

CHAPTER

1

INTRODUCTION: THE NATURE OF LEADERSHIP

Learning Objectives

After studying this chapter you should be able to:

- Understand why leadership has been defined in so many different ways.
- Understand the controversy about differences between leadership and management.
- Understand how leadership will be defined in this book.
- Understand why it is so difficult to assess leadership effectiveness.
- Understand the different indicators used to assess leadership effectiveness.
- Understand what aspects of leadership have been studied the most during the past 50 years.
- Understand how leadership can be described as an individual, dyadic, group, or organizational process.
- Understand the organization of this book.

Leadership is a subject that has long excited interest among people. The term connotes images of powerful, dynamic individuals who command victorious armies, direct corporate empires from atop gleaming skyscrapers, or shape the course of nations. The exploits of brave and clever leaders are the essence of many legends and myths. Much of our description of history is the story of military, political, religious, and social leaders who are credited or blamed for important historical events, even though we do not understand very well how the events were caused or how much influence the leader really had. The widespread fascination with leadership may be because it is such a mysterious process, as well as one that touches everyone's life. Why did certain leaders (e.g., Gandhi, Mohammed, Mao Tse-tung) inspire such intense fervor and dedication? How did certain leaders (e.g., Julius Caesar, Alexander the Great) build great

empires? Why did some rather undistinguished people (e.g., Adolf Hitler, Claudius Caesar) rise to positions of great power? Why were certain leaders (e.g., Winston Churchill, Indira Gandhi) suddenly deposed, despite their apparent power and record of successful accomplishments? Why do some leaders have loyal followers who are willing to sacrifice their lives, whereas other leaders are so despised that subordinates conspire to murder them?

Questions about leadership have long been a subject of speculation, but scientific research on leadership did not begin until the twentieth century. The focus of much of the research has been on the determinants of leadership effectiveness. Social scientists have attempted to discover what traits, abilities, behaviors, sources of power, or aspects of the situation determine how well a leader is able to influence followers and accomplish task objectives. The reasons why some people emerge as leaders and the determinants of the way a leader acts are other important questions that have been investigated, but the predominant concern has been leadership effectiveness.

Some progress has been made in probing the mysteries surrounding leadership, but many questions remain unanswered. In this book, major theories and research findings on leadership effectiveness will be reviewed, with particular emphasis on managerial leadership in formal organizations such as business corporations, government agencies, hospitals, and universities. This first chapter introduces the subject by considering different conceptions of leadership, different ways of evaluating its effectiveness, and different approaches for studying leadership. The chapter also provides an overview of the book and explains how the subjects are organized.

Definitions of Leadership

The term *leadership* is a word taken from the common vocabulary and incorporated into the technical vocabulary of a scientific discipline without being precisely redefined. As a consequence, it carries extraneous connotations that create ambiguity of meaning (Janda, 1960). Additional confusion is caused by the use of other imprecise terms such as *power*, *authority*, *management*, *administration*, *control*, and *supervision* to describe similar phenomena. An observation by Bennis (1959, p. 259) is as true today as when he made it many years ago:

Always, it seems, the concept of leadership eludes us or turns up in another form to taunt us again with its slipperiness and complexity. So we have invented an endless proliferation of terms to deal with it . . . and still the concept is not sufficiently defined.

Researchers usually define leadership according to their individual perspectives and the aspects of the phenomenon of most interest to them. After a comprehensive review of the leadership literature, Stogdill (1974, p. 259) concluded that “there are almost as many definitions of leadership as there are persons who have attempted to define the concept.” The stream of new definitions has continued unabated since Stogdill made his observation. Leadership has been defined in terms of traits, behaviors, influence, interaction patterns, role relationships, and occupation of an administrative position. Table 1-1 shows some representative definitions presented over the past 50 years.

TABLE 1-1 Definitions of Leadership

- Leadership is “the behavior of an individual . . . directing the activities of a group toward a shared goal.” (Hemphill & Coons, 1957, p. 7)
- Leadership is “the influential increment over and above mechanical compliance with the routine directives of the organization.” (Katz & Kahn, 1978, p. 528)
- “Leadership is exercised when persons . . . mobilize . . . institutional, political, psychological, and other resources so as to arouse, engage, and satisfy the motives of followers.” (Burns, 1978, p. 18)
- “Leadership is realized in the process whereby one or more individuals succeed in attempting to frame and define the reality of others.” (Smircich & Morgan, 1982, p. 258)
- Leadership is “the process of influencing the activities of an organized group toward goal achievement.” (Rauch & Behling, 1984, p. 46)
- “Leadership is about articulating visions, embodying values, and creating the environment within which things can be accomplished.” (Richards & Engle, 1986, p. 206)
- “Leadership is a process of giving purpose (meaningful direction) to collective effort, and causing willing effort to be expended to achieve purpose.” (Jacobs & Jaques, 1990, p. 281)
- Leadership “is the ability to step outside the culture . . . to start evolutionary change processes that are more adaptive.” (Schein, 1992, p. 2)
- “Leadership is the process of making sense of what people are doing together so that people will understand and be committed.” (Drath & Palus, 1994, p. 4)
- Leadership is “the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization. . . .” (House et al., 1999, p. 184)

Most definitions of leadership reflect the assumption that it involves a process whereby intentional influence is exerted by one person over other people to guide, structure, and facilitate activities and relationships in a group or organization. The numerous definitions of leadership appear to have little else in common. They differ in many respects, including who exerts influence, the intended purpose of the influence, the manner in which influence is exerted, and the outcome of the influence attempt. The differences are not just a case of scholarly nit-picking; they reflect deep disagreement about identification of leaders and leadership processes. Researchers who differ in their conception of leadership select different phenomena to investigate and interpret the results in different ways. When leadership is defined in a restrictive way by researchers, they are likely to take a narrower perspective on the processes to be studied, and it is less likely they will discover things unrelated to or inconsistent with their initial assumptions about effective leadership.

Because leadership has so many different meanings to people, some theorists question whether it is even useful as a scientific construct (e.g., Alvesson & Sveningsson, 2003; Miner, 1975). Nevertheless, most behavioral scientists and practitioners seem to believe leadership is a real phenomenon that is important for the effectiveness of organizations. The deluge of articles and books about leadership shows no sign of abating.

