. (2004) say:

> **There is no one correct definition of leadership, or any one set of personal qualities or competencies that characterise leaders.**

Even if trait theory stood up to scrutiny, it can still be argued convincingly that some strengths in excess can become weaknesses. For example, in the armed services, poor

Table 2.1 *Characteristics of good corporate leadership**

Characteristic	Frequency of mention (%)
Ability to make difficult decisions	92
Ability to lead a company during a crisis	89
Trustworthiness	85
Honesty	83
Intelligence and 'brains'	80

*Deloitte & Touche, *News 00Jan*, www.dttus.com.

decision making can result from 'cognitive dissonance' (Festinger, 1957), where decision makers reject new information after they have made their decision that suggests it was wrong (Dixon, 1976). Imbalance among traits can be dysfunctional: complementarity is needed.

Theories of emergent leadership

'Asking who should be the leader,' Henry Ford once said, 'is like asking who should sing tenor in the quartet' (Marshall, 1991: 19). The man with the tenor voice, of course!

Leaders may emerge who have the characteristics and skills to meet the needs of their group, organization or society at a given time. Such a leader is likely to be viewed as the most prototypical of the group (Hogg, 2001). The classic study of this was of a street corner gang in the United States (Whyte, 1943). Such leaders may emerge regardless of, or in the absence of, any formal leader appointed by others. Theories of emergent leadership emphasize the importance of followers (House and Mitchell, 1974). Leadership depends on an interaction between the goals of the followers and the leader. Vertical dyad linkage theory, or leader–member exchange (LMX) theory, has grown out of work in this area (Graen, 1976).

The emergence of 'natural' leaders is usual in politics, where leaders need to conform to followers' expectations. The nineteenth-century French politician Alexandre Ledru-Rollin (1807–1874) clearly recognized this: '*Eh bien! Je suis leur chef; il fallait bien les suivre*' ('Ah well! I am their leader; I really ought to follow them') (de Mirecourt, 1857).

Perhaps the most infamous example of an emergent leader is Adolf Hitler. However misguided, flawed and evil, Hitler's vision, values and oratory inspired a nation during a time of collective psychological depression. It was not only China's Mao Zedung who led people on a 'long march' in the wrong direction; in Hitler's case it was to total defeat and desolation.

The ability or desire to serve the needs of other people is usually the reason why leaders emerge. Great leaders serve others, according to the theory of 'servant leadership', associated with Robert Greenleaf (1977). Socrates and his pupil Xenophon saw leadership as serving others – as meeting their needs (Adair, 1989: 39). And St Paul said, 'I have made myself every man's servant, to win over as many as possible'.[18] Great leaders, then, display humility. But, as Major-General Tim Cross says, '[Jesus] served those who served the cause … but He certainly wasn't a doormat, rather a man of tremendous physical and moral courage' (Cross, 1998). It is no coincidence that the motto of the UK's Royal Military College at Sandhurst is *Serve to Lead* and that the Service prayer says, 'help us to be masters of ourselves that we may be servants of others, and teach us to serve to lead'.

What place does servant leadership have in the world of business? As CEO of Toro Company, Ken Melrose believed that 'the great leader is a great servant': he said, 'I came to understand that you best lead by serving the needs of your people. You don't do their jobs for them; you enable them to learn and progress on the job' (Dess and Picken, 2000). And the founder of SouthWest Airlines, Herb Kelleher, says:

> Leadership is being a faithful, devoted, hard-working servant of the people you lead and participating with them in the agonies as well as the ecstasies of life.[19]

Retailer ASDA appears to be the only organization in the UK that uses the term 'servant leader', though many encourage the idea and put it into practice (Arkin, 2004). Service to other people is part and parcel of leadership in the trade union movement. As (Lord) Vic Feather once said to one company's management when general secretary of the UK's Trades Union Congress, 'They work for you, and I work for them' (Monks, 2000).

Many leaders have problems with the notion of servant leadership, especially if it is inconsistent with their self-image. Tom Marshall (1991: 67) has a different take:

> After all, leaders lead, servants serve. If leaders are going to be the servants, what are the servants going to do, and who is going to do the leading?

Greenleaf (1977) identifies two kinds of leaders: strong natural leaders, who take charge, make the decisions and give the orders, and strong natural servants, who assume the leadership role because they see it as a way in which they can serve. Strong natural leaders, he says, are assertive and driven by the need for acquisition or dominance, whereas strong natural servants are driven by the need to serve a cause. Greenleaf goes on to say that only natural servants ought to lead. The leadership issue here is natural servants who have the ability to lead but do not do so. Servant leadership is not a matter of leadership style, but of character and motivation – of traits?

Servant leadership entails strong values: servant leaders take on leadership roles because they want to serve others. And people follow servant leaders because they trust them. In Robert Greenleaf's words:

> The servant-leader is servant first... . It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. He or she is sharply different from the person who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions. (Bolden, 2004: 67)

Greenleaf (1977: 23) suggests the test of servant leadership is whether those served 'become healthier, wiser, freer, more autonomous, more likely themselves to become [servant leaders]'. Servant leaders help followers develop their own values that support the organization in its mission.

The servant leader, Danah Zohar and Ian Marshall (2001: 33) say, 'serves the ultimate source of meaning and value'. They cite as examples Mahatma Gandhi, Mother Theresa, Nelson Mandela and the Dalai Lama. Less well known is Katsuhiko Yazaki, the Japanese owner of a global mail-order company, Felissimo (the Spanish and Italian word for 'happy'). Zohar and Marshall (2001: 261–263) describe how, after becoming wealthy through an inherited business, Yazaki emerged from a monastery with a new self-awareness and a vision of the 'proper' role of business as enhancing human happiness. He pursued his vision by helping his customers to imagine and achieve more fulfilling lifestyles and by investing his money in saving the environment and in educational projects.

A key issue for emergent leadership and servant leadership theories is that they ignore the wider organization or society that presents many demands in addition to

those of a particular group of followers. Mandela in South Africa and Havel in the Czech Republic – and Yazaki – are examples of emergent leaders who did address such demands. But another issue is that these theories do not provide a sufficiently complete *explanation* of effective leadership.

Leadership-style theories

The lack of a consistent set of leadership traits – who effective leaders are – stimulated a new focus of attention – what effective leaders do. The 'scientific management' of Frederick W. Taylor at the start of the twentieth century promoted the importance of organizational goals and efficient methods and procedures and the associated task-focused leadership in a mechanistic bureaucracy. This found its highest expression in Henry Ford's factories. The 'human relations movement' emerging from Elton Mayo's work in the 1920s and 1930s at the Hawthorne Works of Western Electric refocused leadership on the importance of employees' feelings, attitudes and needs. This disjunction between task and human relationships, and later their conjunction, has characterized much of subsequent leadership theory.

