“I have a dream,” said Martin Luther King, Jr, and his voice traveled across generations. Visionary leaders communicate shared dreams and inspire others to pursue lofty goals.
Leadership

A Leader Lives in Each of Us

Management Live

Integrity and Love Happens

Burke Ryan (Aaron Eckhardt) is a successful self-help guru. He travels around the country promoting his book and hosting workshops to help people overcome tragedies and move on in their lives. The only problem is that Ryan has not dealt effectively with his own tragedy—the death of his wife in a car accident.

While hosting a week-long seminar in Seattle, his former home, he meets eclectic florist Eloise Chandler (Jennifer Anniston). He also comes face-to-face with his father-in-law (Martin Sheen) for the first time since the tragedy. These forces help Ryan realize he can no longer live the lie. On the last day of the workshop, he makes a painful public admission that the accident was his fault and he has never forgiven himself. The audience erupts in a standing ovation as Ryan receives a tearful embrace of forgiveness from his father-in-law.

This movie helps remind us about the importance of integrity—being honest, credible, and consistent while living up to personal values. And it moves us to think more about leadership. Real leaders have lots of integrity. It helps them as they try to help others achieve their full potential. Real leaders are also humble, willing to serve others more than be in the spotlight.

How often do you think about integrity when it comes to leadership? When news media cover leaders, do their reports indicate integrity or its absence? What does this say about the status of leadership integrity in our society?
Takeaway 11.1
What Are the Foundations for Effective Leadership?

ANSWERS TO COME

- Leadership is one of the four functions of management.
- Leaders use position power to achieve influence.
- Leaders use personal power to achieve influence.
- Leaders bring vision to leadership situations.
- Leaders display different traits in the quest for leadership effectiveness.
- Leaders display different styles in the quest for leadership effectiveness.

A glance at the shelves in your local bookstore will quickly confirm that leadership, the process of inspiring others to work hard to accomplish important tasks, is one of the most popular management topics. Consultant and author Tom Peters says that the leader is “rarely—possibly never—the best performer.” They don’t have to be; leaders thrive through and by the successes of others. But not all managers live up to these expectations. Warren Bennis, a respected scholar and consultant, claims that too many U.S. corporations are “over-managed and under-led.” The late Grace Hopper, the first female admiral in the U.S. Navy, advised that “you manage things; you lead people.” The bottom line is that leaders become great by bringing out the best in people.

Leadership is one of the four functions of management.

Leadership is one of the four functions that make up the management process shown in Figure 11.1. Planning sets the direction and objectives; organizing brings together the resources to turn plans into action; leading builds the commitment and enthusiasm that allow people to apply their talents to help accomplish plans; and controlling makes sure things turn out right.

Where do you stand on leadership skills and capabilities? If, as the chapter subtitle states, “A leader lives in each of us,” what leader resides in you?

Of course, managers sometimes face daunting challenges in their quest to succeed as leaders. The time frames for getting things accomplished are becoming shorter. Second chances are sometimes few and far between. The problems to be resolved through leadership are often complex, ambiguous, and multidimensional. And, leaders are expected to stay focused on long-term goals even while dealing with problems and pressures in the short term. Anyone aspiring to career success in
leadership must rise to these challenges and more. They must become good at using all the interpersonal skills discussed in this part of *Exploring Management 3/e*—power and influence, communication, motivation, teamwork, conflict, and negotiation.

### Leaders use position power to achieve influence.

Are you surprised that our discussion of leadership starts with power? Harvard professor Rossabeth Moss Kanter once called it "America’s last great dirty word."

She worries that too many managers are uncomfortable with the concept and don’t realize it is indispensable to leadership.

**Power** is the ability to get someone else to do something you want done, the ability to make things happen the way you want them to. Isn’t that a large part of management, being able to influence other people? So, where and how do managers get power?

Most often we talk about two sources of managerial power that you might remember by this equation:

\[
\text{Managerial Power} = \text{Position Power} + \text{Personal Power}. 
\]

First is the power of the position, being "the manager." This power includes rewards, coercion, and legitimacy. Second is the power of the person, who you are and what your presence means in a situation. This power includes expertise and reference. Of course, some of us do far better than others at mobilizing and using the different types of power.

If you look at the small figure, you’ll see that **reward power** is the capability to offer something of value as a means of achieving influence. To use reward power, a manager says, in effect: "If you do what I ask, I’ll give you a reward." Common rewards are things like pay raises, bonuses, promotions, special assignments, and compliments. As you might expect, reward power can work well as long as people want the reward and the manager or leader makes it continuously available. But take the value of the reward or the reward itself away, and the power is quickly lost.

**Coercive power** is the capability to punish or withhold positive outcomes as a way of influencing others. To mobilize coercive power, a manager is really saying: "If you don’t do what I want, I’ll punish you." Managers have access to lots of possible punishments, including reprimands, pay penalties, bad job assignments, and even termination. But how do you feel when on the receiving end of such threats? If you’re like me, you’ll most likely resent both the threat and the person making it. You might act as requested or at least go through the motions, but you’re unlikely to continue doing so once the threat no longer exists.

**Legitimate power** is the capacity to influence through formal authority. It is the right of the manager, or person in charge, to exercise control over persons in subordinate positions. To use legitimate power, a manager is basically saying: "I am the boss; therefore, you are supposed to do as I ask." When an instructor assigns homework, exams, and group projects, don’t you most often do what is requested? Why? You do it because the requests seem legitimate to the course. But if the instructor moves outside course boundaries, perhaps asking you to attend a sports event, the legitimacy is lost and your compliance is less likely.
Leaders use personal power to achieve influence.