Specialized Role or Shared Influence Process?

A major controversy involves the issue of whether leadership should be viewed as a specialized role or as a shared influence process. One view is that all groups have role specialization that includes a leadership role with some responsibilities and functions

that cannot be shared too widely without jeopardizing the effectiveness of the group. The person expected to perform the specialized leadership role is designated as the “leader.” Other members are called “followers” even though some of them may assist the primary leader in carrying out leadership functions. The distinction between leader and follower roles does not mean that a person cannot perform both roles at the same time. For example, a department manager who is the leader of department employees is also a follower of higher-level managers in the organization. Researchers who view leadership as a specialized role are likely to pay more attention to the attributes that determine selection of designated leaders, the typical behavior of designated leaders, and the effects of this behavior on other members of the group or organization.

Another way to view leadership is in terms of an influence process that occurs naturally within a social system and is diffused among the members. Writers with this perspective believe it is more useful to study “leadership” as a social process rather than as a specialized role. According to this view, any member of the social system may exhibit leadership at any time, and there is no clear distinction between leaders and followers. Various leadership functions may be carried out by different people who influence what the group does, how it is done, and the way people in the group relate to each other. Important decisions about what to do and how to do it are made through the use of an interactive process involving many different people who influence each other. Researchers who view leadership as a shared, diffuse process, are likely to pay more attention to the complex influence processes that occur among members, the context and conditions that determine when and how they occur, and the consequences for the group or organization.

Type of Influence Process

Controversy about the definition of leadership involves not only who exercises influence, but also what type of influence is exercised and the outcome. Some theorists would limit the definition of leadership to the exercise of influence resulting in enthusiastic commitment by followers, as opposed to indifferent compliance or reluctant obedience. These theorists argue that a person who uses control over rewards and punishments to manipulate or coerce followers is not really “leading” them and is being unethical with regard to the use of power.

An opposing view is that this definition is too restrictive because it excludes some influence processes that are important for understanding why a manager is effective or ineffective in a given situation. How leadership is defined should not predetermine the answer to the research question of what makes a leader effective. The same outcome can be accomplished with different influence methods, and the same type of influence attempt can result in different outcomes, depending on the nature of the situation. Even people who are forced or manipulated into doing something may become committed to it if they subsequently discover that it really is the best option for them and for the organization. The ethical use of power is a legitimate concern for leadership scholars, but it should not limit the definition of leadership or the type of influence processes that are studied.

Purpose of Influence Attempts

Another controversy about which influence attempts are part of leadership involves their purpose and outcome. One viewpoint is that leadership occurs only when

people are influenced to do what is ethical and beneficial for the organization and themselves. This definition of leadership does not include influence attempts that are irrelevant or detrimental to followers, such as a leader's attempts to gain personal benefits at the followers' expense.

An opposing view would include all attempts to influence the attitudes and behavior of followers in an organizational context, regardless of the intended purpose or actual beneficiary. Acts of leadership often have multiple motives, and it is seldom possible to determine the extent to which they are selfless rather than selfish. The outcomes of leader actions usually include a mix of costs and benefits, some of which are unintended, making it difficult to infer purpose. Despite good intentions, the actions of a leader are sometimes more detrimental than beneficial for followers. Conversely, actions motivated solely by a leader's personal needs sometimes result in unintended benefits for followers and the organization. Thus, the domain of leadership processes to be studied should not be limited by their intended purpose.

Influence Based on Reason or Emotions

Most of the leadership definitions listed earlier emphasize rational, cognitive processes. For many years it was common to view leadership as a process wherein leaders influence followers to believe it is in their best interest to cooperate in achieving a shared task objective. Until the 1980s, few conceptions of leadership recognized the importance of emotions as a basis for influence.

In contrast, many recent conceptions of leadership emphasize the emotional aspects of influence much more than reason. According to this view, only the emotional, value-based aspects of leadership influence can account for the exceptional achievements of groups and organizations. Leaders inspire followers to willingly sacrifice their selfish interests for a higher cause. For example, soldiers risk their lives to carry out an important mission or to protect their comrades. The relative importance of rational and emotional processes, and how they interact, are issues to be resolved by empirical research, and the conceptualization of leadership should not exclude either type of process.

Leadership vs. Management

There is a continuing controversy about the difference between leadership and management. It is obvious that a person can be a leader without being a manager (e.g., an informal leader), and a person can be a manager without leading. Indeed, some people with the job title "manager" do not have any subordinates (e.g., a manager of financial accounts). Nobody has proposed that managing and leading are equivalent, but the degree of overlap is a point of sharp disagreement.

Some writers (e.g., Bennis & Nanus, 1985; Zaleznik, 1977) contend that leadership and management are qualitatively different and mutually exclusive. The most extreme distinction involves the assumption that management and leadership cannot occur in the same person. In other words, some people are managers and other people are leaders. The definitions of leaders and managers assume they have incompatible values and different personalities. Managers value stability, order, and efficiency, whereas leaders value flexibility, innovation, and adaptation. Managers are concerned about how things get done, and they try to get people to perform better. Leaders are concerned with what things mean to people, and they try to get people to agree about the most important

things to be done. Bennis and Nanus (1985, p. 21) proposed that “managers are people who do things right and leaders are people who do the right thing.” However, associating leading and managing with different types of people is not supported by empirical research; people do not sort neatly into these two extreme stereotypes. Moreover, the stereotypes imply that most managers are ineffective. The term *manager* is an occupational title for a large number of people, and it is insensitive to denigrate them with a negative stereotype.

Other scholars (e.g., Bass, 1990; Hickman, 1990; Kotter, 1988; Mintzberg, 1973; Rost, 1991) view leading and managing as distinct processes, but they do not assume that leaders and managers are different types of people. How the two processes are defined varies somewhat, depending on the scholar. For example, Mintzberg (1973) described leadership as one of 10 managerial roles (see Chapter 2). Leadership includes motivating subordinates and creating favorable conditions for doing the work. The other nine roles (e.g., resource allocator, negotiator) involve distinct managing responsibilities, but leadership is viewed as an essential managerial role that pervades the other roles.