The Michigan and Ohio State studies and their legacy

The first development was a set of influential theories that were popular from the 1950s to the 1960s. These theories of leadership style are articulated in various ways:

- 'Concern for task' (production orientation) and 'concern for people' (employee orientation) in the Michigan studies (Katz et al., 1950, 1951)
- 'Initiating structure' and 'consideration' in the Ohio State leadership studies or, for the former, the similar 'structuring' (Fleishman, 1953; Haplin and Winer, 1957; Fleishman and Harris, 1962)
- 'Task direction' (defining the goal, planning the solution, supplying the necessary knowledge) and 'social specialist' (maintaining the morale and motivation of the group) (Dixon, 1985a)

Rensis Likert (1961) categorized leadership styles as exploitative autocratic, benevolent autocratic, consultative and democratic. And Robert Tannenbaum and Warren Schmidt (1968) produced a similar continuum of leadership styles: autocratic, persuasive, consultative and democratic.

This model of leadership gave rise to assessment methods such as 'attitude toward men' (Likert, 1961) and the Managerial Grid (Blake and Mouton, 1964, 1978). The Managerial Grid describes leaders as '9,9' when they emphasize both task and people to a great extent, '9,1 when they emphasize task much more than people, '1,9' when they emphasize people much more than task, and '1,1' when they emphasize neither (Figure 2.1). Robert Blake and Jane Mouton later added a third dimension, 'flexibility'. This model gained, and still has, considerable popularity, particularly with leadership development specialists and consultants.
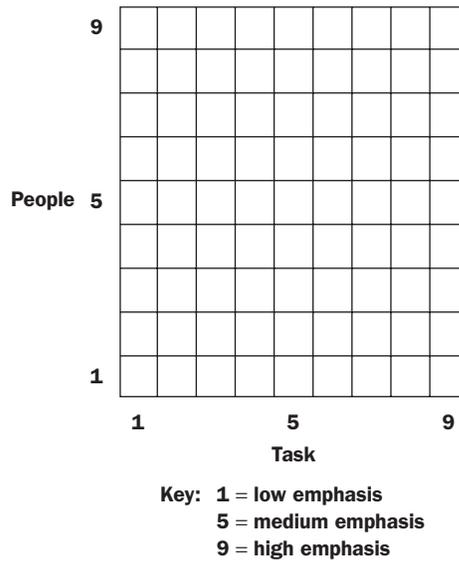
Figure 2.1   *Blake and Mouton's managerial grid*

Dorwin Cartwright and Alvin Zander (1968) define the two key roles – task and people orientation – as serving two objectives: goal achievement and group maintenance, the latter also termed 'socio-emotional' leadership (Bales, 1950). Bernard M. Bass and colleagues developed this simple model into one describing five styles, defined in Table 2.2 (Bass and Valenzi, 1974; Bass et al., 1975; Bass, 1976).

The descriptive model of leadership style was replaced later by a more prescriptive one that suggested that people-centred behaviour is more effective in getting results. However, preferences appear to vary: leaders' subordinates prefer their leaders to be people centred whereas leaders' bosses prefer them to be task centred (Alimo-Metcalfe, 1996).
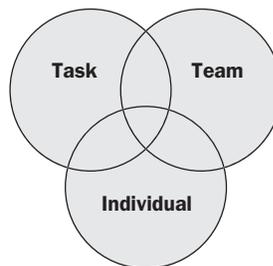
Action-centred leadership

A popular British model of leadership that extends the ideas of task and people orientation is action-centred leadership (ACL), developed by Adair (1973, 1983, 1984). A key difference is that people orientation focuses separately on the individual and the team rather than 'people' as a whole. Effective leaders address needs at three levels: the task, the team and the individual (Figure 2.2).

According to this model, the more there is overlap, and the more balanced the needs of the task, team and individual, the more effective is leadership. The ACL model dismisses the idea that effective leaders possess a common set of traits but does propose that they possess the competence to handle a wide range of different situations. The problem with this model is not intrinsic but in how 'task' might be interpreted. If 'task' is taken literally to mean 'a piece of work to be carried out', then the scope of the model is limited. The model would gain more generality by extending 'task' to

Table 2.2   *Bass and colleagues' five styles of leadership*

Leadership style	Definition
Directive	You tell subordinates what to do and how to do it. You initiate action. You tell subordinates what is expected of them, specifying standards of performance and setting deadlines for completion of work. You exercise firm rule and you ensure that they follow prescribed ways of doing things. You also ensure they are working to capacity, reassigning tasks to balance the workload
Consultative	You tell subordinates what to do, but only after discussing matters with them first and hearing their opinions, feelings, ideas and suggestions
Participative	You discuss and analyse problems with your subordinates to reach consensus on what to do and how to do it. Decisions are made by the group as a whole and your subordinates have as much responsibility for decisions as you do. They participate as equals in decision making
Negotiative	You employ political means and bargaining to gain desired ends, making political alliances, promising subordinates rewards for meeting expectations, releasing information to suit your interests, maintaining social distance, 'bending' the rules, encouraging subordinates to compete, and 'selling' decisions to them
Delegative	You describe the problem or need and the conditions that have to be met, and you make suggestions, but you leave it to subordinates to decide what to do and how to do it

Figure 2.2   *Action-centred leadership*

encompass direction in terms of vision, mission and strategies. Adair (1989: 57, 61) suggests:

> **The Biblical image of the shepherd well illustrates [the] three-fold responsibility [for meeting task, team and individuals' needs]... . The shepherd [provides] direction, [maintains] the unity of the flock and [meets] the individual needs of the sheep'.**

This idea represents some key elements of the model described in this book.

Shortcomings of leadership-style theories

Leadership-style approaches have remained largely unfulfilled owing to their undue emphasis on the leader, followers and the task at the expense of the leadership situation (Whipp and Pettigrew, 1993: 205). Leadership-style theories fail to consider the contingencies in the leadership situation (Korman, 1966; Kerr et al., 1974; Schriesheim and Murphy, 1976; Katz, 1977; Schriesheim, 1980). These approaches also do not account for the behaviour of middle-level leaders who are expected to translate to subordinates the vision and strategies usually set by top-level leaders (Zaccaro and Klimoski, 2001: 16). And leadership-style theories focus on behaviour, but do not address values, except by implication: what values are relevant and effective in getting the job done and relating to subordinates and others, and what do these values mean to them? Moreover, Rob Goffee and Gareth Jones (2000) argue, contrary to Adair, that it is not leadership style that makes a great leader but the underlying personal qualities that make the style effective.

Research findings on the effectiveness of different leadership styles appear to be inconsistent (Korman, 1966; Larson et al., 1976; Nystrom, 1978). No one style consistently produces better results, though people or relationship orientation is more often associated with improvements. However, methodological shortcomings mean that it is difficult to identify the impact of leadership style because of extraneous factors in the situation. Most of the research findings have assumed rather than suggested that leadership style leads to performance and satisfaction, whereas in fact the reverse is sometimes the case (Greene, 1975). Studies have also mostly focused on the leader in relation to a group of followers, involving averaging their assessments of the leader, and thus failing to account for differences that reflect different behaviour by leaders towards different individuals (Schriesheim and Kerr, 1977: 9–45; Bryman, 1992: 8–9). This criticism, however, cannot be levelled at action-centred leadership, which introduces the idea of responding to and meeting individual needs.