After all is said and done, we need to admit that position power alone isn’t going to be sufficient for any manager. In fact, how much personal power you can mobilize through expertise and reference may well make the difference someday between success and failure in a leadership situation—and even in a career.

As shown in the small figure, expert power is the ability to influence the behavior of others because of special knowledge and skills. When a manager uses expert power, the implied message is: “You should do what I want because of my special expertise or information.”

A leader’s expertise may come from technical understanding or access to information relevant to the issue at hand. It can be acquired through formal education and evidenced by degrees and credentials. It is also acquired on the job, through experience, and by gaining a reputation as someone who is a high performer and really understands the work. Building expertise in these ways, in fact, may be one of your biggest early career challenges.

There’s still more to personal power. Think of all the television commercials that show high-visibility athletes and personalities advertising consumer products. What’s really going on here? The intent is to attract customers.
“THE JOB OF A GOOD LEADER IS TO UPLIFT HER PEOPLE . . . AS INDIVIDUALS OF INFINITE WORTH IN THEIR OWN RIGHT.”

Role Models

LORRAINE MONROE’S LEADERSHIP TURNS VISION INTO INSPIRATION

Dr. Lorraine Monroe’s career in the New York City Schools began as a teacher. She went on to serve as assistant principal, principal, and vice chancellor for curriculum and instruction. But her career really took off when she founded the Frederick Douglass Academy, a public school in Harlem, where she grew up. Under her leadership as principal, the school became highly respected for educational excellence. The academy’s namesake was an escaped slave who later became a prominent abolitionist and civil rights leader.

Monroe sees leadership as vision driven and follower centered. She believes leaders must always start at the “heart of the matter” and that “the job of a good leader is to articulate a vision that others are inspired to follow.” She believes in making sure all workers know that they are valued and that their advice is welcome. She also believes that workers and managers should always try to help and support one another. “I have never undertaken any project,” she says, “without first imagining on paper what it would ultimately look like . . . all the doers who would be responsible for carrying out my imaginings have to be informed and let in on the dream.”

As a consultant on public leadership Monroe states: “We can reform society only if every place we live—every school, workplace, church, and family—becomes a site of reform.” She also runs the Lorraine Monroe Leadership Institute. Its goal is to train educational leaders in visionary leadership and help them go forth to build schools that transform children’s lives.

Lorraine Monroe’s many leadership ideas are summarized in what is called the “Monroe Doctrine.” It begins with this advice: “The job of the leader is to uplift her people—not just as members of and contributors to the organization, but as individuals of infinite worth in their own right.”

WHAT’S THE LESSON HERE?

Follower-centered leadership is high on Lorraine Monroe’s list of priorities. And she’s made a fine career by putting its principles to work. What is there in the Monroe Doctrine that can help you succeed as a leader? Do you have what it takes to truly value people who look up to you for leadership?

to the products through identification with the athletes and personalities. The same holds true in leadership. Referent power is the ability to influence the behavior of others because they admire and want to identify positively with you. When a manager uses referent power, the implied message is: “You should do what I want in order to maintain a positive self-defined relationship with me.”

If referent power is so valuable, do you know how to get it? It comes in large part from good interpersonal relationships, ones that create admiration and respect for us in the eyes of others. My wife sums this up very simply by saying: “It’s a lot easier to get people to do what you want when they like you than when they dislike you.” Doesn’t this make sense? This is good advice for how to approach your job and the people with whom you work every day.

Leaders bring vision to leadership situations.

“Great leaders,” it is said, “get extraordinary things done in organizations by inspiring and motivating others toward a common purpose.” In other words, they use their power exceptionally well. And frequently today, successful leadership is associated with vision—a future that one hopes to create or achieve in order to improve upon the present state of affairs. According to the late John Wooden,
a standout men's basketball coach at UCLA for 27 years: "Effective leadership means having a lot of people working toward a common goal. And when you have that with no one caring who gets the credit, you're going to accomplish a lot."9

The term visionary leadership describes a leader who brings to the situation a clear and compelling sense of the future, as well as an understanding of the actions needed to get there successfully.10 But simply having the vision of a desirable future is not enough. Truly great leaders are extraordinarily good at turning their visions into accomplishments. This means being good at communicating the vision and getting people motivated and inspired to pursue the vision in their daily work. You can think of it this way. Visionary leadership brings meaning to people's work; it makes what they do seem worthy and valuable.

Leaders display different traits in the quest for leadership effectiveness.

For centuries, people have recognized that some persons use power well and perform successfully as leaders, whereas others do not. You've certainly seen this yourself. How can such differences in leadership effectiveness be explained?

An early direction in leadership research tried to answer this question by identifying traits and personal characteristics shared by well-regarded leaders.11 Not surprisingly, results showed that physical characteristics such as height, weight, and physique make no difference. But a study of over 3,400 managers found that followers rather consistently admired leaders who were honest, competent, forward-looking, inspiring, and credible.12 Another comprehensive review is summarized in Table 11.1—Traits Often Shared by Effective Leaders.13 You might use this list as a quick check of your leadership potential.

Table 11.1 Traits Often Shared by Effective Leaders

<table>
<thead>
<tr>
<th>Trait</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drive</td>
<td>Successful leaders have high energy, display initiative, and are tenacious.</td>
</tr>
<tr>
<td>Self-confidence</td>
<td>Successful leaders trust themselves and have confidence in their abilities.</td>
</tr>
<tr>
<td>Creativity</td>
<td>Successful leaders are creative and original in their thinking.</td>
</tr>
<tr>
<td>Cognitive ability</td>
<td>Successful leaders have the intelligence to integrate and interpret information.</td>
</tr>
<tr>
<td>Business knowledge</td>
<td>Successful leaders know their industry and its technical foundations.</td>
</tr>
<tr>
<td>Motivation</td>
<td>Successful leaders enjoy influencing others to achieve shared goals.</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Successful leaders adapt to fit the needs of followers and the demands of situations.</td>
</tr>
<tr>
<td>Honesty and integrity</td>
<td>Successful leaders are trustworthy; they are honest, predictable, and dependable.</td>
</tr>
</tbody>
</table>

Leaders display different styles in the quest for leadership effectiveness.