Kotter (1990) differentiated between management and leadership in terms of their core processes and intended outcomes. Management seeks to produce predictability and order by (1) setting operational goals, establishing action plans with timetables, and allocating resources; (2) organizing and staffing (establishing structure, assigning people to jobs); and (3) monitoring results and solving problems. Leadership seeks to produce organizational change by (1) developing a vision of the future and strategies for making necessary changes, (2) communicating and explaining the vision, and (3) motivating and inspiring people to attain the vision. According to Kotter, management and leadership both involve deciding what needs to be done, creating networks of relationships to do it, and trying to ensure it happens. However, the two processes have some incompatible elements; strong leadership can disrupt order and efficiency, and strong management can discourage risk taking and innovation. Both processes are necessary for the success of an organization. Strong management alone can create a bureaucracy without purpose, but strong leadership alone can create change that is impractical. The relative importance of the two processes and the best way to integrate them depends on the situation at the time.

Rost (1991) defined management as an authority relationship that exists between a manager and subordinates to produce and sell goods and services. He defined leadership as a multidirectional influence relationship between a leader and followers with the mutual purpose of accomplishing real change. Leaders and followers influence each other as they interact in noncoercive ways to decide what changes they want to make. Managers may be leaders, but only if they have this type of influence relationship. Rost proposed that leading was not necessary for a manager to be effective in producing and selling goods and services. However, even when authority is a sufficient basis for downward influence over subordinates, a leadership relationship seems necessary for influencing people over whom the leader has no authority (e.g., peers). In organizations where change is unavoidable, which today is most organizations, a leadership relationship with subordinates also seems necessary.

Defining managing and leading as distinct roles, processes, or relationships may obscure more than it reveals if it encourages simplistic theories about effective leadership. Most scholars seem to agree that success as a manager or administrator in modern

organizations necessarily involves leading. How to integrate the two processes has emerged as a complex and important issue in the organizational literature (Yukl & Lepsinger, 2004). The answer will not come from debates about ideal definitions. Questions about what to include in the domain of essential leadership processes should be explored in empirical research, not predetermined by subjective judgments.

Direct vs. Indirect Leadership

Most definitions of leadership and theories about effective leadership focus on behaviors used to directly influence followers. Most theories and empirical studies deal with direct influence on immediate subordinates, but a middle manager can also directly influence lower-level employees, peers, bosses, or outsiders such as clients and customers. Some theorists make a distinction between direct and indirect leadership (Hunt, 1991; Lord & Maher, 1991; Yammarino, 1994; Yukl & Lepsinger, 2004). Indirect leadership can take different forms, and some of them provide an opportunity to have a stronger, more lasting influence than is possible with direct leadership.

When the direct influence of a chief executive officer is transmitted down the authority hierarchy of an organization (e.g., from CEO to middle managers to lower-level managers, to regular employees), this “cascading” of effects can be viewed as an example of indirect leadership by the CEO (Bass, Waldman, Avolio, & Bebb, 1987; Waldman & Yammarino, 1999; Yammarino, 1994). It is different from directly influencing lower-level employees by meeting with them, presenting speeches to them on television, sending messages on e-mail, or participating in activities involving them (e.g., attending orientation or training sessions). Direct and indirect types of leadership are not mutually exclusive, and they can be used together in a consistent way to magnify their effects.

Another form of indirect leadership involves influence over formal programs, management systems, and structural forms (Hunt, 1991; Lord & Maher, 1991; Yukl & Lepsinger, 2004). Many large organizations have programs or management systems intended to improve staffing and human resource planning, training and development, compensation and benefits, safety, recognition and rewards, process and quality improvement, quality of worklife, learning and innovation, knowledge management, and employee empowerment. A variety of formal arrangements are used to facilitate control, coordination, innovation, efficiency, growth, and diversification. Examples include specialized subunits, decentralized subunits, standardization of subunits or facilities, formalization (rules and standard procedures), cross-functional teams, self-managed teams, partnering with suppliers, strategic alliances, and acquisitions. In most organizations only top executives have sufficient authority to implement new programs, change the structural forms, or negotiate formal relationships with another organization (see Chapter 12). Here again, the effects of indirect leadership are stronger when supported by consistent forms of direct leadership by managers at all levels. For example, a program to encourage cost reduction is more likely to be successful if top management explains why it is necessary and sets an example through their behavior.

A third form of indirect leadership involves leader influence over the organization culture, which is defined as the shared beliefs and values of members (Trice & Beyer, 1991; Schein, 1992). Leaders may attempt either to strengthen existing cultural beliefs

and values or to change them. There are many ways to influence culture, and they may involve direct influence (e.g., communicating a compelling vision or leading by example) or other forms of indirect influence, such as changing the organization structure or reward systems (see Chapter 10).

A Working Definition of Key Terms

It is neither feasible nor desirable at this point in the development of the discipline to attempt to resolve the controversies over the appropriate definition of leadership. Like all constructs in social science, the definition of leadership is arbitrary and subjective. Some definitions are more useful than others, but there is no single “correct” definition that captures the essence of leadership. For the time being, it is better to use the various conceptions of leadership as a source of different perspectives on a complex, multifaceted phenomenon.

In research, the operational definition of leadership depends to a great extent on the purpose of the researcher (Campbell, 1977). The purpose may be to identify leaders, to determine how they are selected, to discover what they do, to discover why they are effective, or to determine whether they are necessary. As Karmel (1978, p. 476) notes, “It is consequently very difficult to settle on a single definition of leadership that is general enough to accommodate these many meanings and specific enough to serve as an operationalization of the variable.” Whenever feasible, leadership research should be designed to provide information relevant to the entire range of definitions, so that over time it will be possible to compare the utility of different conceptions and arrive at some consensus on the matter.

In this book, leadership is defined broadly in a way that takes into account several things that determine the success of a collective effort by members of a group or organization to accomplish meaningful tasks. The following definition is used:

Leadership is the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives.

The definition includes efforts not only to influence and facilitate the current work of the group or organization, but also to ensure that it is prepared to meet future challenges. Both direct and indirect influences are included. Table 1-2 shows the wide variety of ways leaders can influence the effectiveness of a group or organization.