Leadership-style research studies have also failed to take account of informal leadership, whereby leaders emerge regardless, or in the absence, of any formal structure, which was discussed earlier. Problems in leadership style research are that:

- The research instruments may not have been administered to the most appropriate persons
- Formal and informal leaders vary in their behaviour patterns
- These studies in any case also suffer from common problems of measurement associated with questionnaire instruments

(Bryman, 1992: 10–11)

Nevertheless, a recent study has rehabilitated the two components of leadership identified in the Ohio State studies: consideration and initiating structure. Judge, Piccolo and Ilies (2004) carried out a meta-analysis of the relationship of initiating structure and consideration with leadership. They found moderately strong correlations between both of them and leadership (0.48 for consideration and 0.29 for initiating structure), with consideration more strongly related to follower satisfaction, motivation and leader effectiveness, and initiating structure slightly more strongly related to leader job performance and group organizational performance.

Psychodynamic theory: leader–member exchange

This approach (LMX) defines the effectiveness of leaders as a function of the psycho-dynamic exchange that occurs between leaders and group members (followers or sub-ordinates). Leaders provide direction and guidance through influence permitted to them by members. Exchange theories focus on the characteristics of the leader, their individual followers and their relationship. In contrast to leadership-style theories, LMX theories argue that leader–member relations are sufficiently variable to warrant focusing on each pair of leaders and members (each 'dyad') separately: members differ markedly in their descriptions of the same leader (Dansereau et al., 1975; Graen, 1976: 1201–1245; Graen et al., 1977). The essence of psychodynamic theory is the under-standing of self and others and, as a result, the transactional nature of the leader–follower relationship (Stech, 2004).

This theory apparently was in use in ancient China. The 'Great Plan', dating from around 2200 to 1121 BC (the latter a date mentioned in the text) and drawing on astrol-ogy, morality, physics, politics and religion, prescribes how leaders should behave with their followers or subordinates – considering their attitudes towards social order and towards work:

> The three virtues are rules, firmness, and gentleness. Spell out rules for peaceful people; deal firmly with violent and offensive people; deal gently with amenable and friendly people. Employ firm supervision with those who shirk or lack initiative, gentle supervision with those who are distinguished by their talents and good dispositions. (Karlgren, 1950)

This prescription – some 1,700 years before Confucius – resembles Robert Liden and George Graen's Vertical Dyad Linkage model in which leaders reward subordinates who show commitment and work hard by showing consideration towards them and, towards others, acting impersonally and rigidly (Liden and Graen, 1980).

According to Douglas Brown and Robert Lord (2001: 181–202), leadership researchers have defined leadership mainly in terms of easily observable behaviours and their direct impact on outcomes or results rather than in terms of explanations of the underlying processes that lead to such outcomes. For example, they describe com-municating a vision rather than *why* and *how* vision influences followers. This, they say, limits our ability as leaders to exercise influence over individuals, groups and organizations.

Attributional and social–cognitive theories of leadership focus on the perception of leaders' traits and behaviour by followers, such as charisma. We need therefore to emphasize the importance of feedback from followers and adjustment to them in effective leadership. The introduction of 360-degree feedback has helped in this.

Contingency theories of leadership

'Chaos is the midwife of dictatorship', according to the old adage. Disarray and crisis – bad social, political or economic situations – tend to spawn authoritarian leaders.

Contingency theories suggest that there is no one best style of leadership. Successful and enduring leaders use different styles according to the nature of the situation and the followers. They know how to adopt a different style for a new situation, regardless of how effective any one particular style has been in the past. The effectiveness of a particular style of leadership depends on the relationship between the characteristics of the leader, the followers and the situation. Bass et al. (1975) found that specific leadership styles are associated in different ways with organizational, task, personal and interpersonal characteristics. Philip Hodgson and Randall White (2001) say, 'Effective leadership is finding a good fit between behaviour, context, and need.'

Once again, contingency theory is nothing new. The ancient Chinese 'Great Plan' can be interpreted as advising leaders to behave differently according to two kind of contingency – the social context and the nature of the followers or subordinates (Karlgren, 1970).

Fiedler's contingency theory

Fred Fiedler was the pioneer of contingency theories in the late 1960s. His contingency theory suggests that the effectiveness of a leadership style – task oriented or people oriented – depends on the favourableness of a situation in terms of:

- How defined and structured work is
- How much position power (authority) the leader has
- The relationship between the leader and the followers

(Fiedler, 1969: 230–241)

A situation is highly favourable when work is clearly structured and the leader has great position power (authority) and good relationships with the group. An unfavourable situation is one that is characterized by unstructured work, little position power and poor relationships with the group. Fiedler's prescriptive model, however, is complicated. He suggests that it is more difficult for a leader to change his or her style to suit the situation than it is to change the leader according to the situation (Wright, 1996: 50, 88–89). The research underpinning Fiedler's model has been criticized for inconsistent results and confusion over the measurement instruments (Bryman, 1992: 20).

Path–goal theory

The path–goal theory of leadership employs the 'expectancy model' of work motivation (Evans, 1970; House, 1973; House and Mitchell, 1974). This proposes that a person's motivation (effort) depends on his or her assessment of whether the effort would lead to good performance, the probability of a reward – either material or psychological – as a result of the good performance, and the 'valence' (value of the reward to the person). The expectancy model of motivation is discussed in Chapter 8.

According to path–goal theory, the leader increases personal payoffs to subordinates for achieving work goals and paves the way to these payoffs by clarifying the

path, removing or reducing roadblocks and pitfalls, and enhancing personal satisfaction along the way. Effective leaders adopt different styles – supportive, instrumental, participative or achievement oriented – in different situations. The situational factors that moderate subordinate performance and satisfaction are the personal characteristics of the subordinates and environmental and structural factors. Path–goal theory is primarily about transactional leadership: the leader offers rewards to others for successful achievement of the leader's goals.

Path–goal theory suffers from many of the same deficiencies as leadership-style theory, for example inconsistent findings, group averaging of ratings, lack of consideration of informal leadership, dubious causality, and measurement problems. These have been well documented elsewhere (e.g. Bryman, 1992: 13–20). But even if research findings were more consistent in predicting subordinate performance:

> the plethora of leadership styles and situational factors that the theory and research have put forward do not provide leaders with clear guidance as to how they should behave. (Bryman, 1992: 20)

Path–goal theory develops Fiedler's contingency theory and takes into account employee motivation in the choice of leadership style. However, the theory is questionable in situations in which goals are constantly changing and in which leaders cannot offer task direction owing to the highly specialized nature of work.

Situational leadership

Situational Leadership as a model of leadership behaviour developed by Paul Hersey and Kenneth Blanchard (1969, 1993) has gained even greater popularity than the Managerial Grid, with a range of available assessment instruments. It relates four leadership styles – 'telling' (directive), 'selling' (consultative), 'participating' and 'delegating' – to followers' or subordinates' readiness for them (maturity).