In addition to leadership traits, researchers have also studied how successful and unsuccessful leaders behave when working with followers. Most of this research focused on two sets of behaviors: task-oriented behaviors and people-oriented behaviors. A leader high in concern for task plans and defines work goals, assigns task responsibilities, sets clear work standards, urges task completion, and monitors performance results. A leader high in concern for people acts warm
and supportive toward followers, maintains good relations with them, respects their feelings, shows sensitivity to their needs, and displays trust in them.

Leaders who show different combinations of task and people behaviors are often described as having unique leadership styles, such as you have probably observed in your own experiences. A popular summary of classic leadership styles used by managers is shown in Figure 11.2.11

Someone who emphasizes task over people is often described as an autocratic leader. This manager focuses on authority and obedience, delegates little, keeps information to himself or herself, and tends to act in a unilateral command-and-control fashion. Have you ever worked for someone fitting this description? How would you score his or her leadership effectiveness?

A leader who emphasizes people over task is often referred to as a human relations leader. This leader is interpersonally engaging, cares about others, is sensitive to feelings and emotions, and tends to act in ways that emphasize harmony and good working relationships.

Interestingly, researchers at first believed that the human relations style was the most effective for a leader. However, after pressing further, the conclusion emerged that the most effective leaders were strong in concerns for both people and task.15 Sometimes called a democratic leader, a manager with this style shares decisions with followers, encourages participation, and supports the teamwork needed for high levels of task accomplishment.

One result of this research on leader behaviors was the emergence of training programs designed to help people become better leaders by learning how to be good at both task-oriented and people-oriented behaviors. How about you? Where do you fit on the above leadership diagram? What leadership training would be best for you? Hopefully you’re not starting out as an “impoverished” manager with a laissez-faire leader, low on both task and people concerns.
Takeaway 11.1
What Are the Foundations for Effective Leadership?

Rapid Review

- Leadership, as one of the management functions, is the process of inspiring others to work hard to accomplish important tasks.
- Leaders use power from two primary sources: position power—which includes rewards, coercion, and legitimacy, and personal power—which includes expertise and reference.
- The ability to communicate a vision or clear sense of the future is considered essential to effective leadership.
- Personal characteristics associated with leadership success include honesty, competency, drive, integrity, and self-confidence.
- Research on leader behaviors focused attention on concerns for task and concerns for people, with the leader high on both and using a democratic style considered most effective.

Questions for Discussion

1. When, if ever, is a leader justified in using coercive power?
2. How can a young college graduate gain personal power when moving into a new job as team leader?
3. Why might a leader with a human relations style have difficulty getting things done in an organization?

Be Sure You Can

- illustrate how managers use position and personal power
- define vision and give an example of visionary leadership
- list five traits of successful leaders
- describe alternative leadership styles based on concern for task and concern for people

What Would You Do?

Some might say it was bad luck. Others will tell you it’s life and you’d better get used to it. You’ve just gotten a new boss, and within the first week it was clear to everyone that she is as “autocratic” as can be. The previous boss was very “democratic,” and so is the next-higher-level manager, with whom you’ve always had a good working relationship. Is there anything you and your co-workers can do to remedy this situation without causing anyone, including the new boss, to lose their jobs?
Takeaway 11.2
What Can We Learn from the Contingency Leadership Theories?

ANSWERS TO COME

- Fiedler’s contingency model matches leadership styles with situational differences.
- The Hersey-Blanchard situational leadership model matches leadership styles with the maturity of followers.
- House’s path-goal theory matches leadership styles with task and follower characteristics.
- Leader-member exchange theory describes how leaders treat in-group and out-group followers.
- The Vroom-Jago model describes a leader’s choice of alternative decision-making methods.

Even as you consider your leadership style and tendencies, you should know that researchers eventually concluded that no one style always works best. Not even the democratic, or “high-high,” leader is successful all of the time. This finding led scholars to explore a contingency leadership perspective, one that recognizes that what is successful as a leadership style varies according to the nature of the situation and people involved.

Fiedler’s contingency model matches leadership styles with situational differences.

One of the first contingency models of leadership was put forth by Fred Fiedler. He proposed that leadership success depends on achieving a proper match between your leadership style and situational demands. He also believed that each of us has a predominant leadership style that is strongly rooted in our personalities. This is important because it suggests that a person’s leadership style, yours or mine, is going to be enduring and hard to change.

Fiedler uses an instrument called the least-preferred co-worker scale (LPC) to classify our leadership styles as either task motivated or relationship motivated. The LPC scale is available in the end of book Skill-Building Portfolio. Why not complete it now and see how Fiedler would describe your style?

Leadership situations are analyzed in Fiedler’s model according to three contingency variables—leader-member relations, task structure, and position power. These variables can exist in eight different combinations, with each representing a different leadership challenge. The most favorable situation provides high control for the leader. It has good leader–member relations, high task structure, and strong position power. The least favorable situation puts the leader in a low control setting. Leader–member relations are poor, task structure is low, and position power is weak.

The contingency leadership perspective suggests that what is successful as a leadership style varies according to the situation and the people involved.
Fiedler’s research revealed an interesting pattern when he studied the effectiveness of different styles in different leadership situations. As shown in Figure 11.3, a task-motivated leader is most successful in either very favorable (high-control) or very unfavorable (low-control) situations. In contrast, a relationship-motivated leader is more successful in situations of moderate control.