In this book, leadership is treated as both a specialized role and a social influence process. More than one individual can perform the role (i.e., leadership can be shared or distributed), but some role differentiation is assumed to occur in any group or organization. Both rational and emotional processes are viewed as essential aspects of leadership. No assumptions are made about the actual outcome of the influence processes, because the evaluation of outcomes is difficult and subjective. Thus, the definition of leadership is *not* limited to processes that necessarily result in “successful” outcomes. How leadership processes affect outcomes is a central research question that should not be biased by the definition of leadership. The focus is clearly on the process, not the person, and they are not assumed to be equivalent. Thus, the terms *leader*, *manager*, and *boss* are used interchangeably in this book to indicate people who occupy positions in

TABLE 1-2 What Leaders Can Influence

- The interpretation of external events by members
- The choice of objectives and strategies to pursue
- The motivation of members to achieve the objectives
- The mutual trust and cooperation of members
- The organization and coordination of work activities
- The allocation of resources to activities and objectives
- The development of member skills and confidence
- The learning and sharing of new knowledge by members
- The enlistment of support and cooperation from outsiders
- The design of formal structure, programs, and systems
- The shared beliefs and values of members

which they are expected to perform the leadership role, but without any assumptions about their actual behavior or success.

The terms *subordinate* and *direct report* are used interchangeably to denote someone whose primary work activities are directed and evaluated by the focal leader. Some writers use the term *staff* as a substitute for subordinate, but this practice creates unnecessary confusion. *Staff* connotes a special type of advisory position, and most subordinates are not staff advisors. Moreover, the term *staff* is used both as a singular and plural noun, which creates a lot of unnecessary confusion. The term *associate* has become popular in business organizations as another substitute for subordinate, because it conveys a relationship in which employees are valued and supposedly empowered. However, *associate* is a vague term that fails to differentiate between a direct authority relationship and other types of formal relationships (e.g., peers, partners). To clarify communication, this text continues to use the term *subordinate* to denote the existence of a formal authority relationship.

The term *follower* is used to describe a person who acknowledges the focal leader as the primary source of guidance about the work, regardless of how much formal authority the leader actually has over the person. Unlike the term *subordinate*, the term *follower* does not preclude leadership processes that can occur even in the absence of a formal authority relationship. Followers may include people who are not direct reports (e.g., coworkers, team members, partners, outsiders). However, the term *follower* is not used to describe members of an organization who completely reject their formal leader and seek to remove the person from office; such people are more appropriately called “rebels” or “insurgents.”

Leadership Effectiveness

Like definitions of leadership, conceptions of leader effectiveness differ from one writer to another. The criteria selected to evaluate leadership effectiveness reflect a researcher’s explicit or implicit conception of leadership. Most researchers evaluate leadership effectiveness in terms of the consequences of the leader’s actions for followers and other organization stakeholders. Many different types of outcomes have

been used, including the performance and growth of the leader's group or organization, its preparedness to deal with challenges or crises, follower satisfaction with the leader, follower commitment to the group objectives, the psychological well-being and development of followers, the leader's retention of high status in the group, and the leader's advancement to higher positions of authority in the organization.

The most commonly used measure of leader effectiveness is the extent to which the leader's organizational unit performs its task successfully and attains its goals. Examples of objective measures of performance or goal attainment include net profits, profit margin, sales increase, market share, return on investment, return on assets, productivity, cost per unit of output, and costs in relation to budgeted expenditures. Subjective measures include ratings of effectiveness obtained from the leader's superiors, peers, or subordinates.

The attitude of followers toward the leader is another common indicator of leader effectiveness. How well does the leader satisfy their needs and expectations? Do followers like, respect, and admire the leader? Are followers strongly committed to carrying out the leader's requests, or will they resist, ignore, or subvert them? Follower attitudes are usually measured with questionnaires or interviews. Such aspects of follower behavior also provide an indirect indicator of dissatisfaction and hostility toward the leader. Examples of such indicators include absenteeism, voluntary turnover, grievances, complaints to higher management, requests for transfer, work slowdowns, and deliberate sabotage of equipment and facilities.

Leader effectiveness is occasionally measured in terms of the leader's contribution to the quality of group processes, as perceived by followers or by outside observers. Does the leader enhance group cohesiveness, member cooperation, member motivation, problem solving, decision making, and resolution of conflict among members? Does the leader contribute to the efficiency of role specialization, the organization of activities, the accumulation of resources, and the readiness of the group to deal with change and crises? Does the leader improve the quality of work life, build the self-confidence of followers, increase their skills, and contribute to their psychological growth and development?

It is difficult to evaluate the effectiveness of a leader when there are so many alternative measures of effectiveness, and it is not clear which measure is most relevant. Some researchers attempt to combine several measures into a single, composite criterion, but this approach requires subjective judgments about how to assign a weight to each measure. Multiple criteria are especially troublesome when they are negatively correlated. A negative correlation means that trade-offs occur among criteria, such that as one increases, others decrease. For example, growth in sales and market share (e.g., by reducing price and increasing advertising) is sometimes achieved at the cost of lower profits. An increase in production output (e.g., by inducing people to work faster) is sometimes achieved at the cost of lower product quality. Rapid growth is sometimes achieved (e.g., by financing expansion with excessive debt) at the cost of a weaker financial condition that may result in bankruptcy if economic conditions suddenly worsen. Efficiency may be increased (e.g., by using more specialization) at the expense of flexibility.

Immediate and Delayed Outcomes

Some outcomes are more immediate than others. For example, the immediate result of an influence attempt may be that a follower is willing to do what the leader

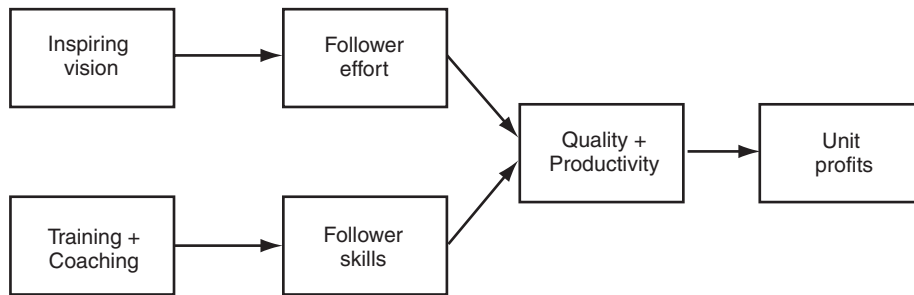


FIGURE 1-1 Causal Chain of Effects from Two Types of Leader Behavior

asks. A more delayed effect of leadership is how well followers actually perform the assignment. The effects of a leader can be viewed as a causal chain of variables, with each “intervening variable” mediating the effects of the preceding one on the next one. An example is provided in Figure 1-1. The farther along in the causal chain, the longer it takes for the effect to occur. For criteria at the end of the causal chain, there is a considerable delay (months or years) before the effects of the leader’s actions are evident. Moreover, these end-result criteria are more likely to be influenced by extraneous events (e.g., the economy, market conditions). When the delay is long and there is considerable “contamination” by extraneous events, the end-result criteria are less useful than more immediate outcomes as an indicator of an individual leader’s effectiveness.