Readiness is defined as the ability and confidence to carry out a task. Followers or subordinates who lack a sense of responsibility or knowledge of a task need clear instructions from their leader, who accordingly adopts a directive or 'telling' style. As they grow in ability and confidence, so the leader should move to a more relationship-oriented and ultimately delegative (empowering) style. This model assumes flexibility of style in the leader – behavioural skills – as well as the ability to diagnose the situation and the style that is needed – a cognitive ability.

Reddin's 3-D theory of managerial effectiveness

Bill Reddin's 3–D model of leadership (Reddin, 1970a,b, 1987) goes one step further: it describes four styles that can be effective or ineffective, depending on their appropriateness to the situation (Figure 2.3). The four effective styles are the bureaucrat (similar to Blake and Mouton's 1,1 or Hersey and Blanchard's delegative style), the developer (1,9 or participative style), the executive (9,9 or consultative/selling style) and the benevolent autocrat (9,1 or directive style). Ineffective styles are the same four foregoing styles but used inappropriately: respectively termed the deserter, the missionary, the compromiser and the autocrat.
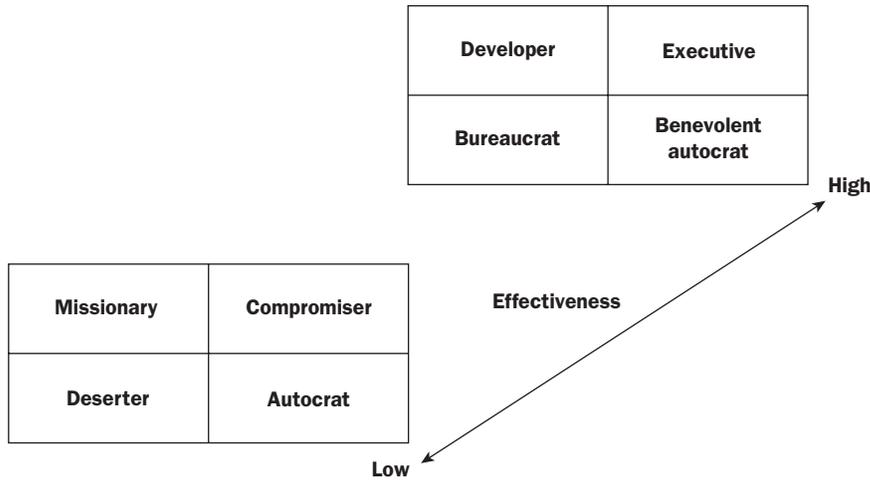
Figure 2.3   *Reddin's 3-D model of leadership*

Reddin uses the term 'situational sensitivity' to refer to the ability to 'read' a situation for what it contains and know what behaviour would most likely be effective. He uses the term 'style flexibility' to refer to the ability to change behaviour according to situational needs. And he proposes the idea of 'situational management' to describe changing the situation to increase managerial effectiveness, for example overcoming resistance to change.

Common features and
shortcomings of contingency theories

The various contingency theories have contributed the idea that situational factors need to be considered in examining leadership behaviour. There is no doubt that one leadership style that works well in one situation will not necessarily work well in another.

These theories, however, do not explain *how* leadership styles vary according to organizational level or at (top) executive level (Zaccaro and Klimoski, 2001: 17). And they do not explain *how* leaders can change either their style or the situation (Nicholson, 2001). They also do not explain the leadership processes of acquiring and interpreting the meaning of information, social networking and strategic decisionmaking (Fleishman et al., 1991). As Goffee and Jones (2000) say, 'given that there are endless contingencies in life, there are endless varieties of leadership … the beleaguered executive looking for a model to help him is hopelessly lost'.

Situational and contingency theories do not refer explicitly to values, a key aspect of leadership, except perhaps by implication. Ciulla (1999) says:

In some situations a person with particularly strong moral values must emerge as a leader…[for] example, Nelson Mandela and Václav Havel seemed to have been the right men at the right time…[they] both offered the powerful kind of moral leadership required for peaceful revolutions in South Africa and the Czech republic.

There is little conclusive research evidence to support situational and contingency models of leadership. Problems to do with methodology, analysis and ambiguity in its implications led to much disillusionment with the contingency approach – though never an outright rejection. It was, however, something else that stimulated the development of alternative approaches that collectively have been called the 'New Leadership' – the current phase (Bryman, 1992: 20–21).

The 'New Leadership': transformational, visionary, charismatic

Vision, charisma and transformation are the keywords for the New Leadership. The concept of transformational leadership arose from the study of rebel leadership and revolution in the early 1970s (Downton, 1973). However, it was a political historian and biographer, James MacGregor Burns, who in a seminal book in 1978 first described 'transforming leadership' and contrasted it with 'transactional leadership' (Burns, 1978).

Transforming or transformational leadership occurs when both leader and followers raise each other's motivation and sense of higher purpose. Transactional leadership on the other hand involves a transaction, or exchange, between leader and followers, such as providing a material or psychological reward in return for followers' compliance with the leader's wishes, with no sense of any higher purpose. Transforming leadership, according to Burns, addresses people's higher-order needs for achievement, self-esteem and self-actualization. It encourages people to look beyond self-interest for the common good. Transforming leadership raises both leaders and followers to 'higher levels of motivation and morality' (Burns, 1978: 20), whereas transactional leadership merely reflects what or how people *are*, appealing to their existing needs, desires and preferences.

Transformational leaders have strong values. Burns' theory distinguishes between the morality of ends and the morality of means. Transactional leadership, Ciulla (1999) suggests, concerns values implicit in the means of an act – 'modal' values like responsibility, fairness, honesty and keeping promises. Transformational leadership, on the other hand, is concerned with end-values like liberty, justice and equality. Rabindra Kanungo and Manuel Medonca (1996) say that the moral aspects of transformational leadership are a prosocial orientation, a concomitant vision and values that reflect concern for others.

Micha Popper and Ofra Mayseless (2003) say, 'The impact of transformational leadership is reflected in motivation, empowerment, and morality [values].' In terms of Maslow's hierarchy of needs (see Chapter 8), they quote Burns as suggesting that transformational leaders motivate followers to pursue the highest level of need satisfaction, that is self-actualization. Transformational leaders, they say, empower followers to think independently, critically and creatively and by raising their levels of self-efficacy, self-worth, self-confidence, competence, autonomy and risk taking. And, again quoting Burns, they say (as do Kanungo and Medonca) that transformational leaders emphasize prosocial values such as justice and equality rather than modal, instrumental values such as loyalty.

The Full-Range Leadership model

One of the most important recent models of leadership that includes and extends these ideas is Bernard Bass and Bruce Avolio's Full-Range Leadership model: laissez-faire, transactional leadership and transformational leadership (Bass, 1985, 1990a,b; Bass and Avolio, 1994). This model resulted from extensive empirical research by Bass in the early 1980s stimulated by Burns' ideas.