Don’t let the apparent complexity of the figure fool you. Fiedler’s logic is quite straightforward and, if on track, has some interesting career implications. It suggests that you must know yourself well enough to recognize your predominant leadership style. You should seek out or create leadership situations for which this style is a good match. And, you should avoid situations for which your style is a bad match.

Let’s do some quick examples. First, assume that you are the leader of a team of bank tellers. The tellers seem highly supportive of you, and their job is clearly defined. You have the authority to evaluate their performance and to make pay and promotion recommendations. This is a high-control situation consisting of good leader-member relations, high task structure, and high position power. By checking Figure 11.3, you can see that a task-motivated leader is recommended.

Now suppose you are chairperson of a committee asked to improve labor-management relations in a manufacturing plant. Although the goal is clear, no one knows exactly how to accomplish it—task structure is low. Further, not everyone believes that a committee is even the right way to approach the situation—poor leader-member relations are likely. Finally, committee members are free to quit any time they want—you have little position power. Figure 11.3 shows that in this low-control situation, a task-motivated leader should be most effective.

Finally, assume that you are the new head of a fashion section in a large department store. Because you won the job over one of the popular sales clerks you now supervise, leader-member relations are poor. Task structure is high since the clerk’s job is well defined. Your position power is low because clerks work under a seniority system, with a fixed wage schedule. Figure 11.3 shows that this moderate-control situation requires a relationship-motivated leader.
The Hersey-Blanchard situational leadership model matches leadership styles with the maturity of followers.

In contrast to Fiedler’s notion that leadership style is hard to change, the Hersey-Blanchard situational leadership model suggests that successful leaders do adjust their styles. They do so contingently and based on the maturity of followers, as indicated by their readiness to perform in a given situation.17 “Readiness,” in this sense, is based on how able and willing or confident followers are to perform required tasks. As shown in Figure 11.4, the possible combinations of task and relationship behaviors result in four leadership styles.

- **Delegating**—allowing the group to take responsibility for task decisions; a low-task, low-relationship style
- **Participating**—emphasizing shared ideas and participative decisions on task directions; a low-task, high-relationship style
- **Selling**—explaining task directions in a supportive and persuasive way; a high-task, high-relationship style
- **Telling**—giving specific task directions and closely supervising work; a high-task, low-relationship style

The delegating style works best in high-readiness situations with able and willing or confident followers. The telling style works best at the other extreme of low readiness, where followers are unable and unwilling or insecure. The participating style is recommended for low-to-moderate readiness (followers able but unwilling or insecure); the selling style works best for moderate-to-high readiness (followers unable but willing or confident).

Hersey and Blanchard further believe that leadership styles should be adjusted as followers change over time. The model also implies that if the correct styles are used in lower-readiness situations, followers will “mature” and grow in ability, willingness, and confidence. This allows the leader to become less directive as followers mature. Although this situational leadership model is intuitively appealing, limited research has been accomplished on it to date.18

House’s path-goal theory matches leadership styles with task and follower characteristics.

Another contingency leadership approach is the path-goal theory advanced by Robert House.19 This theory suggests that leaders are effective when they help followers move along paths through which they can achieve both work goals and personal goals. The best leaders create positive path-goal linkages, raising motivation by removing barriers and rewarding progress.

Like Fiedler’s approach, House’s path-goal theory seeks the right fit between leadership and situation. But unlike Fiedler, House believes that a leader can move back and forth among the four leadership styles: directive, supportive, achievement-oriented, and participative.
When choosing among the different styles, House suggests that the leader's job is to "add value" to a situation. This means acting in ways that contribute things that are missing and not doing things that can otherwise take care of themselves. If you are the leader of a team whose members are expert and competent at their tasks, for example, why would you need to be directive? Members have the know-how to provide their own direction. More likely, the value you can add to this situation would be found in a participative leadership style that helps unlock the expertise of team members and apply it fully to the tasks at hand.

Path-goal theory provides a variety of research-based guidance of this sort to help leaders contingently match their styles with situational characteristics. When job assignments are unclear, directive leadership helps to clarify task objectives and expected rewards. When worker self-confidence is low, supportive leadership can increase confidence by emphasizing individual abilities and offering needed assistance. When task challenge is insufficient in a job, achievement-oriented leadership helps to set goals and raise performance aspirations. When performance incentives are poor, participative leadership might clarify individual needs and identify appropriate rewards.

This contingency thinking has contributed to the recognition of what are called substitutes for leadership. These are aspects of the work setting and the people involved that can reduce the need for a leader’s personal involvement. In effect, they make leadership from the “outside” unnecessary because leadership is already provided from within the situation.

Possible substitutes for leadership include subordinate characteristics such as ability, experience, and independence; task characteristics such as how routine it is and the availability of feedback; and organizational characteristics such as clarity of plans and formalization of rules and procedures. When these substitutes are present, managers are advised to avoid duplicating them. Instead, they should concentrate on doing other and more important things.

Leader-member exchange theory describes how leaders treat in-group and out-group followers.

One of the things you may have noticed in your work and study groups is the tendency of leaders to develop “special” relationships with some team members. This notion is central to leader–member exchange theory, or LMX theory as it is often called. The theory is highlighted in the nearby figure and recognizes that in most, or at least many, leadership situations, not everyone is treated the same. People fall into “in-groups” and “out-groups,” and the group you are in can have quite a significant influence on your experience with the leader.