In many cases a leader has both immediate and delayed effects on the same criterion. The two types of effects may be consistent or inconsistent. When they are inconsistent, the immediate outcome may be very different from the delayed outcomes. For example, profits may be increased in the short run by eliminating costly activities that have a delayed effect on profits, such as equipment maintenance, research and development, investments in new technology, and employee skill training. In the long run, the net effect of cutting these essential activities is likely to be lower profits because the negative consequences slowly increase and eventually outweigh any benefits. The converse is also true. Increased investment in these activities is likely to reduce immediate profits but increase long-term profits.

What Criteria to Use?

There is no simple answer to the question of how to evaluate leadership effectiveness. The selection of appropriate criteria depends on the objectives and values of the person making the evaluation, and people have different values. For example, top management may prefer different criteria than other employees, customers, or shareholders. To cope with the problems of incompatible criteria, delayed effects, and the preferences of different stakeholders, it is usually best to include a variety of criteria in research on leadership effectiveness and to examine the impact of the leader on each criterion over an extended period of time. Multiple conceptions of effectiveness, like multiple conceptions of leadership, serve to broaden our perspective and enlarge the scope of inquiry.

Overview of Major Research Approaches

The attraction of leadership as a subject of research and the many different conceptions of leadership have created a vast and bewildering literature. Attempts to organize the literature according to major approaches or perspectives show only partial success. One of the more useful ways to classify leadership theory and research is according to the type of variable that is emphasized the most. Three types of variables that are relevant for understanding leadership effectiveness include (1) characteristics of leaders, (2) characteristics of followers, and (3) characteristics of the situation. Examples of key variables within each category are shown in Table 1-3. Figure 1-2 depicts likely causal relationships among the variables.

Most leadership theories emphasize one category more than the others as the primary basis for explaining effective leadership. Most theories developed over the past half-century emphasize leader characteristics and it has been common practice to limit the focus to one type of leader characteristic, namely traits, behavior, or power. Therefore, it is helpful to classify the theories and empirical research into the following five approaches: (1) the trait approach, (2) the behavior approach, (3) the power-influence approach, (4) the situational approach, and (5) the integrative approach. Each approach is described briefly in the following sections.

TABLE 1-3 Key Variables in Leadership Theories

Characteristics of the Leader

- Traits (motives, personality, values)
- Confidence and optimism
- Skills and expertise
- Behavior
- Integrity and ethics
- Influence tactics
- Attributions about followers

Characteristics of the Followers

- Traits (needs, values, self-concepts)
- Confidence and optimism
- Skills and expertise
- Attributions about the leader
- Trust in the leader
- Task commitment and effort
- Satisfaction with job and leader

Characteristics of the Situation

- Type of organizational unit
- Size of unit
- Position power and authority of leader
- Task structure and complexity
- Task interdependence
- Environmental uncertainty
- External dependencies

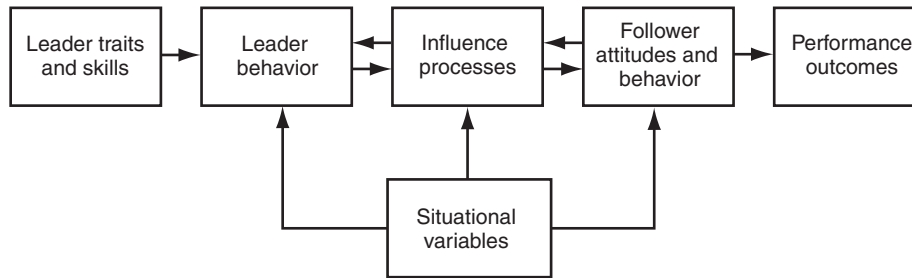


FIGURE 1-2 Causal Relationships Among the Primary Types of Leadership Processes

Trait Approach

One of the earliest approaches for studying leadership was the trait approach. This approach emphasizes leaders' attributes such as personality, motives, values, and skills. Underlying this approach was the assumption that some people are natural leaders, endowed with certain traits not possessed by other people. Early leadership theories attributed managerial success to extraordinary abilities such as tireless energy, penetrating intuition, uncanny foresight, and irresistible persuasive powers. Hundreds of trait studies conducted during the 1930s and 1940s sought to discover these elusive qualities, but this massive research effort failed to find any traits that would guarantee leadership success. One reason for the failure was a lack of attention to intervening variables in the causal chain that could explain how traits could affect a delayed outcome such as group performance or leader advancement. The predominant research method was to look for a significant correlation between individual leader attributes and a criterion of leader success, without examining any explanatory processes. However, as evidence from better designed research slowly accumulated over the years, researchers made progress in discovering how leader attributes are related to leadership behavior and effectiveness.

Behavior Approach

The behavior approach began in the early 1950s after many researchers became discouraged with the trait approach and began to pay closer attention to what managers actually do on the job. The behavior research falls into two general subcategories.

One line of research examines how managers spend their time and the typical pattern of activities, responsibilities, and functions for managerial jobs. Some of the research also investigates how managers cope with demands, constraints, and role conflicts in their jobs. Most research on managerial work uses descriptive methods of data collection such as direct observation, diaries, job description questionnaires, and anecdotes obtained from interviews. Although this research was not designed to directly assess effective leadership, it provides useful insights into this subject. Leadership effectiveness depends in part on how well a manager resolves role conflicts, copes with demands, recognizes opportunities, and overcomes constraints.

Another subcategory of the behavior approach focuses on identifying effective leadership behavior. The preferred research method involves a survey field study with a behavior description questionnaire. In the past 50 years, hundreds of survey studies

examined the correlation between leadership behavior and various indicators of leadership effectiveness. A much smaller number of studies used laboratory experiments, field experiments, or critical incidents to determine how effective leaders differ in behavior from ineffective leaders.