Laissez-faire
Laissez-faire leaders avoid taking a stand, ignore problems, do not follow up, and refrain from intervening. In terms of leadership-style theory (directive, consultative, participative and delegative styles), they use no particular style to any significant extent (Gill, 1999a).

Laissez-faire is non-transactional leadership, if indeed it is leadership at all. This behaviour may result in conflict and a lack of achievement. Examples that Bass and Avolio give are former US president Calvin Coolidge, who is reputed to have slept 16 hours each day; Louis XV of France, famous for his *'Après moi, le déluge!'*; and his successor, Louis XVI, who preferred to tinker with clocks rather than attend to matters of state.

Transactional leadership

Transactional leaders practise management-by-exception and contingent reward:

Management by exception. Management-by-exception is practised in two forms: passive and active (Bass, 1990a,b). Passive management-by-exception is displayed when a leader sets work objectives and performance standards but then waits for problems to arise, reacts to mistakes and intervenes reluctantly. The active form entails monitoring for deviations and errors and then correcting them, and enforcing rules and procedures.

Contingent reward. Contingent reward entails setting work objectives and performance standards, providing feedback, and providing financial or psychological rewards in exchange for performance that meets expectations. This may result in motivating people to achieve goals and to develop themselves, but not to the extent that transformational leadership behaviour does, as we shall see.

Transactional leaders appear to be strongly directive and they tend not to use the consultative, participative or delegative styles to any significant extent. (Gill, 1999a). They set objectives and performance standards, but do so in a directive rather than participative manner. Transactional leaders, according to the Bradford micro-skills theory of leadership, are also more likely than transformational leaders to use closed and leading questions in their interactions with others (Wright and Taylor, 1994; Randell, 1998). These behaviours run the risk of gaining only compliance rather than commitment. Transactional leaders also tend to use rewards for performance on the basis of directives about objectives. And, while this can result in short-term achievement, it runs the risk of stifling human development, with consequential loss of competitive advantage.

Transformational leadership

Transformational leaders do more than 'transact' with subordinates or followers, and this is what makes a significant difference to people's motivation and development. They achieve 'performance beyond expectations' in their subordinates or followers (Bass, 1985). They stimulate followers to transcend their own immediate self-interest for the greater good of the group, organization or society. Transformational leadership makes a positive impact on empowerment, motivation and morality. According to the Bass and Avolio model, transformational leaders tend to use one or more of the four 'I's: individualized consideration, intellectual stimulation, inspirational motivation and idealized influence:

Individualized consideration. Transformational leaders display individualized consideration: they listen actively; they identify individuals' personal concerns, needs and abilities; they provide matching challenges and opportunities to learn in a supportive environment; they delegate to them as a way of developing them; they give developmental feedback; and they coach them. Transformational leaders practise MBWA – 'Management By Wandering Around'. This 'I' is similar to the dimension of consideration or socio-emotional orientation in leadership-style theories.

Intellectual stimulation. Transformational leader use intellectual stimulation. They question the status quo. They present new ideas to followers and challenge them to think. They encourage imagination and creativity in rethinking assumptions and old ways of doing things. And they do not publicly criticize errors, mistakes or failure or of ideas or approaches that differ from their own. Socrates, in his famous question-and-answer dialogues, is probably the greatest example of an intellectually stimulating leader (Avolio and Bass, 1990; Hazell, 1997: 8–12). Such leaders use and encourage intuition as well as logic. This is a recipe for personal growth. In the words of the American Supreme Court justice, Oliver Wendell Holmes, Jr (1841–1935): 'A mind once stretched by a new idea never regains its original dimension.'[20] With the increased emphasis today on knowledge work, intellectual stimulation is particularly important (Kelloway and Barling, 2000). Knowledge-based organizations require leaders who can create and maintain an environment where innovation thrives. Intellectual stimulation, together with individualized consideration, is the basis for an effective coaching and mentoring role.

Inspirational motivation. Transformational leaders display inspirational motivation. They communicate a clear vision of the possible future; they align organizational goals and personal goals so that people can achieve their personal goals by achieving organizational goals; and they treat threats and problems as opportunities to learn. They provide meaning and challenge to the work of their followers. And they speak (and write) in an appealing and exciting way. In Bass's words,

> **Quantum leaps in performance may be seen...when a group is roused out of its despair by a...leader who articulates revolutionary new ideas about what may be possible. (Bass, 1985: 4)**

As a result, followers want to meet expectations and they display commitment, not merely compliance, to the vision, goals and tasks. They are motivated and inspired.

Idealized influence. Transformational leaders also display idealized influence, something closely related to *charisma*. They express confidence in the vision; they take personal responsibility for actions; they display a sense of purpose, determination, persistence and trust in other people; and they emphasize accomplishments rather than failures. US football coach Paul 'Bear' Bryant captures this dimension of transformational leadership thus:

> There's just three things I ever say. If anything goes bad, then I did it. If anything goes semi-good, then *we* did it. If anything goes really good, then *you* did it. That's all it takes.[21]

Such leaders also gain the admiration, respect, trust and confidence of others by personally demonstrating extraordinary ability of one kind or another. They put the needs of other people before their own, and they display high standards of ethical and moral behaviour. Trust is perhaps the single most important factor in transformational leadership (Bass, 1997a). As a result of these behaviours, leaders become role models: people identify with them, and they want to follow and emulate them.

Transformational leaders tend to use the consultative, participative and delegative styles as well as the directive style to a significant extent (Gill, 1999a). The four 'I's are related to these four leadership styles in different ways. Transformational leaders are also more likely than transactional leaders to use open and probing questions and reflective responses. These findings are consistent both with what Tom Peters and Bob Waterman (1982) called 'loose–tight' leadership behaviour and with the findings of Abraham Sagie et al. (2002) in respect of the participative and directive styles. The latter researchers found that integrating these styles can be effective. The implication is that transformational leaders are more active and more flexible in their leadership behaviour.

Pseudo-transformational leadership

Transformational leadership may also take a dark form, what Bass and Avolio call 'pseudo-transformational leadership' (Bass, 1997a; Bass and Avolio, 1997: 93–94). Such leaders encourage an 'us-and-them' competitiveness and pursue their own self-interest rather than the common good. They use symbols of authority and hierarchical differentiation (Howell and House, 1993). Pseudo-transformational leaders may possess *dysfunctional* charisma. Their values are highly questionable, and they are likely to lead their followers to disaster and perdition.

Other models and concepts of transformational leadership

Noel Tichy and Mary Devanna's concept of transformational leadership proposes that transformational leaders are visionaries, see themselves as change agents, display courage in the face of resistance and risk, emphasize the need for motivation, empowerment and trust, are driven by strong values, see mistakes, errors and failures as learning opportunities, and cope with complexity, uncertainty and ambiguity (Tichy and Devanna, 1986b). This model, however, is based on observations of only 14 business leaders in action.