The premise underlying leader–member exchange theory is that as a leader and follower interact over time, their exchanges end up defining the follower’s
role. Those in a leader’s in-group are often considered the best performers. They enjoy special and trusted high-exchange relationships with the leader that can translate into special assignments, privileges, and access to information. Those in the out-group are often excluded from these benefits due to low-exchange relationships with the leader.

For the follower in a high-LMX relationship, being part of the leader’s inner circle or in-group can be a real positive. It’s often motivating and satisfying to be on the inside of things in terms of getting rewards and favorable treatments. Being in the out-group because of a low-LMX relationship, however, can be a real negative, bringing fewer rewards and less favorable treatment. As to the leader, it is nice to be able to call on and depend upon the loyal support of those in the in-group. But the leader may also be missing out on opportunities that might come from working more closely with out-group members.

Research on leader–member exchange theory places most value on its usefulness in describing leader–member interactions. The notions of high-LMX and low-LMX relationships seem to make sense and correspond to working realities experienced by many people. Look around and you’re likely to see examples of this in classroom situations between instructors and certain students, and in work situations between bosses and certain subordinates. In such settings, research finds that members of in-groups get more positive performance evaluations, report higher levels of satisfaction, and are less prone to turnover than are members of out-groups.

The Vroom-Jago model describes a leader’s choice of alternative decision-making methods.

Yet another contingency leadership theory focuses on how managers lead through their use of decision-making methods. The Vroom-Jago leader-participation model views a manager as having three decision options, and in true contingency fashion, no one option is always superior to the others.

1. Authority decision—The manager makes an individual decision about how to solve the problem and then communicates the decision to the group.
2. Consultative decision—The manager makes the decision after sharing the problem with and getting suggestions from individual group members or the group as a whole.
3. Group decision—The manager convenes the group, shares the problem, and then either facilitates a group decision or delegates the decision to the group.

Leadership success results when the manager’s choice of decision-making method best matches the nature of the problem to be solved. The rules for making the choice involve three criteria: (1) decision quality—based on who has
The leader-participation model suggests that leaders are effective when they use the appropriate decision method to solve a problem situation. Three criteria govern the choice among possible authority, consultative, and team or group decisions: (1) decision quality—based on who has the information needed for problem solving; (2) decision acceptance—based on the importance of follower acceptance of the decision to its eventual implementation; and (3) decision time—based on the time available to make and implement the decision. These rules are shown in Figure 11.5.

In true contingency fashion each of the decision methods is appropriate in certain situations, and each has its advantages and disadvantages. Authority decisions work best when leaders have the expertise needed to solve the problem, are confident and capable of acting alone, others are likely to accept and implement the decision they make, and little time is available for discussion. By contrast, consultative and group decisions are recommended when:

- The leader lacks sufficient expertise and information to solve this problem alone.
- The problem is unclear and help is needed to clarify the situation.
- Acceptance of the decision and commitment by others are necessary for implementation.
- Adequate time is available to allow for true participation.

Using consultative and group decisions offers important leadership benefits. Participation helps improve decision quality by bringing more information to bear on the problem. It helps improve decision acceptance as others gain understanding and become committed to the process. It also contributes to leadership development by allowing others to gain experience in the problem-solving process. However, a potential cost of participation is lost efficiency. Participation often adds to the time required for decision making, and leaders don’t always have extra time available. When problems must be resolved immediately, the authority decision may be the only option.
Takeaway 11.2
What Can We Learn from the Contingency Leadership Theories?

Rapid Review

- Fiedler's contingency model describes how situational differences in task structure, position power, and leader–member relations may influence the success of task-motivated and relationship-motivated leaders.
- The Hersey-Blanchard situational model recommends using task-oriented and people-oriented behaviors, depending on the “maturity” levels of followers.
- House's path-goal theory describes how leaders add value to situations by using supportive, directive, achievement-oriented, and/or participative styles as needed.
- Leader–member exchange theory recognizes that leaders respond differently to followers in their in-groups and out-groups.
- The Vroom-Jago leader-participation theory advises leaders to choose decision-making methods—authority, consultative, group—that best fit the problems to be solved.

Questions for Discussion

1. What are the potential career development lessons of Fiedler’s contingency leadership model?
2. What are the implications of follower maturity for leaders trying to follow the Hersey-Blanchard situational leadership model?
3. Is it wrong for a team leader to allow the formation of in-groups and out-groups in his or her relationships with team members?

Be Sure You Can

- explain Fiedler’s contingency model for matching leadership style and situation
- identify the three variables used to assess situational favorableness in Fiedler’s model
- identify the four leadership styles in the Hersey-Blanchard situational leadership model
- explain the importance of follower “maturity” in the Hersey-Blanchard model
- describe the best use of directive, supportive, achievement-oriented, and participative leadership styles in House’s path-goal theory
- explain how leader–member exchange theory deals with in-groups and out-groups among a leader’s followers

What Would You Do?

You've just been hired as a visual effects artist by a top movie studio. But the team you are joining has already been together for about two months. There's obviously an in-group when it comes to team leader and team member relationships. This job is important to you; the movie is going to be great résumé material. But you're worried about the leadership dynamics and your role as a newcomer to the team. What can you do to get on board as soon as possible and be valued as a team member?
**Takeaway 11.3**

What Are Current Issues and Directions in Leadership Development?

ANSWERS TO COME

- Transformational leadership inspires enthusiasm and great performance
- Emotionally intelligent leadership handles emotions and relationships well
- Interactive leadership emphasizes communication and participation
- Moral leadership builds trust from a foundation of personal integrity
- Servant leadership is follower centered and empowering

You should now be thinking seriously about your leadership qualities, tendencies, styles, and effectiveness. You should also be thinking about your personal development as a leader. And, in fact, if you look at what people say about leaders in their workplaces, you should be admitting that most of us have considerable room to grow in this regard.

