

13 LEADERSHIP EFFECTIVENESS

What Does It Take to Be Effective?



MAJOR TOPICS I'LL LEARN AND QUESTIONS I SHOULD BE ABLE TO ANSWER

13.1 MAKING SENSE OF LEADERSHIP THEORIES

MAJOR QUESTION: How does an integrated model of leadership help me become an effective leader?

13.2 TRAIT THEORIES: DO LEADERS POSSESS UNIQUE TRAITS AND PERSONAL CHARACTERISTICS?

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MAJOR QUESTION: How can I improve the relationship with my boss?

INTEGRATIVE FRAMEWORK FOR UNDERSTANDING AND APPLYING OB

This chapter focuses on leadership, a critical input and process variable within the Integrative Framework. As you might expect, you will learn that leadership affects a large number of outcomes across all three levels of OB. Try to keep track of the outcomes associated with leadership as you read this chapter.

winning at work

LEARNING TO LEAD

You will learn later in this chapter that leadership effectiveness is more a function of your behavior than a set of traits you are born with. This implies that leadership skills can be learned, a conclusion supported by research.¹



learning because they focus on what can be learned from both success and failure, and they encourage us to seek input, guidance, and coaching from effective leaders. We encourage you to set learning

goals associated with leadership development such as “learn how to run better meetings,” “learn to improve my influence skills,” or “learn to provide more effective feedback.”

STEP 1: HOW CAN I BEGIN THE LEARNING PROCESS?

The learning process starts with self-awareness. You may recall that we discussed the importance of self-awareness in Chapter 1. This is why we have encouraged you to complete a host of Self-Assessments while reading this book. If you want to learn how to lead, the first step is to identify the type of leader behaviors you tend to use.² You will be given this opportunity in this chapter. You can use this knowledge to experiment with trying different styles of leadership in different situations. As one management consultant noted, “Finding one’s style of leadership is a growing experience and one of introspection and personal development. Leadership is a trial-and-error encounter, and potential leaders must remember they will fail many times and make mistakes.”³

STEP 2: CLAIM A LEADER IDENTITY

How we think of ourselves, which is referred to as our *identity*, affects our willingness to take on leadership roles. This means that it is important to see yourself as a leader. You can do this in two ways. The first is a direct approach in which you refer to yourself as a leader of some group, project, or task or you engage in stereotypical leadership acts. For example, if you are meeting with a student group to complete an assignment, you can walk into the meeting with an agenda and then start running the meeting. The second way consists of indirect claims of leadership such as sitting at the head of table for a meeting, mentioning your relationship with recognized leaders, or “dressing the part.”⁴

STEP 3: DEVELOP A LEARNING GOAL ORIENTATION

In Chapter 6 we discussed the difference between learning and performance goals. Learning goals promote

STEP 4: EXPERIMENT AND SEEK FEEDBACK

Situational theories of leadership tell us that the effectiveness of specific leadership behaviors depends on the situation at hand. Try experimenting with the different leader behaviors discussed later in this chapter in different situations. Next, assess the impact of your experimental approach to leadership. This is feedback. We encourage you to seek feedback from those you trust and to reflect on what “could” be learned from your many educational and work experiences. A recent experimental study with students, for example, showed that leadership effectiveness increased over time for those students who consistently spent time reflecting on what “could” be learned from their experiences.⁵

FOR YOU WHAT’S AHEAD IN THIS CHAPTER

Regardless of your role at work or in life, how well you understand leadership will let you be more effective. To a significant degree, leadership is available to all. Genetics and privilege neither guarantee leadership abilities, nor are they required. We all know individuals with all the “right” advantages who are ineffective leaders. We are about to help you navigate the many theories of leadership, appreciate how leadership traits and behaviors can be learned and developed, identify and apply styles of leadership, and finally understand how what you learn about leadership helps you to be a better follower and more effective at any level in an organization.