Power-Influence Approach

Power-influence research examines influence processes between leaders and other people. Like most research on traits and behavior, some of the power-influence research takes a leader-centered perspective with an implicit assumption that causality is unidirectional (leaders act and followers react). This research seeks to explain leadership effectiveness in terms of the amount and type of power possessed by a leader and how power is exercised. Power is viewed as important not only for influencing subordinates, but also for influencing peers, superiors, and people outside the organization, such as clients and suppliers. The favorite methodology has been the use of survey questionnaires to relate leader power to various measures of leadership effectiveness.

Other power-influence research has used questionnaires and descriptive incidents to determine how leaders influence the attitudes and behavior of followers. The study of influence tactics can be viewed as a bridge linking the power-influence approach and the behavior approach. The use of different influence tactics is compared in terms of their relative effectiveness for getting people to do what the leader wants.

Participative leadership is concerned with power sharing and empowerment of followers, but it is firmly rooted in the tradition of behavior research as well. Many studies have used questionnaires to correlate subordinate perceptions of participative leadership with criteria of leadership effectiveness such as subordinate satisfaction, effort, and performance. Laboratory and field experiments compared autocratic and participative leadership styles. Finally, descriptive case studies of effective managers examined how they use consultation and delegation to give people a sense of ownership for decisions.

Situational Approach

The situational approach emphasizes the importance of contextual factors that influence leadership processes. Major situational variables include the characteristics of followers, the nature of the work performed by the leader's unit, the type of organization, and the nature of the external environment. This approach has two major subcategories. One line of research is an attempt to discover the extent to which leadership processes are the same or unique across different types of organizations, levels of management, and cultures. The primary research method is a comparative study of two or more situations. The dependent variables may be managerial perceptions and attitudes, managerial activities and behavior patterns, or influence processes.

The other subcategory of situational research attempts to identify aspects of the situation that "moderate" the relationship of leader attributes (e.g., traits, skills, behavior) to leadership effectiveness. The assumption is that different attributes will be effective in different situations, and that the same attribute is not optimal in all situations. Theories describing this relationship are sometimes called contingency theories of leadership. A more extreme form of situational theory (leadership substitute) identifies the conditions that can make hierarchical leadership redundant and unnecessary (see Chapter 8).

Integrative Approach

An integrative approach involves more than one type of leadership variable. In recent years it has become more common for researchers to include two or more types of leadership variables in the same study, but it is still rare to find a theory that includes all of them (i.e., traits, behavior, influence processes, situational variables, and outcomes). A good example of the integrative approach is the self-concept theory of charismatic leadership (see Chapter 9), which attempts to explain why the followers of some leaders are willing to exert exceptional effort and make personal sacrifices to accomplish the group objective or mission.

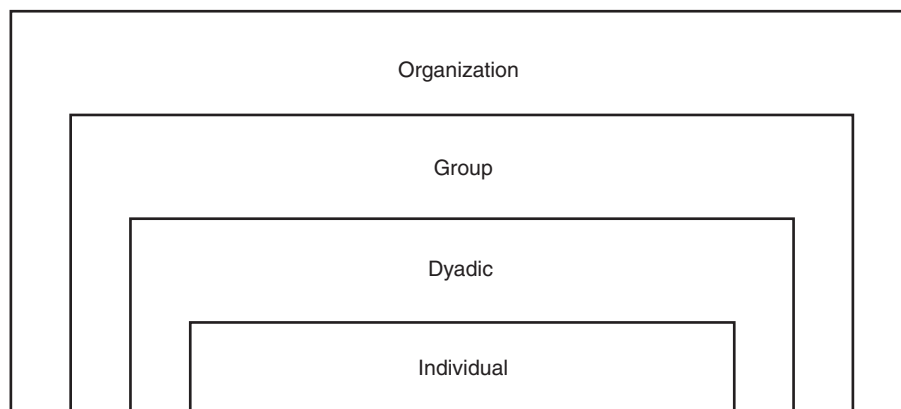
Level of Conceptualization for Leadership

Leadership can be conceptualized as (1) an intra-individual process, (2) a dyadic process, (3) a group process, or (4) an organizational process. The levels can be viewed as a hierarchy, as depicted in Figure 1-3. Most leadership theories are focused on processes at only one of these levels, because it is difficult to develop a multilevel theory that is also parsimonious and easy to apply. What level is emphasized will determine the type of criterion variables used to evaluate leadership and the type of mediating processes used to explain effective leadership. Level of conceptualization also has implications for the methods of analysis used in research on a theory (see Chapter 15).

Intra-Individual Processes

Leadership theories that focus on processes within a single individual are rare, because most definitions of leadership involve influence processes between individuals. Nevertheless, a number of researchers used psychological theories of decision making, motivation, and cognition to explain the behavior of an individual leader. This approach can be found in some of the theories about cognitive decision processes within

FIGURE 1-3 Levels of Conceptualization for Leadership Processes



leaders (see Chapter 2) and in the description of leader traits and skills associated with motivation to become a leader (see Chapter 7). Another example, self-management theory, describes how a person can become more effective as a leader or follower (see Chapter 5). Self-management (sometimes called self-leadership) involves identifying personal objectives and priorities, managing one's time efficiently, monitoring one's own behavior and its consequences, and trying to learn to be more effective in accomplishing personal objectives.

Knowledge of intra-individual processes provides some insights that are helpful for developing better leadership theory. However, the potential contribution of the intra-individual approach to leadership is limited, because it does not include what most theorists consider to be the essential process of leadership, namely influence over others.

Dyadic Processes

The dyadic approach focuses on the relationship between a leader and another individual who is usually a follower. Most dyadic theories view leadership as a reciprocal influence process between the leader and another person. This approach makes an implicit assumption that leadership effectiveness cannot be understood without examining how leader and follower influence each other over time. Key questions are how to develop a cooperative, trusting relationship with a follower, and how to influence a follower to be more motivated and committed. An example is the leader-member exchange theory described in Chapter 5. The theory describes how dyadic relationships evolve over time and take different forms, ranging from a casual exchange to a cooperative alliance with shared objectives and mutual trust. Although the theory recognizes that the leader has multiple dyadic relationships, the focus is clearly on what happens within a single relationship. Much of the research on power and influence tactics (Chapter 6) is also conceptualized in terms of dyadic processes.

