Organizational Behavior

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John Wiley & Sons, Inc.
New York
0-471-20367-X

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High Performance Leadership

Where the Animals Rule

Late Saturday evening some two dozen children are in a noisy queue at the Build-A-Bear Workshop in a Dallas mall. These workshops now number 37, with 70 on the immediate horizon and a projected 200 by the year 2005. Children come in, select from many limp, acrylic animal bodies and proceed to pump huggable polyester-filled life into them from a fill machine. Then the children, both girls and boys, pick out clothes, shoes, and paraphernalia for their new friends. These two dozen children are typical of the queues at the Workshop since it first opened 10 hours earlier. When the crowd thins, one little girl’s mother has just spent $41, plus another $125 on animals for the girl’s friends at her birthday party. A typical workshop sells two or three times as much per square foot as an average shop in the same mall.

The workshops are the brainchild of Maxine Clark, the 51-year-old CEO who founded them in St. Louis in 1997. Clark is the former president of Payless ShoeSource, Inc. The idea came to her while she was helping a friend chaperone a third-grade field trip to a toy factory. The kids were asking a million questions and the idea struck her to intertwine the activity of a factory with the feel of Disneyland and the universal appeal of plush animals. She wanted to produce a shopping experience as much about family entertainment as about making a purchase. “It’s not about money or profit. It's about having fun,” exclaims Ms. Clark. “If the customers are having fun, they’ll spend money.” Customers get involved in designing, naming, and personalizing the product.

Britt Jenkins, CEO of Tandy Brands Accessories, said he didn't quite understand the concept when Ms. Clark first mentioned it to him. Now, however, he has seen the light. “She's wired, and she's an astute retailer who spots trends. When she believes in something, she won't let go.”

For many, Maxine Clark captures the essence of leadership: the vision to seize the day and make a difference. Although most people probably agree that leadership makes a difference, some
argue that it isn't important. For them, leaders are so bound by constraints that they just don't have much impact. Some also see leadership as so mystical that they can't define it but know it when they see it. In this chapter, we address these views and more in examining how leadership fits in organizations in general, and especially high performance organizations.

**Study Questions**

As you read Chapter 14, keep in mind these key questions.

- What is leadership, and how does it differ from management?
- What are the trait or behavioral leadership perspectives?
- What are the situational or contingency leadership approaches?
- How does attribution theory relate to leadership?
- What are the new leadership perspectives and why are they especially important in high performance organizations?

**Leadership and Management**

In the chapters in Part 1, we talked about managers and management functions, roles, activities, and skills. The question to ask now is how are leaders and leadership linked to all this?

Currently, controversy has arisen over whether leaders are different from managers or whether management is different from leadership and, if so, how. One way of making these differentiations is to argue that the role of management is to promote stability or to enable the organization to run smoothly, whereas the role of leadership is to promote adaptive or useful changes.\(^1\) Persons in managerial positions could be involved with both management and leadership activities, or they could emphasize one activity at the expense of the other. Both management and leadership are needed, however, and if managers don’t assume responsibility for both, then they should ensure that someone else handles the neglected activity.

For our purpose, we treat leadership as a special case of interpersonal influence that gets an individual or group to do what the leader or manager wants done. The broader influence notions, of which leadership is a part, are dealt with in Chapter . Leadership appears in two forms: (1) formal leadership, which is exerted by persons appointed to or elected to positions of formal authority in organizations; and (2) informal leadership, which is exerted by persons who become influential because they have special skills that meet the resource needs of others. Although both types are important in organizations, this chapter will emphasize formal leadership.

The leadership literature is vast—10,000 or so studies at last count—and consists of numerous approaches.\(^2\) We have grouped these into: trait and behavioral theory perspectives; situational or contingency perspectives; attributional leadership perspectives; and “new leadership” perspectives—including charismatic approaches, transformational approaches, and leadership
of self-directing work teams. These new leadership theories are especially important for high performance organizations. Within each of these perspectives are several models. While each of these models may be useful to you in a given work setting, we invite you to mix and match them as necessary in your setting, just as we earlier did with the motivational models in Chapter. This is a trial-and-error process but it is a good way to bring together the contributions from each model in a combination that meets your needs as a manager.

**Trait and Behavioral Theories Perspectives**

**Trait Theories**

Trait perspectives assume that traits play a central role in differentiating between leaders and nonleaders (leaders must have the “right stuff”) or in predicting leader or organizational outcomes. The great person–trait approach reflects this leader and nonleader difference and is the earliest approach in studying leadership, having been introduced more than a century ago. What traits differentiated “great persons” from the masses? (For example, How did Catherine the Great differ from her subjects?) Later studies examined both leader/nonleader differences and trait predictions of outcomes. For various reasons, including inadequate theorizing and trait measurement, the studies were not successful enough to provide consistent findings.

More recent work has yielded more promising results. A number of traits have been identified that help identify important leadership strengths (see Figure 1). As it turns out, most of these traits also tend to predict leadership outcomes.

<table>
<thead>
<tr>
<th><strong>Traits with positive implications for successful leadership.</strong></th>
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<tbody>
<tr>
<td><strong>Emergency and adjustment or stress tolerance:</strong> Physical vitality and emotional resilience.</td>
</tr>
<tr>
<td><strong>Prosocial power motivation:</strong> A high need for power exercised primarily for the benefit of others.</td>
</tr>
<tr>
<td><strong>Achievement orientation:</strong> Need for achievement, desire to excel, drive to success, willingness to assume responsibility, concern for task objectives.</td>
</tr>
<tr>
<td><strong>Self-confidence:</strong> General confidence in self and in the ability to perform the job of a leader.</td>
</tr>
<tr>
<td><strong>Integrity:</strong> Behavior consistent with espoused values; honest, ethical, trustworthy.</td>
</tr>
<tr>
<td><strong>Perseverance or tenacity:</strong> Ability to overcome obstacles; strength of will.</td>
</tr>
<tr>
<td><strong>Cognitive ability, intelligence, social intelligence:</strong> Ability to gather, integrate, and interpret information; intelligence; understanding of social setting.</td>
</tr>
<tr>
<td><strong>Task-relevant knowledge:</strong> Knowledge about the company, industry, and technical aspects.</td>
</tr>
<tr>
<td><strong>Flexibility:</strong> Ability to respond appropriately to changes in the setting.</td>
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Leaders tend to be energetic and to operate on an even keel. They crave power not as an end in itself but as a means to achieving a vision or desired goals. Leaders also are very ambitious and have a high need for achievement. At the same time, they have to be emotionally mature enough to recognize their own strengths and weaknesses, and they are oriented toward self-improvement. Furthermore, as shown by Community Access Center’s Lucille Walls, to be trusted they must have integrity; without trust, they cannot hope to maintain the loyalty of their followers. Leaders also must not be easily discouraged. They need to stick to a chosen course of action and to push toward goal accomplishment. At the same time, they must be cognitively sharp enough to deal well with the large amount of information they receive. However, they do not need to be brilliant; they just need to show above-average intelligence. In addition, leaders must have a good understanding of their social setting. Finally, they must possess lots of specific knowledge concerning their industry, firm, and job.