MAJOR QUESTION

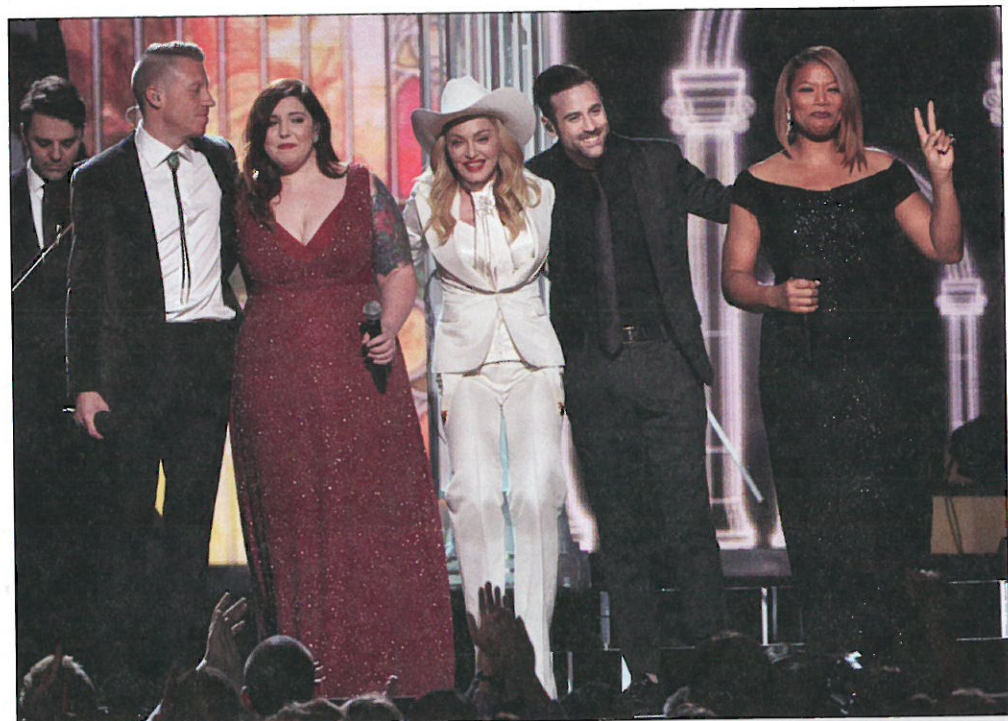
How does an integrated model of leadership help me become an effective leader?

THE BIGGER PICTURE

You're about to learn why leadership is both an input and process in the Integrative Framework for Understanding and Applying OB. Organizations can't really start up without leadership, nor can they sustain operations. You'll acquire an overall model of leadership that integrates the many leadership theories that have been proposed. Then you'll hone your understanding of effective leadership and parse the difference between leading and managing.

Leadership is defined as “a process whereby an individual influences a group of individuals to achieve a common goal.”⁶ Note that you do not need to have a formal position of authority to be a leader. Anyone who exerts influence over others in the pursuit of organizationally relevant matters is a leader.

This definition underscores the broad impact that leaders have on organizations. Consider the following statistics. Gallup research has shown that employee disengagement



Do singers exert leadership when they perform? Would a group of well-known singers like this exert more influence than one singer performing alone? Why or why not?

in the United States costs \$450 to \$550 billion per year, and ineffective leadership is a key driver of disengagement.⁷ Researchers also have estimated that approximately 50 percent of all managers around the world are incompetent or ineffective. The cost of this incompetence is greater the higher up you go in an organization. For example, one study estimated that the cost of a failed senior leader is \$2.7 million.⁸

From a scientific perspective, the topic of leadership has generated more OB-related research than any other topic except motivation. This is why OB scholars have developed a great number of theories to help guide managers to improve their leadership effectiveness.

We recognize that there are far too many leadership theories to cover in this one chapter. So we have created a model that integrates the major leadership theories and we use it to structure the content covered in this chapter. We follow that by focusing on theories that have received some level of research support.

An Integrated Model of Leadership

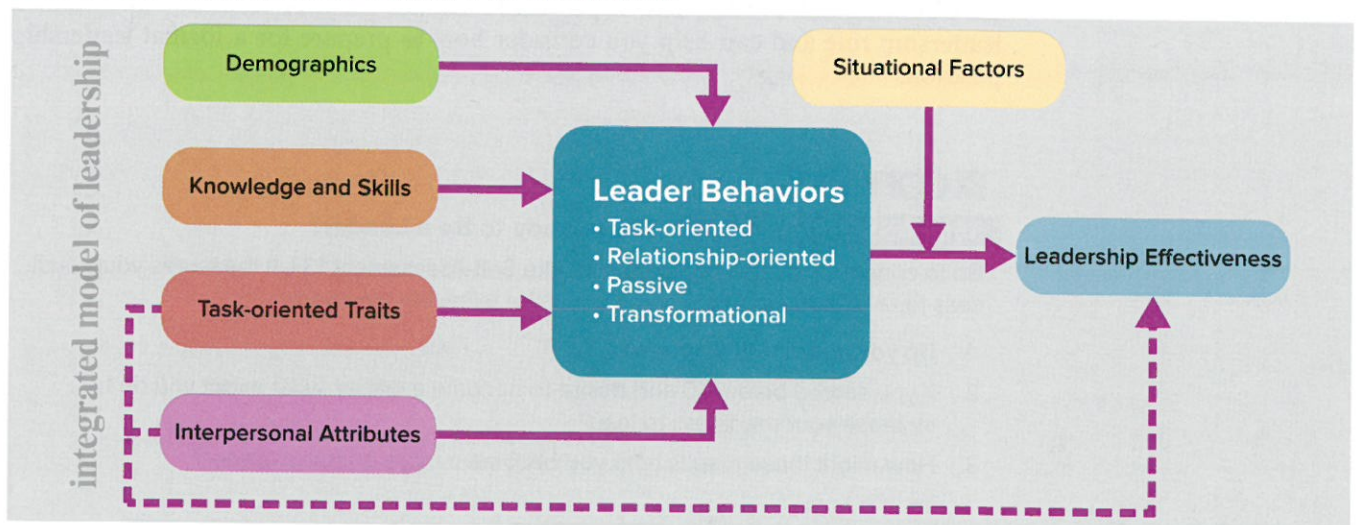
Figure 13.1 presents an integrated model of leadership. Starting at the far right of the model, you see that leadership effectiveness is the outcome we are trying to explain in this chapter. Note that effective leadership is influenced by four types of leadership behavior: task-oriented, relationship-oriented, passive, and transformational. Effective leadership also is affected by a combination of task-oriented traits and interpersonal attributes. Recall from Chapter 3 that individual differences significantly impact performance, and they vary from relatively fixed (intelligence) to somewhat flexible (self-efficacy).