Most theories of leadership effectiveness reviewed in Chapters 8 and 9 are conceptualized primarily at the dyadic level. These theories usually acknowledge that group and organizational processes are involved in leadership, but they do not explicitly describe these processes. The research on dyadic processes provides important insights about leadership, but it often underestimates the importance of the context in which a dyadic relationship occurs. For example, developing a cooperative relationship with one subordinate may be dysfunctional if it is done in a way that undermines relationships with other subordinates.

Group Processes

Another perspective on leadership is to view it as a group process. Two key topics include the nature of the leadership role in a task group, and how a leader contributes to group effectiveness. Theories of group effectiveness provide important insights about leadership processes and relevant criteria for evaluating leadership effectiveness. Extensive research on small groups and teams identifies important determinants of effectiveness such as how well the work is organized to utilize personnel and resource, how committed members are to performing their work roles, how confident members are that the task can be accomplished successfully ("potency"), and the

extent to which members trust each other and cooperate in accomplishing task objectives. Behavioral theories describing leadership processes in various types of groups and teams are discussed in Chapter 11. Leadership in executive teams is discussed in Chapter 12.

Meetings are a special context for the study of leadership as a group process. Much of a manager's time is spent in formal and informal meetings with people to solve problems and make decisions. The key question for leadership theory and research is what leadership processes make group meetings more effective. This question has been the subject of research by behavioral scientists during the past five decades, and it is described in Chapter 11.

Another key question in the group approach is to explain emergent leadership in formal and informal groups. Why are some members more influential than others, what determines who will be chosen as a leader, and why do some leaders lose the trust and confidence of followers? An example of a theory dealing with these questions is the social exchange theory discussed in Chapter 6.

Organizational Processes

The groups approach provides a better understanding of leadership effectiveness than dyadic or intra-individual approaches, but it has some important limitations. A group usually exists in a larger social system, and its effectiveness cannot be understood if the focus of the research is limited to the group's internal processes. The organizational level of analysis describes leadership as a process that occurs in a larger open system in which groups are subsystems (Fleishman et al., 1991; Katz & Kahn, 1978; Mumford, 1986).

The survival and prosperity of an organization depends on adaptation to the environment and the acquisition of necessary resources. A business organization must be able to market its products and services successfully. Adaptation is improved by anticipating consumer needs and desires, assessing the actions and plans of competitors, evaluating likely constraints and threats (e.g., government regulation, input scarcity, hostile actions by enemies), and identifying marketable products and services that the organization has unique capabilities to provide. Some examples of activities relevant for adaptation include gathering and interpreting information about the environment, identifying threats and opportunities, developing an effective strategy for adapting to the environment, negotiating agreements that are favorable to the organization, influencing outsiders to have a favorable impression of the organization and its products, and gaining cooperation and support from outsiders upon whom the organization is dependent. These activities are aspects of strategic leadership.

Survival and prosperity also depend on the efficiency of the transformation process used by the organization to produce its products and services. Efficiency is increased by finding more rational ways to organize and perform the work, and by deciding how to make the best use of available technology, resources, and personnel. Some examples of leadership responsibilities include designing an appropriate organization structure, determining authority relationships, and coordinating operations across specialized subunits of the organization. Strategic leadership in organizations is described in Chapters 10 and 12.

Other Bases for Comparing Leadership Theories

Key variables and level of conceptualization are not the only ways to compare leadership theories. This section briefly describes three other types of distinctions commonly used in the leadership literature: (1) leader-centered versus follower-centered, (2) descriptive versus prescriptive, and (3) universal versus contingency. Each type of distinction is better viewed as a continuum along which a theory can be located, rather than as a sharp dichotomy. For example, it is possible for a theory to have some descriptive elements as well as some prescriptive elements, some universal elements as well as some contingency elements, and an equal focus on leaders and followers.

Leader- vs. Follower-Centered Theory

The extent to which a theory is focused on either the leader or followers is another useful way to classify leadership theories. Most leadership theories emphasize the characteristics and actions of the leader without much concern for follower characteristics. The leader focus is strongest in theory and research that identifies traits, skills, or behaviors that contribute to leader effectiveness. Most of the contingency theories (in Chapter 8) also emphasize leader characteristics more than follower characteristics.

Only a small amount of research and theory emphasizes characteristics of the followers. Empowerment theory describes how followers view their ability to influence important events (see Chapter 4). Attribution theory describes how followers view a leader's influence on events and outcomes (see Chapter 5). Some other theories in the same chapter explain how followers can actively influence their work role and relationship with the leader, rather than being passive recipients of leader influence. The leader substitutes theory (see Chapter 8) describes aspects of the situation and follower attributes that make a hierarchical leader less important. The emotional contagion theory of charisma (see Chapter 9) describes how followers influence each other. Finally, theories of self-managed groups emphasize sharing of leadership functions among the members of a group and between an internal coordinator and an external facilitator (see Chapter 11).

Theories that focus almost exclusively on either the leader or the follower are less useful than theories that offer a more balanced explanation. For example, some of the theories in Chapters 8 and 9 include both leader and follower characteristics as important determinants of effective leadership. Most theories of leader power (Chapter 6) emphasize that influence over followers depends on follower perceptions of the leader as well as on objective conditions and the leader's influence behavior.

Descriptive vs. Prescriptive Theory

Another important distinction among leadership theories is the extent to which they are descriptive or prescriptive. Descriptive theories explain leadership processes, describe the typical activities of leaders, and explain why certain behaviors occur in particular situations. Prescriptive theories specify what leaders must do to become effective, and they identify any necessary conditions for using a particular type of behavior effectively.

The two perspectives are not mutually exclusive, and a theory can have both types of elements. For example, a theory that explains why a particular pattern of behavior is

typical for leaders (descriptive) may also explain which aspects of behavior are most effective (prescriptive). The two perspectives are not always consistent. For example, the typical pattern of behavior for leaders may or may not be the optimal one. A prescriptive theory is especially useful when a wide discrepancy exists between what leaders typically do and what they should do to be optimally effective.