Ethics and Social Responsibility

Lucille Walls, M.S.W., M.S.P.H., blind since age 23, heads the Community Access Center in Riverside, California. The Center opened in 1995 and has assisted more than 1500 consumers from Riverside county over the last few years. The Center offers advocacy, counseling, job training, and referrals for housing and social security benefits. The agency’s mission is to empower individuals with disabilities. The staff also works with individuals with disabilities to ensure they get appropriate services from state rehabilitation programs. The majority of staff have disabilities, and their focus is on the ability of people with a disability. According to one employee, “Ms. Walls is a systems change advocate, she is restless in her pursuit of inclusion for children with disabilities in their neighborhood schools and the employment of people with disabilities.” She is actively involved in creating a Parent Resource Center (PARADIGMS) for non-English speaking parents of children with a disability. Her long-term goal is to create an employment program with California State University, San Bernardino in the School of Business, which will significantly decrease the 74% unemployment rate for individuals with disabilities. She has proven to be a dynamic leader with a passion for social responsibility.
Behavioral Theories

Like the trait perspective covered above, the behavioral perspective assumes that leadership is central to performance and other outcomes. In this case, however, instead of dealing with underlying traits, behaviors are considered. Two classic research programs—at the University of Michigan and Ohio State University—provide useful insights into leadership behaviors.

Michigan Studies

In the late 1940s, researchers at the University of Michigan introduced a research program on leadership behavior. They sought to identify the leadership pattern that results in effective performance. From interviews of high- and low-performing groups in different organizations, the researchers derived two basic forms of leader behaviors: employee centered and production centered. Employee-centered supervisors are those who place strong emphasis on their subordinates' welfare. In contrast, production-centered supervisors are more concerned with getting the work done. In general, employee-centered supervisors were found to have more productive workgroups than did the production-centered supervisors.6

These behaviors may be viewed on a continuum, with employee-centered supervisors at one end and production-centered supervisors at the other. Sometimes, the more general terms human relations oriented and task oriented are used to describe these alternative leader behaviors.

Ohio State Studies

At about the same time as the Michigan studies, an important leadership research program was started at Ohio State University. A questionnaire was administered in both industrial and military settings to measure subordinates' perceptions of their superiors' leadership behavior. The researchers identified two dimensions similar to those found in the Michigan studies: consideration and initiating structure.7 A highly considerate leader is sensitive to people's feelings and, much like the employee-centered leader, tries to make things pleasant for his or her followers. In contrast, a leader high in initiating structure is more concerned with defining task requirements and other aspects of the work agenda; he or she might be seen as similar to a production-centered supervisor. These dimensions are related to what people sometimes refer to as socioemotional and task leadership, respectively.

At first, the Ohio State researchers believed that a leader high on consideration, or socioemotional warmth, would have more highly satisfied or better performing subordinates. Later results indicated that leaders should be high on both consideration and initiating structure behaviors, however. This dual emphasis is reflected in the leadership grid approach.

The Leadership Grid

Robert Blake and Jane Mouton have developed the Leadership Grid approach, based on extensions of the Ohio State dimensions. Results are plotted on a nine-position grid that places concern for production on the horizontal axis and concern for people on the vertical axis, where 1 is minimum
concern and 9 is maximum concern. As an example, those with a 1/9 concern for production/concern for people are termed “country club management.” They do not emphasize task accomplishment and stress the attitudes, feelings, and social needs of people.

Similarly, leaders with a 1/1, style, low concern for both production and people, are termed “impoverished,” while a 5/5 style is labeled “middle of the road.” A 9/1 leader, high on task and low on people, has a “task management” style. Finally, a 9/9 leader, high on both dimensions, is considered to have a “team management” style, ideal in Blake and Mouton’s framework.

**Graen's Leader–Member Exchange Theory**

Another perspective that emphasizes the centrality of leadership on outcomes is Graen's Leader–Member Exchange (LMX) approach. However, in contrast to the perspectives just described, which emphasize the influence of the leader's behavior on follower outcomes, LMX theory focuses on the quality of the working relationship between leaders and followers. The LMX 7 scale assesses the degree to which leaders and followers have mutual respect for each other's capabilities, feel a deepening sense of mutual trust, and have a strong sense of obligation to one another. Taken together, these dimensions determine the extent to which followers will be part of the leader’s “in group” or “out group.”

In-group followers tend to function as assistants, lieutenants, or advisers and to have higher-quality personalized exchanges with the leader than do out-group followers. The out-group followers tend to emphasize more formalized job requirements, and a relatively low level of mutual influence exists between leaders and out-group followers. The more personalized in-group exchanges typically involve a leader's emphasis on assignments to interesting tasks, delegation of important responsibilities, information sharing, and participation in the leader's decisions, as well as special benefits, such as personal support and approval and favorable work schedules.
Lucy Billingsley has recently developed Austin Ranch, a 1900-acre, upscale housing development in the heart of north Texas, with apartments, townhouses, and retail shops. Those who know her say she “has the uncanny ability to make you believe that anything can come true.” She also is seen as a master delegator, but one who makes things happen.