Moreover, Figure 13.1 represents how demographic characteristics such as gender and age, task-oriented traits, and interpersonal attributes influence an individual's use of leader behaviors. The final component (situational factors) influencing leadership effectiveness involves our earlier discussions of contingency theory. That is, effective leadership requires using the “right” behavior at the “right” time.

What Is Effective Leadership?

The answer to this question is more complicated than you might think because leadership effectiveness is more than simply gaining commitment with our influence attempts. Assessing leadership effectiveness entails consideration of three issues.⁹

FIGURE 13.1 AN INTEGRATED MODEL OF LEADERSHIP



Issue 1. The Content of the Evaluation: “What Criteria Are Being Used to Assess Effectiveness?” Effectiveness depends on what the evaluator wants. For example, the content of effectiveness can entail criteria such as task performance, quality, customer satisfaction, sales, employee job satisfaction, turnover, or an overall evaluation of leadership effectiveness.

Issue 2. The Level of the Evaluation: “At What Level Are the Criteria Being Measured?” As you know from the Integrative Framework, effectiveness can be measured at the individual, group, or organizational levels. Evaluations at different levels also can produce different conclusions. For example, sales performance may be a good measure of performance for one store location, but not across a geographic region.

Issue 3. The Rater’s Perspective: “Who Is Doing the Evaluation?” Assessments of effective leadership can be made by different people or groups, and their view of effective leadership may vary.¹⁰ For example, a manager may be perceived as effective by a direct report, but not by the entire work unit or the boss.

What Is the Difference between Leading and Managing?

Bernard Bass, a leadership expert, concluded that “leaders manage and managers lead, but the two activities are not synonymous.”¹¹ Broadly speaking, managers typically perform functions associated with planning, investigating, organizing, and control, and leaders deal with the interpersonal aspects of a manager’s job. Leaders inspire others, provide emotional support, and try to get employees to rally around a common goal. Leaders also play a key role in creating a vision and strategic plan for an organization. Managers, in turn, are charged with implementing the vision and strategic plan. There are several conclusions to be drawn from this discussion.

First, good leaders are not necessarily good managers, and good managers are not necessarily good leaders. Second, effective leadership requires effective managerial skills at some level. For example, JetBlue ex-CEO David Neeleman was let go after an ice storm revealed managerial deficiencies in how he handled the situation.¹² In contrast, both Tim Cook, CEO of Apple, and Alan Mulally, CEO of Ford Motor Company, are recognized for the use of managerial skills when implementing corporate strategies.¹³

Do you want to lead others, or understand what makes a leader tick? Then take the following Self-Assessment. It provides feedback on your readiness to assume a leadership role and can help you consider how to prepare for a formal leadership position.



SELF-ASSESSMENT 13.1 Am I Ready to Be a Leader?

Go to connect.mheducation.com and take Self-Assessment 13.1. It measures your readiness for a leadership role. Then answer the following questions:

1. Do you agree with your results?
2. If you scored below 60 and desire to become a leader, what might you do to increase your readiness to lead?
3. How might these results help you become a more effective leader?

TRAIT THEORIES: DO LEADERS POSSESS UNIQUE TRAITS AND PERSONAL CHARACTERISTICS?

MAJOR QUESTION

How can I use the takeaways from trait theories to improve my ability to lead?

THE BIGGER PICTURE

You'll see in the Integrative Framework that just as skills and abilities (as person factors) were an input in Chapter 3, leadership traits are an input (as environmental characteristics). Trait theories attempt to identify personal characteristics that differentiate effective leaders from followers. After identifying key traits established by research, we discuss the importance of gender and perceptions in determining what it takes to be an effective leader.