Universal vs. Contingency Theory

A universal theory describes some aspect of leadership that applies to all types of situations. A universal theory can be either descriptive or prescriptive. A descriptive universal theory may describe typical functions performed to some extent by all types of leader, whereas a prescriptive universal theory may specify functions all leaders must perform to be effective.

A contingency theory describes an aspect of leadership that applies to some situations but not to others. Contingency theories can also be either descriptive or prescriptive. A descriptive contingency theory may explain how leader behavior typically varies from one situation to another, whereas a prescriptive contingency theory may specify the most effective behavior in each type of situation.

The distinction between universal and contingency theories is a matter of degree, not a sharp dichotomy. Some theories fall in between the two extremes. For example, a prescriptive theory may specify that a particular type of leadership (e.g., transformational leadership in Chapter 9) is always effective, but also acknowledge that it is not as effective in some situations as in others.

Organization of the Book

The diversity and complexity of the relevant literature make it difficult to organize a survey book on leadership. No single way of classifying the literature captures all of the important distinctions. Table 1-4 summarizes how these distinctions were used to organize topics into chapters.

TABLE 1-4 Organization of the Book

<i>Basis for Organization</i>	<i>Primary Chapter Location</i>	<i>Secondary Chapter Location</i>
Line of Research		
• Leader traits/skills	7	8, 9, 12, 13
• Leader behavior	2, 3	4, 5, 8, 9, 10, 11, 12
• Power/influence	6	4, 8, 9, 10, 12
• Situational	2, 8	6, 9, 12, 14
• Integrative	9, 15	12
Level of Conceptualization		
• Individual	7	2, 4, 5, 12
• Dyadic	5	6, 8, 9
• Group	11	4, 6, 8, 9, 12
• Organization	10, 12	2, 9

The primary basis for organizing chapters is according to type of leadership variable studied. The behavior approach is reviewed first (Chapters 2 and 3), then the power-influence approach (Chapter 6), the trait approach (Chapter 7), and the situational approach (Chapters 2 and 8). Even though the trait approach began before the behavior approach, it is covered later because traits are difficult to understand unless they are linked to behavior and influence processes.

Important lines of research that cut across the primary variables are treated in separate chapters whenever possible. Participative leadership, which involves both the behavior and power-influence approaches, is covered in Chapter 4. The major theories of charismatic and transformational leadership are usually classified as “integrative” because they involve more than one approach, and these theories are covered in Chapter 9.

Level of analysis is used as a secondary basis for organizing the material. Dyadic leadership and follower-based approaches are described in Chapter 5. Group-based approaches are covered in Chapter 11, and organizational approaches are described in Chapters 10 and 12. The transformational and charismatic theories in Chapter 9 are primarily dyadic, but they are sometimes extended to include some group-level and organization-level elements as well. Developing leadership skills is a distinct topic that cuts across levels of analysis, and it is discussed in Chapter 13. Chapter 14 deals with some special issues that apply across approaches, including ethical leadership, gender and leadership, cross-cultural differences in leadership, and management of diversity. Chapter 15 provides an overview that includes a summary of major findings about effective leadership, a critique of conceptual and methodological limitations, and emergent themes about the essence of leadership.

Summary

Leadership has been defined in many different ways, but most definitions share the assumption that it involves an influence process concerned with facilitating the performance of a collective task. Otherwise, the definitions differ in many respects, such as who exerts the influence, the intended beneficiary of the influence, the manner in which the influence is exerted, and the outcome of the influence attempt. Some theorists advocate treating leading and managing as separate roles or processes, but the proposed definitions do not resolve important questions about the scope of each process and how they are interrelated. No single, “correct” definition of leadership covers all situations; what matters is how useful the definition is for increasing our understanding of effective leadership.

Most researchers evaluate leadership effectiveness in terms of the consequences for followers and other organization stakeholders, but the choice of outcome variables has differed considerably from researcher to researcher. Criteria differ in many important respects, including how immediate they are, and whether they have subjective or objective measures. When evaluating leadership effectiveness, multiple criteria should be considered to deal with these complexities and the different preferences of various stakeholders.

Leadership has been studied in different ways, depending on the researcher’s methodological preferences and definition of leadership. Most researchers deal only with a narrow aspect of leadership, and most empirical studies fall into distinct lines of research such as the trait, behavior, power, and situational approaches. In recent years

there has been an increased effort to cut across and integrate these approaches. The best example is some of the research on charismatic leadership.

Level of analysis is another basis for classifying leadership theory and research. The levels include intra-individual, dyadic, group, and organizational. Each level provides some unique insights, but more research is needed on group and organizational processes, and more integration across levels is needed.

Another basis for differentiating theories is the relative focus on leader or follower. For many years the research focused on leader characteristics, and followers were studied only as the object of leader influence. A more balanced approach is needed, and some progress is being made in that direction.

Leadership theories can be classified as prescriptive versus descriptive, according to the emphasis on “what should be” rather than on “what occurs now.” A final basis for differentiation (universal versus contingency) is the extent to which a theory describes leadership processes and relationships that are essentially the same in all situations rather than ones that vary in specified ways across situations.

Review and Discussion Questions

1. What are some similarities and differences in the way leadership has been defined?
2. Does it really matter how you define leadership? Explain and defend the position you take on this question.
3. What are the arguments for and against making a distinction between leaders and managers?
4. Why is it so difficult to measure leadership effectiveness?
5. What criteria have been used to evaluate leadership effectiveness? Are some criteria more useful than others?
6. What are the trait, behavior, and power-influence approaches? What unique insights does each approach provide about effective leadership?
7. Why does it matter whether leadership is described as an intra-individual, dyadic, group, or organizational process? Which level of analysis is emphasized in most leadership theory and research?
8. Compare descriptive and prescriptive theories of leadership. Explain why both types of theory are useful.
9. Compare universal and contingency theories. Is it possible to have a theory with both universal and contingent aspects?

Key Terms

- behavior approach
- contingency theories
- criteria of leadership effectiveness
- delayed effects
- descriptive theory
- dyadic processes
- follower-centered theory
- integrative approach
- intervening variable
- leader-centered theory
- level of conceptualization
- power-influence approach
- prescriptive theory
- shared influence process
- situational approach
- specialized leadership role
- trait approach
- universal theories