Alannah Rafferty and Mark Griffin (2004) propose another variation that they determined empirically, with the following five dimensions of transformational leadership:

- Vision – *expressing an idealized picture of the future based around organizational values*
- Inspirational communication – *expressing positive and encouraging messages about the organization, and making statements that build motivation and confidence*
- Intellectual stimulation – *enhancing employees' interest in and awareness of problems, and increasing their ability to think about problems in new ways*
- Supportive leadership – *expressing concern for followers and taking account of their individual needs*
- Personal recognition – *providing rewards such as praise and acknowledging effort for achievement of specified goals*

Visionary leadership

Marshall Sashkin's 'visionary leadership' concerns transforming an organizational culture in line with the leader's vision of the organization's future (Sashkin, 1988). Sashkin and Rosenbach also suggest that there are three personal characteristics that guide the leader's behavioural strategies: self-efficacy (self-confidence), power orientation (use of power in different ways) and cognitive capability (Sashkin, 1992; Sashkin and Rosenbach, 1998). Cognitive capability concerns understanding complex cause-and-effect chains to be able to take action at the right time to achieve desired outcomes (Streufert and Swezey, 1986).

Vision, as we will see in Chapter 4, is fundamental to leadership, and I discuss visionary leadership in more detail there. We also need to note, however, that there is more to leadership than vision, and I discuss this in Chapter 3.

Charismatic leadership

Outstanding leaders are often perceived as charismatic: they attract and inspire followers. Charismatic leadership is found at all levels in the organization, though most frequently at the top, Bass (1992) says, and it is associated with greater trust in leaders and achievement among followers. The charismatic leader 'weaves a spell' outside the organization, too, attracting shareholders and investment in troubled times, according to research by Francis Flynn and Barry Staw (2004). David Waldman et al. (2001), however, in a study of senior managers in *Fortune 500* companies in the United States, found that charismatic leadership is associated with net profit margin, but only under conditions of environmental uncertainty. Charismatic leadership appears to be dysfunctional in predictable conditions, perhaps because it may generate unnecessary change.

Max Weber (1864–1920), the German sociologist, wrote the classic work on charisma (Roth and Wittich, 1968). He saw charisma as primarily a social relationship between leader and follower resulting from extraordinary personal qualities but which requires continual validation: followers' perception of the leader's 'devotion to … exceptional sanctity, heroism or exemplary character [and] the normative patterns of order revealed or ordained by him'. Weber saw charisma as a process of influence and commitment that arises in opposition to traditional bureaucracy.

Table 2.3   *Differences between distant and close leaders*

Distant leaders	Close/nearby leaders
Ideological orientation	Sociable and open
Strong sense of mission	Considerate of others
Courageous, rhetorical expression	Have a sense of humour
Little concern for personal criticism	High level of specific expertise
or sanction	Dynamic and active
	Impressive physical appearance
	Intelligent or wise
	Setting high performance standards
	Unconventional behaviour

A more contemporary view is that charisma is not something that is possessed by a leader but a consequence of the relationship between leader and followers (House, 1977: 189–207; Conger and Kanungo, 1987; Shamir et al., 1993). Followers appear to be attracted to different types of leaders, and followers' work values – favouring participation, security and extrinsic rewards – contribute to their leadership preferences (Ehrhart and Klein, 2001). Ciulla (1999) comments on charismatic leadership and values: 'The values of charismatic leaders shape the organization, but in some cases these values do not live on when the charismatic leader is gone.'

Distant and close leadership

Beverly Alimo-Metcalfe and Robert Alban-Metcalfe (2001) emphasize the importance of distinguishing between 'distant' leadership and 'close' or 'nearby' leadership. They contrast interview studies with top-level managers and studies at all levels of the *perceptions* of top-level managers ('distant' leadership) and immediate bosses ('close/ nearby' leadership). Support for this contrast comes from the literature on leadership and social distance. For example, Boos Shamir's study of Israeli students (Shamir, 1995) produced the differences shown in Table 2.3.

Alimo-Metcalfe and Alban-Metcalfe (2001) suggest that most studies, including those using the MLQ, tend to describe distant leaders, and they do so in terms of charisma, vision and transformation, while perceptions of close leaders may be different. Their own research employed a grounded-theory approach but ensured content validity in their research questionnaire consistent with the transformational leadership literature. They identified the following nine scales with high reliabilities and convergent validities that formed the basis for a new instrument, the Transformational Leadership Questionnaire (TLQ):

- Genuine concern for others (similar to Bass's individualized consideration)
- Political sensitivity and skills
- Decisiveness, determination and self-confidence
- Integrity, trustworthiness, honesty and openness
- Empowering and developing of potential
- Inspirational networking and promoting
- Accessibility and approachability

- Clarifying of boundaries and involving of others in decisions
- Encouraging of critical and strategic thinking

Two second-order factors emerged: internal orientation and external orientation. Internal orientation concerns relationships within the department or organization; external orientation concerns relationships with the external world. The model requires confirmatory factor analysis and concurrent and predictive validation, and it is open to criticism of the use of same-source data that may produce 'halo' effects. However, the underlying model has benefited from using the 'richness' of grounded theory in addition to conventional empirical research, a higher than usual proportion of female subjects and subjects from four hierarchical levels.

In line with what might be expected in effective leadership at close quarters, 'Genuine concern for others' emerged as by far the most important factor whereas, in Bass's model and the MLQ, the closest factor, 'Individualized consideration', was the least transformational factor and is less 'rich' in its behavioural content:

> The emphasis in the UK understanding of transformational leadership appears to be on what the leader *does* for the individual, such as empowering, valuing, supporting, and developing. In contrast, the US model is primarily about the leader acting as a role model and inspiring the 'follower'...with the leader envisioning a valued future, articulating how to reach it, and setting him/herself as an example with which followers can identify, and which they can emulate. (Alimo-Metcalfe and Alban-Metcalfe, 2001)

This British model is close to Robert Greenleaf's 'servant leadership'. It emphasizes the social influence process in 'connectedness' between a leader and others. The differences between this model using the TLQ and Bass's using the MLQ have yet to be explored. Alimo-Metcalfe and Alban-Metcalfe (2002b: 3) suggest, as Bass does, that both transactional and transformational leadership are needed in organizations:

> the real skill is in being transactional (i.e. setting objectives, planning, providing feedback, etc.) in a transformational way. But perhaps the greatest challenge is, how willing will those in the most senior positions – who may well have been appointed precisely because of their transactional strengths – be to adopt a transformational style?

In reviewing Alimo-Metcalfe and Alban-Metcalfe's model of transformational leadership, Malcolm Higgs and Victor Dulewicz (2002: 113–117) note how it accounts for the organizational context and situational considerations. In particular the model identifies the following factors in leadership: vision, values and culture, strategy and a 'people' factor. The people factor implicitly addresses leadership behaviours to do with empowerment, motivation and inspiration.