**Transformational leadership inspires enthusiasm and great performance.**

It is popular to talk about “superleaders,” persons whose visions and strong personalities have an extraordinary impact on others. Martin Luther King, in his famous “I have a dream” speech delivered in August 1963 on the Washington Mall, serves as a good example. Some call people like King charismatic leaders because of their ability to inspire others in exceptional ways. We used to think charisma was limited to only a few lucky persons. Today, it is considered one of several personal qualities—including honesty, credibility, and competence, that we should be able to develop with foresight and practice.

Leadership scholars James MacGregor Burns and Bernard Bass have pursued this theme. They begin by describing the traditional leadership approaches we have discussed so far as transactional leadership. You might picture the transactional leader engaging followers in a somewhat mechanical fashion, “transacting” with them by using power, employing behaviors and styles that seem to be the best choices at the moment for getting things done.

What is missing in the transactional approach, say Burns and Bass, is attention to things typically linked with superleaders—enthusiasm and inspiration, for example. These are among the charismatic qualities that they associate with something called transformational leadership. Transformational leaders use their personalities to inspire followers and get them so highly excited about their jobs and organizational goals that they strive for truly extraordinary performance accomplishments. Indeed, the easiest way to
spot a truly transformational leader is through his or her followers. They are likely to be enthusiastic about the leader and loyal and devoted to his or her ideas, and to work exceptionally hard together to support them.

The goal of achieving excellence in transformational leadership is a stiff personal development challenge. It is not enough to possess leadership traits, know the leadership behaviors, and understand leadership contingencies. One must also be prepared to lead in an inspirational way and with a compelling personality. Transformational leaders raise the confidence, aspirations, and performance of followers through these special qualities.34

- **Vision**—has ideas and a clear sense of direction; communicates them to others; develops excitement about accomplishing shared “dreams”
- **Charisma**—uses the power of personal reference and emotion to arouse others’ enthusiasm, faith, loyalty, pride, and trust in themselves
- **Symbolism**—identifies “heroes” and holds spontaneous and planned ceremonies to celebrate excellence and high achievement
- **Empowerment**—helps others grow and develop by removing performance obstacles, sharing responsibilities, and delegating truly challenging work
- **Intellectual stimulation**—gains the involvement of others by creating awareness of problems and stirring their imaginations
- **Integrity**—is honest and credible; acts consistently and out of personal conviction; follows through on commitments

|| Emotionally intelligent leadership handles emotions and relationships well. ||

The role of personality in transformational leadership raises another area of inquiry in leadership development—emotional intelligence. Popularized by the work of Daniel Goleman, emotional intelligence, or EI for short, is an ability to understand emotions in yourself and others, and use this understanding to handle one’s social relationships effectively.35 “Great leaders move us,” say Goleman and his colleagues. “Great leadership works through emotions.”36

Emotional intelligence is an important influence on leadership success, especially in more senior management positions. In Goleman’s words: “The higher the rank of the person considered to be a star performer, the more emotional intelligence capabilities showed up as the reason for his or her effectiveness.”37 This is a pretty strong endorsement for making EI one of your leadership assets.38

Consider the four primary emotional intelligence competencies shown in the small figure. **Self-awareness** is the ability to understand our own moods and emotions, and to understand their impact on our work and on others. **Social awareness** is the ability to empathize, to understand the emotions of others, and to use this understanding to better deal with them. **Self-management**, or self-regulation, is the ability to think before acting and to be in control of otherwise disruptive impulses. **Relationship management** is the ability to establish rapport with others in ways that build good relationships and influence their emotions in positive ways.
Interactive leadership emphasizes communication, listening, and participation.

Leaders Provide the Roadmaps

When Kraft Foods was bidding to buy Cadbury, Irene Rosenfeld was often in the news. She was leading a dramatic attempt to capture the British candymaker against its wishes. It was all part of Rosenfeld’s desire to transform Kraft—a firm she described as “not living up to our potential.” Her roadmap to making Kraft a global powerhouse in snacks and confectionery, was one of growth. This included making the Cadbury acquisition against all odds. And she succeeded.

Rosenfeld is described as a risk taker who leads by pushing decision authority down the hierarchy. She lets managers of Kraft’s major brands have control of their budgets and operations. She focuses on top management teamwork to bring perspectives in from all parts of the company. And she urges top managers to focus resources on what they do best in their customer markets. Keeping her turnaround strategy on track is always top priority. To create change, Rosenfeld says you need to “get the right people on the bus,” “give them a roadmap,” and “communicate frequently, consistently and honestly.”

Interactive leadership emphasizes communication, listening, and participation.

When Sara Levinson was President of NFL Properties Inc., she once asked the all-male members of her management team: “Is my leadership style different from a man’s?” Would you be surprised to learn that they answered “Yes,” telling her that just by asking the question she was providing evidence of the difference? They described her as a leader who emphasized communication, always gathering ideas and opinions from others. And when Levinson probed further by asking “Is this a distinctly ‘female’ trait?” they again said “yes” it was.

Are there gender differences in leadership? Before you jump in with your own answer, let’s be clear on three things. First, research largely supports the gender similarities hypothesis that males and females are very similar to one another in terms of psychological properties. Second, research leaves no doubt that both women and men can be effective leaders. Third, what research does show is that men and women are sometimes perceived as using different styles, perhaps arriving at leadership success from different angles.