Research suggests that high-quality LMX is associated with increased follower satisfaction and productivity, decreased turnover, increased salaries, and faster promotion rates. These findings are encouraging, and the approach continues to receive increasing emphasis in the literature. Of course, many questions remain, such as: What happens in the event of too much disparity in the treatment of in-group and out-group members? Will out-group members become resentful and sabotage team efforts? In addition, more needs to be learned about how the in-group/out-group exchange starts in the first place and how these relations change over time.
Cross-Cultural Implications

It is important to consider how well the kinds of behavioral dimensions discussed earlier transfer internationally. Some work in the United States, Britain, Hong Kong, and Japan shows that the behaviors must be carried out in different ways in alternative cultures. For instance, British leaders are seen as considerate if they show subordinates how to use equipment, whereas in Japan the highly considerate leader helps subordinates with personal problems. Similarly, LMX theory has been shown to operate in Japan.

Situational Contingency Theories

The trait and behavioral perspectives assume that leadership, by itself, would have a strong impact on outcomes. Another development in leadership thinking recognized, however, that leader traits and behaviors can act in conjunction with situational contingencies—other important aspects of the leadership situation—to predict outcomes.

House and Aditya argue that the effects of traits are enhanced by their relevance to the leader’s situational contingencies. For example, achievement motivation should be most effective for challenging tasks that require initiative and require assumption of personal responsibility for success. Leader flexibility should be most predictive in unstable environments or when leaders lead different people over time. Prosocial power motivation is likely to be most important in complex organizations where decision implementation requires lots of persuasion and social influence. “Strong” or “weak” situations also make a difference. An example of a strong situation is a highly formal organization with lots of rules, procedures, and so forth. Here, traits will have less impact than in a weaker, more unstructured situation (e.g., I can’t show my dynamism as much when the organization restricts me). Traits sometimes have a direct relationship to outcomes or to leaders versus nonleaders. They may also make themselves felt by influencing leader behaviors (e.g., a leader high in energy engages in directive, take-charge behaviors).

Fiedler’s Leadership Contingency Theory

Fred Fiedler’s work began the situational contingency era in the mid-1960s. His theory holds that group effectiveness depends on an appropriate match between a leader’s style (essentially a trait measure) and the demands of the situation. Specifically, Fiedler considers situational control—the extent to which a leader can determine what his or her group is going to do as well as the outcomes of the group’s actions and decisions.

Fiedler uses an instrument called the least preferred co-worker (LPC) scale to measure a person’s leadership style. Respondents are asked to describe the person with whom they have been able to work least well—their least preferred co-worker, or LPC—using a series of adjectives such as the following two:
Fiedler argues that high-LPC leaders (those describing their LPC very positively) have a relationship-motivated style, whereas low-LPC leaders have a task-motivated style. He considers this task or relationship motivation to be a trait that leads to either directive or nondirective behavior, depending on the amount of situational control that the leader has. Here, a task-motivated leader tends to be nondirective in high- and low-control situations and directive in those in between. A relationship-motivated leader tends to be the opposite.

Figure 2 shows the task-motivated leader as having greater group effectiveness under high and low situational control, and the relationship-motivated leader as having a more effective group in in-between situations. The figure also shows that Fiedler measures the range of control with the following three variables arranged in the situational combinations indicated:

- **Leader–member relations** (good/poor)—membership support for the leader.
- **Task structure** (high/low)—spelling out the leader's task goals, procedures, and guidelines in the group.
- **Position power** (strong/weak)—the leader's task expertise and reward or punishment authority.

Consider an experienced and well-trained supervisor of a group manufacturing a part for a personal computer. The leader is highly supported by his group members and can grant raises and make hiring and firing decisions. This supervisor has very high situational control and is operating in situation I in Figure 2. Those leaders operating in situations II and III would have
high situational control, though lower than our production supervisor. For these high-control situations, a task-oriented leader behaving directly would have the most effective group.

Now consider the chair of a student council committee of volunteers (the chair's position power is weak) who are unhappy about this person being the chair and who have the low-structured task of organizing a Parents' Day program to improve university–parent relations. This low-control situation VIII calls for a task-motivated leader who needs to behave directly to keep the group together and focus on the ambiguous task; in fact, the situation demands it. Finally, consider a well-liked academic department chair with tenured faculty. This is a cell IV moderate-control situation with good leader–member relations, low task structure, and weak position power, calling for a relationship-motivated leader. The leader should emphasize nondirective and considerate relationships with the faculty.

### Fiedler’s Cognitive Resource Theory

Fiedler recently moved beyond his contingency theory by developing the cognitive resource theory.\(^{15}\) Cognitive resources are abilities or competencies. According to this approach, whether a leader should use directive or nondirective behavior depends on the following situational contingencies: (1) the leader’s or subordinate group members' ability or competency, (2) stress, (3) experience, and (4) group support of the leader. Basically, cognitive resource theory is most useful because it directs us to leader or subordinate group-member ability, an aspect not typically considered in other leadership approaches.

The theory views directiveness as most helpful for performance when the leader is competent, relaxed, and supported. In this case, the group is ready, and directiveness is the clearest means of communication. When the leader feels stressed, he or she is diverted. In this case, experience is more important than ability. If support is low, then the group is less receptive, and the leader has less impact. Group-member ability becomes most important when the leader is nondirective and receives strong support from group members. If support is weak, then task difficulty or other factors have more impact than do either the leader or the subordinates.

### Evaluation and Application

The roots of Fiedler's contingency approach date back to the 1960s and have elicited both positive and negative reactions. The biggest controversy concerns exactly what Fiedler's LPC instrument measures. Some question Fiedler's behavioral interpretation, whereby the specific behaviors of high- and low-LPC leaders change, depending on the amount of situational control. Furthermore, the approach makes the most accurate predictions in situations I and VIII and IV and V; results are less consistent in the other situations.\(^{16}\) Tests of cognitive resource theory have shown mixed results.\(^{17}\)

In terms of application, Fiedler has developed leader match training, which Sears, Roebuck and other organizations have used. Leaders are trained to diagnose the situation to match their high and low LPC scores with situational control, as measured by leader–member relations, task structure, and leader position power, following the general ideas shown in Figure 2. In cases
with no match, the training shows how each of these situational control variables can be changed to obtain a match. Alternatively, another way of getting a match is through leader selection or placement based on LPC scores. For example, a high-LPC leader would be selected for a position with high situational control, as in our earlier example of the manufacturing supervisor. As in the case of Fiedler’s contingency theory, a number of studies have been designed to test leader match. Although they are not uniformly supportive, more than a dozen such tests have found increases in group effectiveness following the training.