Organic leadership

Gayle Avery (2004: 19) suggests that organizations of the future will require an 'organic' form of transformational leadership. She characterizes this as:

- Mutual sense-making within the group
- Emergence rather than appointment of leaders

- Buy-in to the group's shared values and processes
- Self-determination
- Emergence of vision from the group (rather than from a leader)
- Vision as a strong cultural element

The organic paradigm of leadership, she says:

> involves letting go of conventional notions of control, order and hierarchy, replacing them with trust and an acceptance of continual change, chaos and respect for diverse members of the organization...the members are expected to be self-managing and self-leading. (Avery, 2004: 29–30)

Critique of the 'New Leadership'

Bass and Avolio's Full-Range Leadership theory is supported by a meta-analysis of 87 relevant studies by Timothy Judge and Ronald Piccolo (2004), though contingent reward was found to be strongly associated with transformational leadership as a whole. Bass (1997b) claims universal applicability of his Full-Range Leadership model across national cultures, though he does say that specific behaviours that characterize the dimensions may vary. However, while the Full-Range Leadership model has enjoyed popularity, it is not beyond criticism.

Issues concern the validity of its factor structure (Den Hartog et al., 1997; Hinkin and Tracey, 1999) and the transformational leadership scales (Bycio et al., 1995; Carless, 1998). The results of various studies, including a confirmatory factor analysis by Bass and Avolio themselves, have led to the conclusion that a six-factor model is the best representation of his model, though there is low discriminant validity among the transformational and contingent reward (transactional) scales (Avolio et al., 1999).

Bass's model of transformational leadership incorporates communicating a vision as a source of 'inspirational motivation' and expressing confidence in it as 'idealized influence', but little more is said of vision, and nothing at all is said of mission or strategy. Vision is one of the key differences between a manager and a leader, according to Deetz et al. (2000: 49).

Generalizability of the Full-Range Leadership model across hierarchical levels in organizations has been questioned (Bryman, 1996: 276–292), though Bass (1997b) found transformational leadership at all levels. Other studies, however, have found it to be displayed significantly more at higher levels (Edwards and Gill, 2003a,b; Oshagbemi and Gill, 2004). Zaccaro and Klimoski (2001) point out that hierarchical level as a moderator in the use and effectiveness of leadership behaviour is a long-held theoretical assumption. And John Antonakis (2001) suggests that hierarchical level moderates Bass's 'full-range leadership' model. Kevin Lowe et al. (1996), however, had previously found that the effectiveness of transformational leadership does not differ across organizational levels. Indeed top-and middle-level managers appear to display transformational leadership more than lower-level managers do but it is effective at all levels (Edwards and Gill, 2003a).

Another criticism of the transactional/transformational leadership model is two-fold: transactional leadership appears to relate more to 'management' than to leadership; and the concept of transformation overemphasizes the role of the leader in the change process (Sadler, 1997: 45). In fact, Alan Bryman (1992: 97) says, transactional leadership

can be equated with 'management' and the theories of 'leadership' style discussed earlier actually concern 'management' style rather than leadership. Transactional leadership reflects a control orientation, whereas transformational leadership is empowering and inspirational, resulting in changes in people's abilities, attitudes, values, beliefs and motivation. But Kets de Vries and Florent-Treacy (1999: 7–8) rightly argue that concentrating on transformational or charismatic leadership without considering the transactional role is too narrow: both roles are needed.

The various theories commonly categorized as the 'New Leadership' – charismatic leadership, visionary leadership and transformational leadership, with the exception of the organic paradigm – have been challenged as focusing on the individual rather than the organization as a whole. Critics say they fail to explain distributed leadership (Gronn, 1995a, 2002). Yukl (1999) and Gronn (1999) criticize contemporary leadership theories such as transformational and charismatic leadership for their assumption that one individual ('the leader') leads all of the other people in a group or organization towards its goals. Leadership has increasingly become regarded as shared among two or more people in a group or organization (which we discussed in Chapter 1).

Transformational leadership has rejuvenated leadership research since the mid 1980s (Hunt, 1999). It adds to the previously well-established dimensions of leadership, consideration and initiation of structure, the visionary aspect of leadership and the emotional involvement and development of followers or employees (Koene et al., 2002). What it does not do is to explain the nature of effective visioning and organizational mission or the place of values, culture and strategy in leadership.

Other theories: pragmatic and strategic leadership

Is effective leadership always concerned with organizational transformation? Clearly such transformation may be necessary when an organization or nation is performing poorly, there is new opportunity, or the business or economic environment changes adversely. But organizational transformation may not be necessary, and it may even be dysfunctional, when the organization or nation is performing well in conditions of relative stability. While radical organizational transformation may not be appropriate, transformational leadership is still desirable, entailing 'custody of the company's direction and its culture and values' (Leavy and Wilson, 1994: 161–162). Perhaps effective leadership, then, is about being 'right at the time', as Sir Peter Parker, as chairman of Mitsubishi Electric Europe BV, said:

> The world of business is like a pendulum. So leadership Is about being right at the time. At present, the pendulum favours Branson rather than Hanson: modern, open, accessible, informal and egalitarian. (Rajan, 2000a)

Pragmatic leadership

'Being right at the time' raises the question of pragmatic leadership. It has been argued that outstanding leaders like Benjamin Franklin, for example, may be neither transactional nor transformational, nor charismatic but pragmatic (Mumford and Van Dorn,

2001). In considering 10 cases of noteworthy leadership by Franklin, Michael Mumford and Judy Van Dorn suggest that outstanding leaders may simply take a functional, problem-solving approach based on their knowledge about, and sensitivity to, both social relationships and the problems people face.

A version of this is David Nice's 'warrior leadership' (Nice, 1998). Nice's model describes how political and military leaders behave in conflict and pre-settlement periods. They enter freely into conflict and strive to overcome the opposition, control information, emphasize results over methods, get to know those they seek to lead and defeat, and use intermediaries as buffers. Political leaders in Northern Ireland displayed such behaviour during the peace process. This brings us to the place of strategy in relation to leadership.

Strategic leadership

'Strategic leadership' rejoices in a plethora of definitions. Gerry Johnson and Kevan Scholes (2002: 38) define *strategic leadership* as encapsulating entrepreneurial processes and strategic vision. They also see strategic leadership as concerned with strategy development and change (2002: 65). In research by Philip Stiles (2001), one interviewee said, 'The mission is why we are in business. The vision is where we want to be. These are fundamentally the responsibility of the board.' A fundamental responsibility of the board is the vision and mission. Some writers argue that the sole role of the strategic leader is providing vision, mission and guiding principles (values and rules). Beverley Mobbs (2004), a quality management consultant, calls vision, mission and values 'critical success factors' in the pursuit of excellence.

Katherine Beatty and Laura Quinn (2002) give examples of strategic leadership: creating a shared vision of the future; linking the efforts of everyone in the organization to the organization's goals; not just accomplishing objectives but also steadily improving the organization. Essentially strategic leadership refers to the top management team, and strategic leadership theory has evolved from upper echelons theory (Hambrick and Mason, 1984). Another key role of top-level leaders is to decide and implement strategy (Johnson et al., 2001).