A recent study employing 3,608 assessments found that women were rated more highly than men in all but one area of leadership—visioning. A possible explanation is that women aren’t considered as visionaries because they are perceived as acting less directive as leaders. And indeed, some studies report that male leaders are viewed as directive and assertive, using position power to get things done in traditional command-and-control ways. Other studies report female leaders acting more participative than men. They are also rated by peers, subordinates, and supervisors as strong on motivating others, emotional intelligence, persuading, fostering communication, listening to others, mentoring, and supporting high-quality work.
This pattern of behaviors associated with female leaders has been called interactive leadership. Interactive leaders are democratic, participative, and inclusive, often approaching problems and decisions through teamwork. They focus on building consensus and good interpersonal relations through emotional intelligence, communication, and involvement. They tend to get things done with personal power, seeking influence over others through support and interpersonal relationships.

Rosabeth Moss Kanter says that in many ways "Women get high ratings on exactly those skills required to succeed in the Global Information Age, where teamwork and partnering are so important." Her observations are backed up by data that show firms having more female directors and executives outperform others. But let’s be careful. One of the risks here is placing individual men and women into boxes in which they don’t necessarily belong. Perhaps we should focus instead on the notion of interactive leadership. The likelihood is that this style is a very good fit with the needs of today’s organizations and workers.

As discussed many times in this book, society expects organizations to be run with moral leadership. This is leadership by ethical standards that clearly meet the test of being “good” and “correct.” We should expect anyone in a leadership position to practice high ethical standards of behavior and help others to also behave ethically in their work. But the facts don’t always support this aspiration.
Are you surprised by the Harris Poll reported in the previous Facts to Consider? Why are so few people willing to describe their top managers as acting with “integrity and morality”?) Based on that result, it may not surprise you that a *Business Week* survey found that just 13% of top executives at large U.S. firms rated “having strong ethical values” as a top leadership characteristic.

In contrast to the findings described in these surveys, is there any doubt that society today is demanding more ethical leadership in our organizations? Even if they don’t always do so, we still want leaders to act ethically and maintain an ethical organizational culture. We want leaders to both help and require others to behave ethically in their work. Hopefully this theme has been well communicated throughout this book. Hopefully too, you will agree that long-term success in work, and in life, can be built only on a foundation of solid ethical behavior.

But where do we start when facing up to the challenge of building personal capacities for ethical leadership? A good answer is integrity. You must start with honest, credible, and consistent behavior that puts your values into action. Words like “principled” and “fair” and “authentic” should come immediately to mind.

When a leader has integrity, he or she earns the trust of followers. And when followers believe that their leaders are trustworthy, they are more willing to try to live up to the leader’s expectations. Southwest Airlines CEO Gary Kelly seems to have gotten the message. He says: “Being a leader is about character . . . being straightforward and honest, having integrity, and treating people right.” And there’s a payoff. One of his co-workers says this about Kelly’s leadership impact: “People are willing to run through walls for him.”

**Integrity in leadership is honesty, credibility, and consistency in putting values into action.**
Servant leadership is follower centered and empowering.

A classic and valuable observation about great leaders is that they view leadership as a responsibility, not a rank.\textsuperscript{59} This view is consistent with the concept of \textit{servant leadership}. It is based on a commitment to serving others and to helping people use their talents to full potential while working together in organizations that benefit society.\textsuperscript{60}

You might think of servant leadership by asking this question: Who is most important in leadership, the leader or the followers? For those who believe in servant leadership, there is no doubt about the correct answer: the followers.

Servant leadership is “other centered,” not “self-centered.” And once one shifts the focus away from the self and toward others, what does that generate in terms of leadership opportunities? \textit{Empowerment}, for one thing. This is the process of giving people job freedom and helping them gain power to achieve influence within the organization.\textsuperscript{61}

Max DePree, former CEO of Herman Miller and a noted leadership author, praises leaders who “permit others to share ownership of problems—to take possession of the situation.”\textsuperscript{62} Lorraine Monroe of the School Leadership Academy says: “The real leader is a servant of the people she leads . . . a really great boss is not afraid to hire smart people. You want people who are smart about things you are not smart about.”\textsuperscript{63} Robert Greenleaf, who is credited with coining the term “servant leadership,” says: “Institutions function better when the idea, the dream, is to the fore, and the person, the leader, is seen as servant to the dream.”\textsuperscript{64}

Think about these ideas and then reach back and take a good look in the mirror. Is the leader in you capable of being a servant?

\begin{itemize}
\item \textbf{INTEGRITY}
\end{itemize}

Even though we can get overly enamored with the notion of the “great” or “transformational” leader, it is just one among many leadership fundamentals that are enduring and important. This chapter covers a range of theories and models useful for leadership development. Each is best supported by a base of personal \textit{integrity}.

Leaders with integrity are honest, credible, humble, and consistent in all that they do. They walk the talk by living up to personal values in all their actions. Transformational leadership operates on a foundation of integrity. The very concept of moral leadership is centered on integrity. And, servant leadership represents integrity in action. Why is it, then, that in the news and in everyday experiences we so often end up wondering where leadership integrity has gone?

Get to know yourself better by taking the self-assessment on \textit{Least Preferred Co-Worker Scale} and completing the other activities in the Exploring Management Skill-Building Portfolio.
Takeaway 11.3
What Are Current Issues and Directions in Leadership Development?

Rapid Review
- Transformational leaders use charisma and emotion to inspire others toward extraordinary efforts to achieve performance excellence.
- Emotional intelligence, the ability to manage our emotions and relationships effectively, is an important leadership capability.
- The interactive leadership style, sometimes associated with women, emphasizes communication, involvement, and interpersonal respect.
- Moral or ethical leadership is built from a foundation of personal integrity, creating a basis for trust and respect between leaders and followers.
- A servant leader is follower-centered, not self-centered, and empowers others to unlock their personal talents in the quest for goals and accomplishments that help society.