We conclude that although there are still unanswered questions concerning Fiedler’s contingency theory, especially concerning the meaning of LPC, the theory and the leader match program have relatively strong support. The approach and training program are also especially useful in encouraging situational contingency thinking.

**House’s Path–Goal Theory of Leadership**

Another well-known approach to situational contingencies is one developed by Robert House based on the earlier work of others. This theory has its roots in the expectancy model of motivation discussed in Chapter . The term *path–goal* is used because of its emphasis on how a leader influences subordinates’ perceptions of both work goals and personal goals and the links, or paths, found between these two sets of goals.

The theory assumes that a leader’s key function is to adjust his or her behaviors to complement situational contingencies, such as those found in the work setting. House argues that when the leader is able to compensate for things lacking in the setting, subordinates are likely to be satisfied with the leader. For example, the leader could help remove job ambiguity or show how good performance could lead to more pay. Performance should improve as the paths by which (1) effort leads to performance—expectancy—and (2) performance leads to valued rewards—instrumentality—become clarified.

House’s approach is summarized in Figure 3. The figure shows four types of leader behavior—directive, supportive, achievement oriented, and participative—and two categories of situational contingency variables—subordinate attributes and work-setting attributes. The leader behaviors are adjusted to complement the situational contingency variables in order to influence subordinate satisfaction, acceptance of the leader, and motivation for task performance.
Summary of major path–goal relationships in House’s leadership approach.

**Directive leadership** has to do with spelling out the what and how of subordinates’ tasks; it is much like the initiating structure mentioned earlier. **Supportive leadership** focuses on subordinate needs and well-being and promoting a friendly work climate; it is similar to consideration. **Achievement-oriented leadership** emphasizes setting challenging goals, stressing excellence in performance, and showing confidence in the group members’ ability to achieve high standards of performance. **Participative leadership** focuses on consulting with subordinates and seeking and taking their suggestions into account before making decisions.

Important subordinate characteristics are *authoritarianism* (close-mindedness, rigidity), *internal–external orientation* (e.g., locus of control), and *ability*. The key work-setting factors are the nature of the subordinates’ tasks (task structure), the *formal authority system*, and the *primary workgroup*.

**Predictions from Path–Goal Theory**

Directive leadership is predicted to have a positive impact on subordinates when the task is ambiguous; it is predicted to have just the opposite effect for clear tasks. In addition, the theory predicts that when ambiguous tasks are being performed by highly authoritarian and close-minded subordinates, even more directive leadership is called for.

Supportive leadership is predicted to increase the satisfaction of subordinates who work on highly repetitive tasks or on tasks considered to be unpleasant, stressful, or frustrating; the leader's supportive behavior helps compensate for these adverse conditions. For example, many would consider traditional assembly-line auto worker jobs to be highly repetitive, perhaps even...
unpleasant and frustrating. A supportive supervisor could help make these jobs more pleasant. Achievement-oriented leadership is predicted to encourage subordinates to strive for higher performance standards and to have more confidence in their ability to meet challenging goals. For subordinates in ambiguous, nonrepetitive jobs, achievement-oriented leadership should increase their expectancies that effort leads to desired performance.

Participative leadership is predicted to promote satisfaction on nonrepetitive tasks that allow for the ego involvement of subordinates. For example, on a challenging research project, participation allows employees to feel good about dealing with the challenge of the project on their own. On repetitive tasks, open-minded or nonauthoritarian subordinates will also be satisfied with a participative leader. On a task where employees screw nuts on bolts hour after hour, for example, those who are nonauthoritarian will appreciate having a leader who allows them to get involved in ways that may help break the monotony.

**Evaluation and Application**

House’s path–goal approach has now been with us for 30 years or so. Early work provided some support for the theory in general and for the particular predictions discussed earlier. However, current assessments by well-known scholars have pointed out that many aspects have not been tested adequately, and there is very little recent research concerning the theory. House himself recently revised and extended path–goal theory into the Theory of Work Unit Leadership. It’s beyond our scope to discuss details of this new theory, but as a base, the new theory expands the list of leader behaviors beyond those in path–goal theory, including aspects of both traditional and new leadership. It remains to be seen how much research it will generate.

In terms of application, there is enough support for original path–goal theory to suggest two possibilities. First, training could be used to change leadership behavior to fit the situational contingencies. Second, the leader could be taught to diagnose the situation and to learn how to try to change the contingencies, as in leader match.

**Hersey and Blanchard’s Situational Leadership Model**

Like other situational contingency approaches, the situational leadership model developed by Paul Hersey and Kenneth Blanchard posits that there is no single best way to lead. Hersey and Blanchard focus on the situational contingency of maturity, or “readiness,” of followers, in particular. Readiness is the extent to which people have the ability and willingness to accomplish a specific task. Hersey and Blanchard argue that “situational” leadership requires adjusting the leader’s emphasis on task behaviors, for instance, giving guidance and direction, and relationship behaviors, for example, providing socioemotional support, according to the readiness of followers to perform their tasks. Figure 4 identifies four leadership styles: delegating, participating, selling, and telling. Each emphasizes a different combination of task and relationship behaviors by the leader. The figure also suggests the following situational matches as the best choice of leadership style for followers at each of four readiness levels.
A “telling” style (S1) is best for low follower readiness (R1). The direction provided by this style defines roles for people who are unable and unwilling to take responsibility themselves; it eliminates any insecurity about the task that must be done.

A “selling” style (S2) is best for low to moderate follower readiness (R2). This style offers both task direction and support for people who are unable but willing to take task responsibility; it involves combining a directive approach with explanation and reinforcement in order to maintain enthusiasm.
A “participating” style (S3) is best for moderate to high follower readiness (R3). Able but unwilling followers require supportive behavior in order to increase their motivation; by allowing followers to share in decision making, this style helps enhance the desire to perform a task.

A “delegating” style (S4) is best for high readiness (R4). This style provides little in terms of direction and support for the task at hand; it allows able and willing followers to take responsibility for what needs to be done.