Trait theory is the successor to what was called the “great man” theory of leadership. This approach was based on the assumption that leaders such as Abraham Lincoln, Martin Luther King Jr., or Mark Zuckerberg were born with some inborn ability to lead. In contrast, trait theorists believed that leadership traits were not innate, but could be developed through experience and learning. **The *trait approach* attempts to identify personality characteristics or interpersonal attributes that can be used to differentiate leaders from followers.**

What Are the Core Traits Possessed by Leaders?

Early research demonstrated that five traits tended to differentiate leaders from average followers:

1. Intelligence.
2. Dominance.
3. Self-confidence.
4. Level of energy and activity.
5. Task-relevant knowledge.¹⁴

Over the years, researchers and consultants began to consider more and more traits, making it very difficult to determine the traits that truly differentiate leaders from followers. This led to crazy claims like effective leaders are taller, bald, and wear glasses. While some leaders may possess these characteristics, these are not generalized characteristics that managers should consider when hiring or promoting people to leadership positions.

If you believe in making conclusions based on science, then OB researchers have come up with an answer to the question at hand by using a statistical technique called meta-analysis. A meta-analysis is a statistical procedure that effectively computes an average relationship between two variables. Table 13.1 is a summary of what we know from this research. Instead of the five basic traits from early research (see above), note the emphasis on task-orientation and the expansion into interpersonal attributes.¹⁵

TABLE 13.1 KEY TASK-ORIENTED TRAITS AND INTERPERSONAL ATTRIBUTES

POSITIVE TASK-ORIENTED TRAITS	POSITIVE/NEGATIVE INTERPERSONAL ATTRIBUTES
• Intelligence	• Extraversion (+)
• Conscientiousness	• Agreeableness (+)
• Open to Experience	• Communication Skills (+)
• Emotional Stability	• Emotional Intelligence (+)
	• Narcissism (–)
	• Machiavellianism (–)
	• Psychopathy (–)

All of the traits and interpersonal attributes listed in Table 13.1 have been defined elsewhere in this book except for the “dark side” traits of narcissism, Machiavellianism, and psychopathy.¹⁶ Let’s consider them now.

- **Narcissism** is defined as having “a self-centered perspective, feelings of superiority, and a drive for personal power and glory.”¹⁷ Individuals with this trait have inflated views of themselves, have fantasies of being in control of everything, and like to attract the admiration of others. Although narcissistic leaders have an upside of being more charismatic and passionate, they also were found to promote counterproductive work behaviors from others¹⁸—recall our discussion in Chapter 2.
- **Machiavellianism** entails the use of manipulation, a cynical view of human nature (e.g., all people lie to get what they want), and a moral code that puts results over principles (e.g., you have to cheat to get ahead). It’s not surprising that this characteristic is associated with counterproductive behavior.
- **Psychopathy** is characterized as a lack of concern for others, impulsive behavior, and a lack of remorse or guilt when one’s actions harm others. It’s no surprise that this type of person is toxic at work.

There are two more conclusions to note about Table 13.1. First, personality is more important than intelligence when selecting leaders.¹⁹ Second, displaying the “dark side” traits tends to result in career derailment—being demoted or fired.²⁰ You definitely want to avoid these traits.



Margaret Thatcher, prime minister of the United Kingdom from 1979 to 1990, served three terms. She was the longest-serving prime minister of the previous century. Which of the positive traits were likely possessed by Margaret Thatcher?



Pol Pot (on the left) was the communist dictator of Cambodia from 1975 to 1979, whose programs and policies led to the deaths of between 2 and 3 million people, roughly a quarter of the Cambodian population. Do you think Pol Pot possessed any of the “dark side” traits?

What Is the Role of Emotional Intelligence in Leadership Effectiveness?

We discussed emotional intelligence in Chapter 3. Recall that *emotional intelligence* is the ability to manage oneself and one's relationships in mature and constructive ways: The components of emotional intelligence are shown in Table 3.6. Given that leadership is an influence process between leaders and followers, it should come as no surprise that emotional intelligence is predicted to be associated with leadership effectiveness. While Daniel Goleman, the psychologist who popularized the concept, and other consultants contend that they have evidence to support this conclusion,²¹ it has not been published in scientific journals. That said, scientific evidence supports two conclusions:²²

1. **Emotional intelligence is an input to transformational leadership.** In other words, emotional intelligence helps managers to effectively enact the behaviors associated with transformational leadership, which is discussed later in this chapter.
2. **Emotional intelligence has a small, positive, and significant association with leadership effectiveness.** This suggests that emotional intelligence will help you to lead more effectively, but it is not the secret elixir of leadership effectiveness as suggested by Daniel Goleman.