Using a model of strategic leadership developed by Michael Hitt et al. (1995), Abdalla Hagen et al. (2003) found that American CEOs ranked its six components in the following order of importance:

1   Determining strategic direction
2   Developing human capital
3   Exploiting and maintaining core competencies
4   Sustaining an effective corporate culture
5   Emphasizing ethical practices
6   Establishing strategic control

Beatty and Quinn (2002) describe the model of strategic leadership used by the Center for Creative Leadership in the United States:

> individuals and teams...exert strategic leadership when they think, act, and influence...in ways that enhance the organization's sustainable competitive advantage.

Management consultant Bruce Nixon (2002), in his work on helping companies to deal with global forces, effectively uses a strategic leadership model that focuses on:

- Global forces – environmental trends, issues and opportunities
- Current state – how well the company is responding
- Purpose and values – both individual and corporate; the company's unique positioning
- Vision of a desirable future – for the world and for the company; the culture needed
- Strategy – key strategic actions, influence, networking, obstacles, implementation and support

Strategic leadership concerns developing the organization's vision, mission, strategies and culture and monitoring progress and changes in the business environment to ensure strategies are focused, relevant and valid. A key competency in strategic leadership is decision making about whether and when to act. Strategic leadership concerns monitoring how well organizational culture, including values, is supporting the organization's vision and mission. And it concerns monitoring human capital – employees' competencies, budgets and organizational structure and systems. However, little or no attention is paid in strategic leadership theories to the need for empowerment, motivation and inspiration. The place of strategy in effective leadership is discussed in Chapter 6.

Leadership theory: current status

No theory or model of leadership so far has provided a satisfactory explanation of leadership; indeed there is no consensus on the meaning of leadership in the first place. Many theories are partisan or partial, reflecting particular philosophical or ideological points of view. Many are based on limited, even biased, research: the answers one gets depend on the questions one asks. As a result the theories that emerge are often self-fulfilling prophecies and at best explain only some aspects of leadership. Yukl's wide-ranging review of the leadership literature in 1989 concluded:

> Most of the theories are beset with conceptual weaknesses and lack strong empirical support. Several thousand empirical studies have been conducted but most of the results are contradictory and inconclusive.

A related shortcoming of current leadership thinking is the separate tracks – cognitive, emotional, spiritual and behavioural – along which leadership research and theory have moved. For example, none of the theories and models reviewed, other than servant leadership, addresses the spiritual element of people's lives – the need for meaning (Kibby and Härtel, 2003). Some theories do attempt to combine the different tracks, but somewhat superficially. For example, research by the Industrial Society in 1996 identified 'observable leadership skills and behaviours, beliefs and trust' as the three key elements of 'liberating leadership'.[22] In terms of our model, these elements relate to the emotional and behavioural dimensions of leadership. But the 'Leader

Ship' model proposed by the Industrial Society (now The Work Foundation), in which the superstructure, hull and keel of a ship metaphorically represent these three elements respectively, omits any reference to vision and strategy. Current theories of leadership have failed to integrate the four tracks and put the pieces of the jigsaw puzzle together to produce a clear, coherent picture.

For example, strategy and leadership are topics that have been greatly researched and written about, but 'we still seem to be a long way from fully understanding these two concepts and how they are inter-related' (Leavy and Wilson, 1994: 1). None of the theories that have been reviewed deals much with strategy.

Understanding leadership as process centred on a relationship rather than on the individual has been receiving much attention recently. Leadership is exercised in all relationships, including upwards. Joseph Rost (1993) says that management takes place between managers and *subordinates*, whereas leadership takes place between leaders and *collaborators*: the essence of leadership is not the leader but the relationship. Leadership involves both leaders and collaborators in aiming to make real changes in an organization, where these changes reflect the common purpose of the leaders and collaborators, whereas management involves coordinating activities that reflect the organization's purpose.

Whipp and Pettigrew (1993: 207) point out that there has been insufficient attention to leadership as a process and to the interaction between leadership and context, in particular the difference that leadership can make to competitiveness. Alimo-Metcalfe and Alban-Metcalfe's model of close/nearby leadership contrasts with American models of distant leadership, also suggesting differences in leadership according to context (Alimo-Metcalfe and Alban-Metcalfe, 2001).

This chapter has reviewed the contribution and limitations of key leadership theories. Bruce Avolio likens the range of leadership theories to the periodic chart in chemistry: we are still discovering (or creating) new elements.[23] The variety of different theoretical frameworks constitutes a relatively fragmented and disparate body of knowledge, and this reduces their value (Wright, 1996). Such a variety of theories frequently serves to confuse those who wish to understand, practise or develop leadership in all its aspects and complexity. On the other hand, such fragmentation, Michael Katzko (2002) suggests, is a sign of the richness of a field of academic study. However, James MacGregor Burns says that there is a need for an integrative theory, a general theory of leadership, which draws on different disciplines.[24] There is a need for a theory or model that is at the same time conceptually inclusive, comprehensive, valid and useful in practice to those who perform in the role of a leader or are engaged in the development of leaders.

Keith Grint (1997a) analyses leadership theories in terms of tensions between a focus on the individual and a focus on the context and between subjective and objective assumptions about knowledge and data. He says the traits approach emphasizes the 'essence' of the leader but not the context, the situational approach emphasizes the context, and the contingency approach emphasizes both the individual and the context. The newest approach, he says, is the 'constitutive' approach. This emphasizes neither the individual nor the context. It postulates that there are many possible descriptions and interpretations of the individual leader and the situation. The emphasis is on *how* one constitutes one's version of events.

Current leadership theory appears to be a product of the economic and social context of the time. Gronn (1995a,b) suggests that 'theories of leadership wax and wane

in keeping with wider cultural and economic shifts and developments'. They reflect the changing nature of work and authority in society as whole. The mechanistic, bureaucratic organizations of the twentieth century spawned a traditional exchange or transactional kind of leadership. Avery (2004: 146–149) shows how the various approaches to leadership – theories from trait theory to visionary, charismatic and transformational theories – can be classified into four leadership paradigms: classical, transactional, visionary and organic. Organizations of the future, reflecting technological advances and societal change, and with organic forms and a greater proportion of knowledge workers, will require a form of transformational leadership *beyond* current models, such as Avery's organic leadership paradigm. Very few theories and models of leadership, Avery says, span all four paradigms.

The next chapter describes a model of leadership that attempts to integrate the range of current theories and provide a new view of leadership for the challenges ahead. It aims to provide another perspective within an organic paradigm.

Further Reading

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Discussion Questions

1   Which theory or theories of leadership come closest to providing an inclusive and useful picture of leadership?
2   What traits or personal characteristics do effective leaders have in common?
3   Do effective leaders always 'emerge'? Or can an effective leader have been 'appointed' by another individual or small group of people?
4   Do effective leaders always vary their style or behaviour according to the nature of the group of people they lead and the situation they are in?
5   Is having charisma essential to being an effective leader?
6   What contribution has Bass's 'Full-Range Leadership' model made, and what are its limitations in helping us to understand leadership fully?