This situational leadership approach requires the leader to develop the capability to diagnose the demands of situations and then to choose and implement the appropriate leadership response. The model gives specific attention to followers and their feelings about the task at hand and suggests that an effective leader focus especially on emerging changes in the level of readiness of the people involved in the work.

In spite of its considerable history and incorporation into training programs by a large number of firms, the situational leadership approach has only recently begun to receive systematic research attention.  

**Substitutes for Leadership**

In contrast to the previous traditional leadership approaches, the substitutes for leadership theory argues that sometimes hierarchical leadership makes essentially no difference. John Jermier and others contend that certain individual, job, and organizational variables can either serve as substitutes for leadership or neutralize a leader’s impact on subordinates. Some examples of these variables are shown in Figure 5.
Some example leadership substitutes and neutralizers.

**Substitutes for Leadership** make a leader’s influence either unnecessary or redundant in that they replace a leader's influence. For example, in Figure 5, it will be unnecessary and perhaps not even possible for a leader to provide the kind of task-oriented direction already available from an experienced, talented, and well-trained subordinate. In contrast, neutralizers prevent a leader from behaving in a certain way or nullify the effects of a leader’s actions. If a leader has little formal authority or is physically separated, for example, his or her leadership may be nullified even though task supportiveness may still be needed.

Some research comparing Mexican and U.S. workers, as well as workers in Japan, suggest both similarities and differences between various substitutes in the countries examined. More generally, a review of 17 studies in the United States as well as other countries found mixed results for the substitutes theory. Among other things, the authors argued that the kinds of characteristics and leader behaviors should be broadened and that the approach appeared to be especially important for high performance work teams.20 With regard to these work teams, for example, in place of a
hierarchical leader specifying standards and ways of achieving goals (task-oriented behaviors),
the team might set its own standards and substitute those for the leader's.

**Attribution Theory and Leadership**

The traditional leadership theories discussed so far have all assumed that leadership and its
substantive effects can be identified and measured objectively. This is not always the case,
however. Attribution theory addresses this very point—that of individuals trying to understand
causes, to assess responsibilities, and to evaluate personal qualities, as all of these are involved
with certain events. Attribution theory is particularly important in understanding leadership.

For openers, think about a workgroup or student group that you see as performing really well.
Now assume that you are asked to describe the leader on one of the leadership scales discussed
earlier in the chapter. If you are like many others, the group's high performance probably
encouraged you to describe the leader favorably; in other words, you attributed good things to
the leader based on the group's performance. Similarly, leaders themselves make attributions
about subordinate performance and react differently depending on those attributions. For example,
if leaders attribute an employee’s poor performance to lack of effort they may issue a reprimand,
whereas if they attribute the poor performance to an external factor, such as work overload, they
will probably try to fix the problem. A great deal of evidence supports these attributional views
of subordinates and leaders.²⁹

**Leadership Prototypes**

There is also evidence that people have a mental picture of what makes a “good leader” or ways
in which “real leaders” would act in a given situation. The view that people have an image in
their minds of what a model leader should look like is sometimes called a leadership prototype.³⁰
These implicit theories or prototypes usually consist of a mix of specific and more general
characteristics. For example, a prototype of a bank president would differ in many ways from
that of a high-ranking military officer. However, there would probably also be some core
characteristics reflecting leaders in our society in general—for example, integrity and self-efficacy.
Opposing coaches as well as her own players laud Marsha Sharp, head coach of the Lady Raider basketball team at Texas Tech, for her winning ways, which include almost-routine yearly NCAA trips and a national championship in 1993, and for a program that “oozes with class.” Sharp is an ideal match for the good leader prototype for these coaches and players.

We also would expect differences in prototypes by country and by national culture. As an example of such country differences, a study asked people from eight different nations to describe how well a number of leadership attributes previously identified described their image of a business leader. In each country, five attributes were identified as most prototypical of such a leader. Note the differences in the prototype of the typical business leader between the United States and Japan.

**U.S.:** determined, goal-oriented, verbally skilled, industrious, persistent.

**Japan:** responsible, educated, trustworthy, intelligent, disciplined.

Similar differences exist across other countries, although there is some overlap as well.

The closer the behavior of a leader is to the implicit theories of his or her followers, the more favorable the leader's relations and key outcomes tend to be. Both of the attributional treatments above emphasize leadership as something that is largely symbolic or resides in the eye of the beholder. This general notion has also carried over to a related set of research directions. Ironically, the first of these directions argues that leadership makes little or no real difference in organizational effectiveness. The second tends to attribute greatly exaggerated importance to leadership and ultimately leads us into charisma and other aspects of the new leadership.
Exaggeration of the Leadership Difference

Jeffrey Pfeffer has looked at what happens when leaders at the top of the organization are changed. Pfeffer is among those contending that even CEOs of large corporations have little leadership impact on profits and effectiveness compared to environmental and industry forces, such as cutbacks in the federal defense budget. Furthermore, these leaders are typically accountable to so many groups of people for the resources they use that their leadership impact is greatly constrained. Pfeffer argues that in light of such forces and constraints, much of the impact a top leader does have is symbolic; leaders and others develop explanations to legitimize the actions they take.33

This symbolic treatment of leadership occurs particularly when performance is either extremely high or extremely low or when the situation is such that many people could have been responsible for the performance. James Meindl and his colleagues call this phenomenon the romance of leadership, whereby people attribute romantic, almost magical, qualities to leadership.34 Consider the firing of a baseball manager or football coach whose team doesn’t perform well. Neither the owner nor anyone else is really sure why this occurred. But the owner can’t fire all the players, so a new team manager is brought in to symbolize “a change in leadership” that is “sure to turn the team around.”

From Traditional to New Leadership Perspectives

The focus on leadership attributions and symbolic aspects moves us away from traditional leadership and into the new leadership. The new leadership emphasizes charismatic and transformational leadership approaches and various aspects of vision related to them, and we extend the term to include leadership of self-directing work teams. The new leadership is considered especially important in changing and transforming individuals and organizations with a commitment to high performance.35

Charismatic Approaches

Robert House and his associates have done a lot of work recently based on extensions of an earlier charismatic theory House developed. (Do not confuse this with House’s path–goal theory or its extension, discussed earlier in the chapter.)36 Of special interest is the fact that House’s theory uses both trait and behavior combinations.