Do Women and Men Display the Same Leadership Traits?

The increase of women in the workforce has generated much interest in understanding the similarities and differences in female and male leaders. Research reveals the following four conclusions:

1. Men and women were seen as displaying more task and social leadership, respectively.²³
2. Women used a more democratic or participative style than men, and men used a more autocratic and directive style than women.²⁴
3. Men and women were equally assertive.²⁵
4. Women executives, when rated by their peers, managers, and direct reports, scored higher than their male counterparts on a variety of effectiveness criteria.²⁶



Lynn Tilton, CEO of Patriarch Partners, possesses many of the positive leadership traits identified by researchers. Her holding company manages 75 companies with over \$8 billion in revenues.

TABLE 13.2 FOUR BASIC SKILLS FOR LEADERS

WHAT LEADERS NEED	AND WHY
Cognitive abilities to identify problems and causes for rapidly changing situations.	Leaders must sometimes derive effective solutions in short time spans with limited information.
Interpersonal skills to influence and persuade others.	Leaders need to work well with diverse people.
Business skills to maximize the use of organizational assets.	Leaders increasingly need such skills as they advance up through an organization.
Strategic skills to craft an organization's mission, vision, strategies, and implementation plans.	Obviously, this latter skill-set matters most for individuals at the top ranks in an organization.

SOURCE: Adapted from T. V. Mumford, M. A. Campion, and F. P. Morgeson, "Leadership Skills Strataplex: Leadership Skill Requirements across Organizational Levels," *Leadership Quarterly*, 2007, 154–166.

How Important Are Knowledge and Skills?

Extremely! A team of researchers identified four basic skills needed by leaders. See Table 13.2.

Do Perceptions Matter?

The answer is yes according to what is called implicit leadership theory. **Implicit leadership theory** is based on the idea that people have beliefs about how leaders should behave and what they should do for their followers. These beliefs are summarized in what is called a *leadership prototype*.²⁷ A **leadership prototype** is a mental representation of the traits and behaviors that people believe are possessed by leaders. It is important to understand the content of leadership prototypes because we tend to perceive that someone is a leader when he or she exhibits traits or behaviors that are consistent with our prototypes. Although past research demonstrated that people were perceived as leaders when they exhibited masculine-oriented traits and behaviors associated with masculinity, and dominance,²⁸ more recent studies showed an emphasis on more feminine traits and styles that emphasize empowerment, fairness, compassion, and supportiveness.²⁹ This change in prototypes bodes well for reducing bias and discrimination against women in leadership roles.

What Are the Takeaways from Trait Theory?

There are four.

1. **We can no longer afford to ignore the implications of leadership traits.** Traits play a central role in how we perceive leaders, and they ultimately impact leadership effectiveness. For example, the Cardiac Rhythm Disease Management Group within Medtronic Inc. identified nine types of traits and skills (e.g., giving clear performance feedback and being courageous) that were necessary for leaders. The company then designed a leadership development program to help its employees learn and apply these traits.³⁰

More and more companies are using management development programs to build a pipeline of leadership talent. This is a particularly important recommendation in light of results from corporate surveys showing that the majority of companies do not possess adequate leadership talent to fill future needs.

2. **The list of positive traits and “dark side” traits shown in Table 13.1 provides guidance regarding the leadership traits you should attempt to cultivate and avoid if you want to assume a leadership role in the future.** Personality tests, which were

discussed in Chapter 3, and other trait assessments can be used to evaluate your strengths and weaknesses vis-à-vis these traits. The website for this book contains a host of such tests that you can take for this purpose.

3. **Organizations may want to include personality and trait assessments in their selection and promotion processes.** For example, Nina Brody, head of talent for Take Care Health Systems in Conshohocken, Pennsylvania, used an assessment tool to assist in hiring nurses, doctors, medical assistants, and others. She wanted to hire people with traits that fit or matched the organization's culture.³¹ It is important to remember that this should only be done with valid measures of leadership traits.
4. **Developing a “global mind-set” increasingly is becoming a positive task-oriented trait.** As more and more companies expand their international operations, or simply hire more culturally diverse people for domestic operations in the United States, companies desire to enhance employees' “global mind-set.” For example, MasterCard and InterContinental Hotels Group (IHG) developed and implemented leadership development programs aimed at enhancing employees' cross-cultural awareness and the ability to work with others from different countries (see the Example box).