Questions for Discussion
1. Should all managers be expected to excel at transformational leadership?
2. Do women lead differently than men?
3. Is servant leadership inevitably moral leadership?

Be Sure You Can
- differentiate transformational and transactional leadership
- list the personal qualities of transformational leaders
- explain how emotional intelligence contributes to leadership success
- discuss research findings on interactive leadership
- explain the role of integrity as a foundation for moral leadership
- explain the concept of servant leadership

What Would You Do?
Okay, so it’s important to be “interactive” in leadership. By personality, though, you tend to be a bit withdrawn. In fact, if you could do things by yourself, that’s the way you would behave. Yet here you are taking over as a manager as the first upward career step in your present place of employment. How do you master the challenge of succeeding with interactive leadership in the new role?
Multiple-Choice Questions

1. When managers use offers of rewards and threats of punishments to try to get others to do what they want them to do, they are using which type of power?
   (a) formal authority
   (b) position
   (c) referent
   (d) personal

2. When a manager says, “Because I am the boss, you must do what I ask,” what power base is being put into play?
   (a) reward
   (b) legitimate
   (c) moral
   (d) referent

3. The personal traits that are now considered important for managerial success include __________.
   (a) self-confidence
   (b) gender
   (c) age
   (d) personality

4. In the research on leader behaviors, which style of leadership describes the preferred “high-high” combination?
   (a) transformational
   (b) transactional
   (c) laissez-faire
   (d) democratic

5. In Fiedler’s contingency model, both highly favorable and highly unfavorable leadership situations are best dealt with by a __________-motivated leadership style.
   (a) task
   (b) vision
   (c) ethics
   (d) relationship

6. Which leadership theorist argues that one’s leadership style is strongly anchored in personality and therefore very difficult to change?
   (a) Daniel Goleman
   (b) Peter Drucker
   (c) Fred Fiedler
   (d) Robert House

7. Vision, charisma, integrity, and symbolism are all attributes typically associated with __________ leaders.
   (a) people-oriented
   (b) democratic
   (c) transformational
   (d) transactional

8. In terms of leadership behaviors, someone who focuses on doing a very good job of planning work tasks, setting performance standards, and monitoring results would be described as __________.
   (a) task oriented
   (b) servant oriented
   (c) achievement oriented
   (d) transformational

9. In the discussion of gender and leadership, it was pointed out that some perceive women as having tendencies toward __________, a style that seems a good fit with developments in the new workplace.
   (a) interactive leadership
   (b) use of position power
   (c) command-and-control
   (d) transactional leadership

10. In House’s path-goal theory, a leader who sets challenging goals for others would be described as using the __________ leadership style.
    (a) autocratic
    (b) achievement-oriented
    (c) transformational
    (d) directive
11. Someone who communicates a clear sense of the future and the actions needed to get there is considered a ________ leader.
   (a) task-oriented
   (b) people-oriented
   (c) transactional
   (d) visionary

   (a) Reward; Punishment
   (b) Reward; Expert
   (c) Legitimate; Position
   (d) Position; Personal

13. The interactive leadership style is characterized by ________.
   (a) inclusion and information sharing
   (b) use of rewards and punishments
   (c) command-and-control behavior
   (d) emphasis on position power

14. A leader whose actions indicate an attitude of “do as you want and don’t bother me” would be described as having a(n) ________ leadership style.
   (a) autocratic
   (b) country club
   (c) democratic
   (d) laissez-faire

15. The critical contingency variable in the Hersey-Blanchard situational model of leadership is ________.
   (a) follower maturity
   (b) LPC
   (c) task structure
   (d) emotional intelligence

Short-Response Questions

16. Why are both position power and personal power essential in management?

17. Use Fiedler’s terms to list the characteristics of situations that would be extremely favorable and extremely unfavorable to a leader.

18. Describe the situations in which House’s path-goal theory would expect (a) a participative leadership style and (b) a directive leadership style to work best.

19. How do you sum up in two or three sentences the notion of servant leadership?

Integration and Application Question

20. When Marcel Henry took over as leader of a new product development team, he was both excited and apprehensive. “I wonder,” he said to himself on the first day in his new assignment, “if I can meet the challenges of leadership.” Later that day, Marcel shares this concern with you during a coffee break.

   Question: How would you describe to Marcel the personal implications of current thinking on transformational and moral leadership and how they might be applied to his handling of this team setting?
Many learning resources are found at the end of the book and online within WileyPLUS.

Don’t Miss These Selections from the **Skill-Building Portfolio**

- **SELF-ASSESSMENT 11:** Least Preferred Co-Worker Scale
- **CLASS EXERCISE 11:** Leading by Participation
- **TEAM PROJECT 11:** Leadership Believe-It-Or-Not

Don’t Miss This Selection from **Cases for Critical Thinking**

- **CHAPTER 11 CASE**  
  **SAS: Business Decisions at the Speed of Information**

**Snapshot**  Short for Statistical Analysis System, SAS is a set of integrated software tools that help decision makers cope with unwieldy amounts of unrelated data. It’s the primary product of North Carolina-based SAS Institute, self-described as the “leader in business analytics software.” While SAS is its primary product, the company has developed a peripheral business around supporting and training SAS users. One user describes its value as “empowering people with data to make efficient, effective decisions earlier.” With Jim Goodnight at the helm, it’s gained an impressive roster of clients: 92 of the top 100 Fortune Global 500 companies, more than 45,000 businesses, universities, and government agencies, with customers in 121 different countries. If you look below the surface, you’ll find that Goodnight’s special approach to leadership is as great as the firm’s software.

Make notes here on what you’ve learned about yourself from this chapter.

- **LEARNING JOURNAL 11**