House’s charismatic leaders are leaders who, by force of their personal abilities, are capable of having a profound and extraordinary effect on followers. These leaders are high in need for power and have high feelings of self-efficacy and conviction in the moral rightness of their beliefs. That is, the need for power motivates these people to want to be leaders. This need is then reinforced by their conviction of the moral rightness of their beliefs. The feeling of self-efficacy, in turn, makes these people feel that they are capable of being leaders. These traits then influence
such charismatic behaviors as role modeling, image building, articulating goals (focusing on simple and dramatic goals), emphasizing high expectations, showing confidence, and arousing follower motives.

Entrepreneurship

Recently, Bryan Payne, managing partner for Lubbock, Texas-based Spacial Audio Solutions LLC, and his South African partner, Louis Louw, signed a Webcasting performance license with the Recording Industry Association of America. They have developed a piece of software aimed at helping the recording industry monitor Webcasters who make use of music. There is concern in the recording industry that MP3, a technology that allows people to download music from their computers, will cause the industry to eventually lose control of the music. The software monitors such actions and helps assure accountability to the recording industry. It documents everything from audience listening habits to play lists.

The two partners are highly entrepreneurial and are now implementing their entrepreneurial vision. Next up is implementation of a plan to establish the firm’s own music store, supported by the recording industry. Moving the firm ahead will call for a broad range of leadership behaviors.

Some of the more interesting and important work based on aspects of House’s charismatic theory involves a study of U.S. presidents. The research showed that behavioral charisma was substantially related to presidential performance and that the kind of personality traits in House’s theory, along with response to crisis, among other things, predicted behavioral charisma for the sample of presidents. Related presidential work by others also shows that voters who saw Bill Clinton as charismatic followed through by voting for him.

House and his colleagues summarize other work that partially supports the theory. Some of the more interesting related work has shown that negative, or “dark-side,” charismatic leaders emphasize personalized power—focus on themselves—whereas positive, or “bright-side,” charismatics emphasize socialized power that tends to empower their followers. This helps explain differences between such dark-side leaders as Adolf Hitler and David Koresh, and a bright-side Martin Luther King, Jr.

Jay Conger and Rabindra Kanungo have developed a three-stage charismatic leadership model. In the initial stage, the leader critically evaluates the status quo. Deficiencies in the status quo lead to formulations of future goals. Before developing these goals, the leader assesses available resources and constraints that stand in the way of the goals. The leader also assesses follower abilities, needs, and satisfaction levels. In the second stage, the leader formulates and articulates the goals and the vision can be achieved. The leader emphasizes innovative and unusual means to achieve the
vision. Martin Luther King, Jr. illustrated these three stages in his nonviolent civil rights approach, where he changed race relations in this country.

Conger and Kanungo have argued that if leaders use behaviors such as vision articulation, environmental sensitivity, and unconventional behavior, rather than maintaining the status quo, followers will attribute charismatic leadership to them. Such leaders are also seen as behaving quite differently from those labeled “noncharismatic.”

Finally, an especially important question about charismatic leadership is whether it is described in the same way for close-up or at-a-distance leaders. Boas Shamir recently examined this issue in Israel. He found that descriptions of distant charismatics, for instance, former Israeli prime minister Golda Meir, and close-up charismatics, for instance, a specific teacher, were generally more different than they were similar. Figure 6 shows the high points of his findings. Clearly, leaders with whom followers have close contact and those with whom they seldom, if ever, have direct contact are both described as charismatic but possess quite different traits and behaviors.

Descriptions of characteristics of distant and close-up charismatics.

Transformational versus Transactional Approaches

Building on notions originated by James MacGregor Burns, as well as ideas from House’s work, Bernard Bass has developed an approach that focuses on both transformational and transactional leadership. Transactional leadership involves leader-follower exchanges necessary for achieving routine performance agreed upon between leaders and followers. These exchanges involve four dimensions as shown in The Effective Manager 14.1.
The Effective Manager 14.1

Four Dimensions of Transactional Leadership

- Contingent rewards: Providing various kinds of rewards in exchange for mutually agreed upon goal accomplishment
- Active management by exception: Watching for deviations from rules and standards and taking corrective action
- Passive management by exception: Intervening only if standards are not met
- Laissez-faire: Abdicating responsibilities and avoiding decisions

Transformational leadership goes beyond this routine accomplishment, however. For Bass, transformational leadership occurs when leaders broaden and elevate their follower's interests, when they generate awareness and acceptance of the group's purposes and mission, and when they stir their followers to look beyond their own self-interests for the good of others.

Dimensions of Transformational Leadership

Transformational leadership has four dimensions: charisma, inspiration, intellectual stimulation, and individualized consideration. Charisma provides vision and a sense of mission, and it instills pride, along with follower respect and trust. For example, Steve Jobs, who founded Apple Computer, showed charisma by emphasizing the importance of creating the Macintosh as a radical new computer. Inspiration communicates high expectations, uses symbols to focus efforts, and expresses important purposes in simple ways. For example, in the movie Patton, George C. Scott stood on a stage in front of his troops with a wall-sized American flag in the background and ivory-handled revolvers in holsters at his side. Intellectual stimulation promotes intelligence, rationality, and careful problem solving. For instance, your boss encourages you to look at a very difficult problem in a new way. Individualized consideration provides personal attention, treats each employee individually, and coaches and advises. For example, your boss drops by and makes remarks reinforcing your worth as a person.

Bass concludes that transformational leadership is likely to be strongest at the top-management level, where there is the greatest opportunity for proposing and communicating a vision. However, it is not restricted to the top level; it is found throughout the organization. Furthermore, transformational leadership operates in combination with transactional leadership. Transactional leadership is similar to most of the traditional leadership approaches mentioned earlier. Leaders need both transformational and transactional leadership in order to be successful, just as they need both leadership and management.44
Les Clonch is vice president of information services at Parkland Health System in Dallas. He is responsible for leading the unit charged with providing responsive computer systems to meet the ever-increasing demand for clinical and financial information needed to effectively operate Parkland’s large and complex system. Key leadership responsibilities are keeping abreast of rapid technological changes and numerous health care changes due to government regulations and the continual struggle to hire and retain good technical people. His leadership emphasizes integrity and positive attitude, results orientation, and dependability.