EXAMPLE MasterCard and InterContinental Hotels Group (IHG) Develop Employees' “Global Mind-set”

MasterCard has about 6,000 employees who provide services to people in more than 120 countries. “MasterCard's business model hinges on the ability to operate and grow a global network that matches the needs of the local market.” To do this, the company attempts to mirror the demographics of its workforce to the diversity of people it serves. IHG, which operates hotels in over 100 countries, is the largest hotel company in the world. Renee Stevens, Vice President of Global Talent, concluded that “in these economic times, it's critical to have leaders from diverse cultures and experiences . . . if you're looking to join a global company, you must have strong cultural awareness and be able to adjust to your changing environment.”

HOW DO THESE COMPANIES DEVELOP A GLOBAL MIND-SET? A variety of tools and techniques combine to develop a global mind-set. MasterCard uses formal training programs on topics like culture awareness, language, and cross-cultural awareness. The company also assigns people to special project teams that focus on achieving strategic objectives. For example, managers may be asked to focus on “scenario planning, regional market models, information strategy, technology estimation, and sponsorships.” After completing such projects, trainees are given the opportunity to present their recommendations to a group of senior executives.

IHG also uses formal training, job rotation, assignment to special cross-functional project teams, and international assignments to instill a global mindset. International assignments are the key driver of IHG's strategy. IHG's Renee Stevens notes that “not only do these assignments build critical knowledge and skills, they also build understanding of other cultures, leadership skills, and the skills to operate in other parts of the world.”³²

WHEN SHOULD YOU START DEVELOPING A GLOBAL MIND-SET? Renee Stevens believes that it takes time to develop a global mind-set. The implication is that you should start early in your career. Don't wait for management to create such opportunities, seek them out.

YOUR THOUGHTS?

1. Which of the positive traits and interpersonal attributes are likely to be enhanced by developing a global mind-set?
2. What have you observed in the last week that underscores the value of a global mind-set?
3. What steps could you take on your own, in this country, to develop such a mind-set?

BEHAVIORAL STYLE THEORIES: WHICH LEADER BEHAVIORS DRIVE EFFECTIVENESS?

major question

MAJOR QUESTION

Do effective leaders behave in similar ways?

THE BIGGER PICTURE

You may have had hunches in the past about why someone is an effective or ineffective leader. Behavioral style theories attempt to identify key leader behaviors presumed to affect leadership effectiveness. Now, you'll have more than a hunch. You'll focus on four leader behaviors confirmed to differentiate effective and ineffective leaders: task-oriented behavior, relationship-oriented behavior, passive leadership, and transformational leadership.

Because traits and interpersonal attributes are less amenable to change, it may make sense to focus on patterns of behavior exhibited by effective leaders. This is the focus used by those interested in the **behavioral styles approach**, which attempts to identify the unique behaviors displayed by effective leaders.

As you might expect, leaders rely on many different types of behaviors to influence others and to accomplish goals. One researcher, for example, identified 65 distinct categories of leader behavior. The good news is that these behaviors can be boiled down into four categories: task-oriented, relationship-oriented, passive, and transformational (see Figure 13.2). This section discusses the first three while transformational leadership is discussed later in the chapter.

Task-Oriented Leader Behavior

The “primary purpose of task-oriented behaviors is to ensure that people, equipment, and other resources are used in an efficient way to accomplish the mission of a group or organizations.”³³ Although there are a host of behaviors under this category such as planning, clarifying, monitoring, and problem solving, researchers have predominantly studied two types of task-oriented behaviors: initiating structure and transactional leadership.³⁴

Initiating Structure This type of leader behavior was identified by researchers at The Ohio State University. They defined **initiating structure as leader behavior that organizes and defines what group members should be doing to maximize output**. You can witness this behavior when someone organizes a team meeting for a class project or when someone seeks input from a knowledgeable source to help guide the team's work. This form of leadership has a moderately strong positive relationship with measures of leadership effectiveness.³⁵

Transactional Leadership **Transactional leadership focuses on clarifying employees' role and task requirements and providing followers with positive and negative rewards contingent on performance**. Further, transactional leadership encompasses the fundamental managerial activities of setting goals, monitoring progress toward goal achievement, and rewarding and punishing people for their level of goal accomplishment.³⁶ You can see from this description that

transactional leadership is based on using rewards and punishment to drive motivation and performance.

EXAMPLE Consider how Stephen Greer, founder of Hartwell Pacific, a scrap metal recycling business in Asia, used transactional leadership to combat several million dollars in fraud and theft from his employees in Mexico and his operations in Asia.

For Hartwell Pacific, the biggest strain was a lack of control systems. Greer was so focused on new markets that he glossed over niceties like accounting procedures, inventory audits, and reference checks for new hires. . . .