**Evaluation and Application**

Reviews have summarized a large number of studies using Bass’s approach. These reviews report significant favorable relationships between Bass’s leadership dimensions and various aspects of performance and satisfaction, as well as extra effort, burnout and stress, and predispositions to act as innovation champions on the part of followers. The strongest relationships tend to be associated with charisma or inspirational leadership, although, in most cases, the other dimensions are also important. These findings are consistent with those reported elsewhere. They broaden leadership outcomes beyond those cited in traditional leadership studies.

**Leadership in High Performance Work Teams**

An extension of the earlier new leadership approaches is that of leadership in self-directing work teams. As mentioned previously, such teams are particularly important in high performance organizations, and the workers in them lead the teams themselves. The question then is, do they have a leader from outside? The answer is yes, but what the leader does is quite different from what a traditional supervisor does. Indeed, even the title is different—a widely used one is “coordinator,” although “facilitator” is not uncommon.
Among the key leadership behaviors by coordinators are those in Figure 7. These behaviors focus on coordinator encouragements, and the team activities show the specific actions involved in meeting the coordinator’s expectations. Even if team members do carry out the team activities encouraged by the coordinator, how much difference does it make? One study showed that perceived coordinator encouragement of the team self-leadership activities was positively related to coordinator effectiveness. Another study showed that coordinator leader behavior predicted positive team performance and various aspects of satisfaction. So these leader behaviors do seem to be important.

Sample leader behaviors for high performance work teams.
Production

OB Across Functions

Production Module Leaders Handle Shop Floor Complexity

John Deere and Company, the world’s largest maker of farm machinery, produces seed planters in 45 models, with 1.7 million options. Dealing with this complexity involved instituting a process flow, moving machines closer together, and reorganizing the work into 12 modules, each responsible for building particular subassemblies and attaching them to planter frames. To help leaders and workers cope with the immensely complex tasks involved, Deere provides them with information on everything from assembly schedules to quality control. As much as possible, Deere distributes authority to where information and incentives currently reside. Module leaders thus have the information needed to control their own budgets, including staffing, overtime, maintenance, and other functions. Therefore, module leaders and team members can plan ahead and deal with the many issues in their own module and elsewhere on the line. For example, if there is a quality problem as a planter rolls past an assembler’s module, the assembler fixes it or finds the person responsible, regardless of the person’s job and gets it fixed. www.Deere.com

Take another look at the figure. Notice that while these behaviors are important, they focus on self-leadership activities. They do not examine other leadership functions such as managing resources and boundary spanning with other units. In other words, they emphasize the social system and not the technical system. Indeed, Manz and Sims suggest that the coordinator, outside the group, has the fundamental responsibility to get the team to lead itself and thus emphasizes various team self-leadership behaviors. In contrast, these authors argue that the team leader within the team serves as an additional member who facilitates the team’s organizing itself, coordinating job assignments and making sure resources are available. A second set of authors points out that even though coordinator self-leadership encouragement was related to team effectiveness and satisfaction, the relationship probably would have been much stronger if these other kinds of leadership dimensions had been included, in addition to the self-leadership ones.

An example is the Brookhaven facility of Delphi Packard Electric Systems, the world’s leading supplier of automotive power and signal distribution systems. It uses self-led work teams and has team leaders responsible for ten tasks from conducting meetings to training team leader replacements.

To conclude, note two other considerations. First, these self-leadership activities from the team members themselves can be considered a partial substitute for hierarchical leadership, even though the coordinator encourages them. For example, members praise each other rather than
looking to the coordinator for praise. As we have shown previously, such behaviors are becoming increasingly important in high performance organizations.

Second, although these behaviors provide a lot of participation from team members, they do not appear to be particularly charismatic. They should work best when combined with the kinds of resource and coordination behaviors mentioned above and when reinforced by new leadership from bright-side leaders higher up in the organization.

Some New Leadership Issues

We now examine some charismatic, transformational, and visionary new leadership issues. First, Can people be trained in new leadership? According to research in this area, the answer is yes. Bass and his colleagues have put a lot of work into such training efforts. For example, they have created a workshop where leaders are given initial feedback on their scores on Bass’s measures. The leaders then devise improvement programs to strengthen their weaknesses and work with the trainers to develop their leadership skills. Bass and Bass and Avolio report findings that demonstrate the beneficial effects of this training. They also report team training and programs tailored to individual firms’ needs. Simultaneously, Conger and Kanungo propose training to develop the kinds of behaviors summarized in their model as suggested in The Effective Manager 14.2.

The Effective Manager 14.2

Five Charismatic Skills

- Sensitivity to most appropriate contexts for charisma—Emphasis on critical evaluation and problem detection
- Visioning—Emphasis on creative thinking to learn and think about profound change
- Communication—Working with oral and written linguistic aspects
- Impression management—Emphasis on modeling, appearance, body language, and verbal skills
- Empowering—Emphasis on communicating high performance expectations, improving participation in decision making, loosening up bureaucratic constraints, setting meaningful goals, and establishing appropriate reward systems

Approaches with special emphasis on vision often emphasize training. Kouzas and Posner report results of a week-long training program at AT&T. The program involved training leaders on five dimensions oriented around developing, communicating, and reinforcing a shared vision. According to Kouzas and Posner, leaders showed an average 15 percent increase in these visionary behaviors 10 months after participating in the program. Similarly, Sashkin has developed a
leadership approach that emphasizes various aspects of vision and organizational culture change. Sashkin discusses a number of ways to train leaders to be more visionary and to enhance the culture change. All of the new leadership training programs involve a heavy hands-on workshop emphasis so that leaders do more than just read about vision.

A second issue involves the question Is new leadership always good? As we pointed out earlier, dark-side charismatics, such as Adolf Hitler, can have negative effects on the population of followers. Similarly, new leadership is not always needed. Sometimes emphasis on a vision diverts energy from more important day-to-day activities. It is also important to note that new leadership by itself is not sufficient. New leadership needs to be used in conjunction with traditional leadership. Finally, new leadership is important not only at the top. A number of experts argue that it applies at all levels of organizational leadership.