When he finally realized the extent of the fraud in his nascent empire, Greer pulled back, eventually liquidating the operation in Mexico. He also instituted a system of close oversight. He appointed local finance managers who reported directly to headquarters, creating checks and balances on local general managers. He started requiring three signatories for all company checks. He installed metal detectors to prevent theft. Once a month, the local managers flew to headquarters, where they compared revenues, costs, and overall performance. If one plant seemed to be overpaying for supplies, or if revenues seemed out of line with inventory, Greer began asking hard questions—ones he should have been asking all along.³⁷

Greer's use of transactional leadership helped to correct the fraud and theft problems and the company ultimately experienced profitable growth. Research supports a positive association between transactional leadership and leader effectiveness and group performance.³⁸

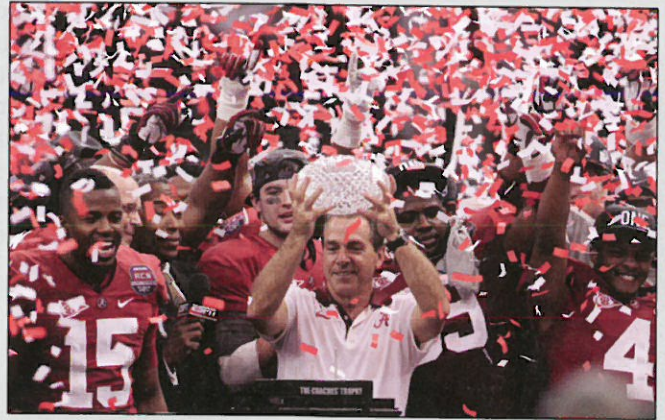
Nick Saban, head football coach at the University of Alabama, also uses task-oriented leadership with his players (see Example box). The success of his approach is confirmed by winning a national championship at Louisiana State University and two with the University of Alabama.

EXAMPLE Nick Saban Uses Task-Oriented Leadership to Achieve National Championships in Football

Nick Saban has lots of energy and he puts in long hours as a head coach. He spent so much time traveling to evaluate high school players that the NCAA came up with the "Saban rule." It prevents college coaches from traveling to high schools in the spring to watch players. More importantly, Saban is known for what people in Tuscaloosa, Alabama, call "the process." It is very regimented and detailed.

HOW DOES "THE PROCESS" WORK? He "defines expectations for his players athletically, academically, and personally." He also "sets expectations so that everyone understands what he wants, and then he can pull back." For example, he wants to know players' workout routines for each day, including the amount of weight they can bench press. "If a lineman is above his target body-fat percentage, Saban wants to know what the staff is doing to fix it."

Saban also is very supportive to his staff. Once they make a game plan, Saban leaves its execution to the coaching staff. He also takes ownership for mistakes or losses. Defensive coordinator Kirby Smart said that Saban "has always taken the blame and never pointed at a coach or a person or a kid. And I think that helps the whole organization. It gives you confidence before the game that 'Hey, we've got a plan. We've outworked everybody at this point. Let's go execute it and do it.'"



Alabama head coach Nick Saban holds the Coaches Trophy after the 2013 BCS National Championship college football game against Notre Dame in Miami.

Saban has hired trainers to coach him and the staff. He believes that you only get better by focusing on the small things that make a difference on game day. For example, he brought in a martial arts expert to teach the players martial arts because he thought it would help players gain leverage when blocking. He also added Pilates to the team's workout after he experienced it himself.³⁹

YOUR THOUGHTS?

1. Do you think Saban's "process" goes too far in terms of its demands on college football players?
2. What aspects of Saban's approach do you see as most applicable in a business organization?
3. What aspects would you rather see modified or abandoned in a business organization?

Relationship-Oriented Leader Behavior

The purpose of relationship-oriented leadership is to enhance employees' skills and to create positive work relationships among coworkers and between the leader and his/her employees. Examples include behaviors that are supporting (e.g., helping people deal with stressful events), developmental (e.g., providing career advice or assigning people to assignments that allow them to learn), appreciative (e.g., providing positive praise or an award), and empowering (e.g., allowing employees to make decisions).⁴⁰

OB researchers have primarily investigated the impact of three relationship-oriented behaviors:

- Consideration
- Empowerment
- Servant-leadership

Consideration As with initiating structure, this type of leader behavior was identified by researchers at The Ohio State University. **Consideration involves leader behavior associated with creating mutual respect or trust and focuses on a concern for group members' needs and desires.** This is an important type of behavior to use in addition to task leadership because it promotes social interactions and identification with the team and leader. In fact, researchers at Ohio State initially proposed that a high-initiating structure, high-consideration style would be the one best style of leadership. Overall, research results did not support this prediction. On its own, however, considerate leader behavior has a moderately strong positive relationship with measures of leadership effectiveness.⁴¹

What do you think is your relative style of using initiating structure and consideration when interacting with student peers or with work colleagues? Which of these two types of leader behavior is a strength, opportunity, or weakness for you? You can answer these questions by taking the following Self-Assessment.