Chapter 14 Study Guide

Summary

1. What is leadership, and how does it differ from management?
   • Leadership is a special case of interpersonal influence that gets an individual or group to do what the leader wants done.
   • Leadership and management differ in that management is designed to promote stability or to make the organization run smoothly, whereas the role of leadership is to promote adaptive change.

2. What are the trait or behavioral leadership perspectives?
   • Trait, or great person, approaches argue that leader traits have a major impact on differentiating between leaders and nonleaders and predicting leadership outcomes.
   • Traits are considered relatively innate and hard to change.
   • Similar to trait approaches, behavioral theories argue that leader behaviors have a major impact on outcomes.
   • The Michigan, Ohio State, and Graen’s Leader–Member Exchange (LMX) approaches are particularly important leader behavior theories.
   • Leader behavior theories are especially suitable for leadership training.

3. What are the situational or contingency leadership approaches?
   • Leader situational contingency approaches argue that leadership, in combination with various situational contingency variables, can have a major impact on outcomes.
The effects of traits are enhanced to the extent of their relevance to the situational contingencies faced by the leader.

Strong or weak situational contingencies influence the impact of leadership traits.

Fiedler's contingency theory, House's path–goal theory, Hersey and Blanchard's situational leadership theory, and Kerr and Jermier's substitutes for leadership theory are particularly important, specific situational contingency approaches.

Sometimes, as in the case of the substitutes for leadership approach, the role of the situational contingencies replaces that of leadership so that leadership has little or no impact in itself.

4. How does attribution theory relate to leadership?
   - Attribution theory extends traditional leadership approaches by recognizing that substantive effects cannot always be objectively identified and measured.
   - Leaders form attributions about why their employees perform well or poorly and respond accordingly.
   - Leaders and followers often infer that there is good leadership when their group performs well.
   - Leaders and followers often have in mind a good leader prototype, compare the leader against such a prototype, and conclude that the closer the fit the better the leadership.
   - Some contend that leadership makes no real difference and is largely symbolic; others, following the “romance of leadership” notion, embrace this symbolic emphasis and attribute almost magical qualities to leadership.

5. What are the new leadership perspectives and why are they especially important in high performance organizations?
   - The new leadership consists of charismatic, transformation, and visionary leadership, and leadership of self-directing work teams.
   - Charismatic, transformational, and visionary attributions help move followers to achieve goals that transcend their own self-interests and help transform the organization.
   - Particularly important new leadership approaches are Bass's transformational theory and House's and Conger and Kanungo's charismatic theories.
   - Transformational approaches are broader than charismatic ones and often include charisma as one of their dimensions.
• Leadership in self-leading teams, particularly involved in high performing organizations, changes the external leadership role by making it a facilitative one to encourage team members to lead themselves.

• Behaviors of team coordinators are assumed to work best when reinforced by leaders who provide empowerment and stress various aspects of the new leadership.

• The new leadership, in general, is important because it goes beyond traditional leadership in facilitating change in the increasingly fast-moving and high performance workplace.

Self Test
Multiple Choice

1. “Leadership is central, and other variables are less important,” best describes _____ theories.
   a. trait and behavioral
   b. attribution
   c. situational contingency
   d. substitutes for leadership

2. Leader trait and behavioral approaches assume that traits and behaviors are _____.
   a. equally important with other variables
   b. more important than other variables
   c. caused by other variables
   d. symbolic of leadership

3. In comparing leadership and management, _____.
   a. leadership promotes stability, management promotes change
   b. leadership promotes change, management promotes stability
   c. leaders are born but managers are developed
   d. the two are pretty much the same.

4. The earliest theory of leadership stated that individuals become leaders by _____.
   a. the behavior of those they lead
   b. the traits they possess
   c. the particular situation in which they find themselves
d. being very tall

5. In Fiedler’s contingency theory, the three situational control variables are leader–member relations, task structure, and _____.
   a. command power
   b. position power
   c. discretionary power
   d. complexity

6. Which leadership theory argues that a leader's key function is to act in ways that complement the work setting?
   a. trait
   b. behavioral
   c. path–goal
   d. multiple influence

7. A leadership prototype _____.
   a. is useful primarily for selection and training
   b. uses LPC as an important component
   c. depicts the image of a model leader
   d. emphasizes leadership skills

8. Conger and Kanungo’s model emphasizes all of the following except _____.
   a. active management by exception
   b. vision articulation
   c. environmental sensitivity
   d. unconventional behavior

9. Leadership of self-leading teams _____.
   a. emphasizes charisma
   b. emphasizes team-member empowerment
   c. emphasizes leader traits
   d. has been replaced by technology

10. Leadership of high performing organizations _____.
a. uses traditional, new and self-leading perspectives
b. uses only a self-leading perspective
c. has largely been replaced
d. is very autocratic

True–False
1. The earliest studies of leadership tended to focus on leader behaviors.
2. Leadership and management usually are considered the same.
3. The University of Michigan studies concluded that employee-centered leaders tended to have more productive workgroups.
4. Hersey and Blanchard’s situational leadership theory focuses on the maturity or readiness of the followers.
5. Neutralizers prevent a leader from behaving in a certain way or nullify the effects of a leader’s actions.
6. In the romance of leadership, it is argued that leaders are unimportant.
7. Transformational leadership acts in combination with transactional leadership.
8. Charismatic and transformational leadership are part of the “new leadership.”
9. Team coordinators and team leaders each perform the same functions.
10. Leadership of self-leading teams emphasizes charisma in the team.

Short Response
1. Define leadership and contrast it with management.
2. Discuss the role of leader trait and behavior approaches in leadership.
3. Discuss the role of situational contingency approaches in leadership.
4. Compare and contrast traditional leadership and the new leadership.

Application Essay
1. You have just been called in as a consultant to analyze the role of leadership in the Build-A-Bear Workshops in the chapter opener and suggest ways to develop it further. Making any necessary assumptions, discuss how you would handle this assignment.
Explore application-oriented Fast Company articles, cases, experiential exercises, and self-assessments in the OB Skills Workbook

Visit the Schermerhorn Web site to find the Interactive Self-Test and Internet exercises for this chapter.

www.wiley.com/college/schermerhorn