SELF-ASSESSMENT 13.2 My Task- and Relationship-Oriented Leadership Style

This Assessment measures the extent to which you use initiating structure and consideration when working with others at school or work. Go to connect.mheducation.com and take Self-Assessment 13.2 and then answer the following questions.

1. Are you better at using initiating structure or consideration?
2. Based on identifying your two lowest scores for each type of leader behavior, suggest ways to improve your leader behavior.

Empowering Leadership We need to define two terms in order to explain the positive effects of empowering leadership. **Empowering leadership** represents the extent to which a leader creates perceptions of psychological empowerment in others. **Psychological empowerment**, which reflects employees' belief that they have control over their work, is expected to drive intrinsic motivation.⁴² Let's consider how leaders can create psychological empowerment.

Leaders increase psychological empowerment by engaging in behaviors that enhance perceptions of meaning, self-determination or choice, competence, and impact.

- **Leading for meaningfulness.** Managers lead for meaningfulness by *inspiring* their employees and *modeling* desired behaviors. One way to do this is by helping employees to identify their passions at work and creating an exciting organizational vision employees feel connected to. For example, employees at Millennium are highly motivated by the drug maker's vision—to cure cancer.⁴³
- **Leading for self-determination or choice.** Managers lead for choice by *delegating* meaningful assignments and tasks. This is how Gail Evans, an executive vice president at Atlanta-based CNN, feels about leading for choice. Evans said that “delegating is essential. If you refuse to let your staff handle their own projects, you're jeopardizing their advancement—because they aren't learning new skills and adding successes to their resume—and you're wasting your precious hours doing someone else's work.”⁴⁴
- **Leading for competence.** This involves *supporting* and *coaching* employees. Managers first need to make sure employees have the knowledge needed to successfully perform their jobs. Deficiencies can be handled through training and mentoring. Providing positive feedback and sincere recognition can also be coupled with the assignment of a challenging task to fuel employees' intrinsic motivation.
- **Leading for progress.** Managers lead for progress by *monitoring* and *rewarding* others. We thoroughly discussed how best to do this in Chapter 6.

Research supports the use of empowering leadership. Empowering leadership fosters psychological empowerment, which in turn impacts outcomes like intrinsic motivation, creativity, and performance.⁴⁵

Servant-Leadership The term *servant-leadership* was coined by Robert Greenleaf in 1970. Greenleaf believed that great leaders act as servants, making the needs of others, including employees, customers, and community, their first priority. **Servant-leadership focuses on increased service to others rather than to oneself.**⁴⁶ Because the focus of servant-leadership is serving others over self-interest, servant-leaders are less likely to engage in self-serving behaviors that hurt others. Embedding servant-leadership into an organization's culture requires actions as well as words.

EXAMPLE Afni, Inc., a global customer contact services provider, launched a leadership development program aimed at enhancing both servant and empowering leadership. Heather Cushing, Senior Manager of Leadership Development, said the goal of the program is to help managers “exhibit an attitude of servant-hood, caring for the coaching and development of each level reporting up through them.” Afni wants managers to empower “others to reach their full potential, while also inspiring teamwork and loyalty and improving employee engagement.”⁴⁷

Servant-leadership is expected to promote leadership effectiveness because it focuses on providing support and growth opportunities to employees. As you may recall from our discussion of perceived organizational support (POS) in Chapter 2, people generally reciprocate with increased effort aimed at collective performance when they feel supported. Servant-leaders have the characteristics listed in Table 13.3.

TABLE 13.3 CHARACTERISTICS OF THE SERVANT-LEADER

SERVANT-LEADERSHIP CHARACTERISTICS	DESCRIPTION
1. Listening	Servant-leaders focus on listening to identify and clarify the needs and desires of a group.
2. Empathy	Servant-leaders try to empathize with others' feelings and emotions. An individual's good intentions are assumed even when he or she performs poorly.
3. Healing	Servant-leaders strive to make themselves and others whole in the face of failure or suffering.
4. Awareness	Servant-leaders are very self-aware of their strengths and limitations.
5. Persuasion	Servant-leaders rely more on persuasion than positional authority when making decisions and trying to influence others.
6. Conceptualization	Servant-leaders take the time and effort to develop broader-based conceptual thinking. Servant-leaders seek an appropriate balance between a short-term, day-to-day focus and a long-term, conceptual orientation.
7. Foresight	Servant-leaders have the ability to foresee future outcomes associated with a current course of action or situation.
8. Stewardship	Servant-leaders assume that they are stewards of the people and resources they manage.
9. Commitment to the growth of people	Servant-leaders commit to people beyond their immediate work role. They foster an environment that encourages personal, professional, and spiritual growth.
10. Building community	Servant-leaders strive to create a sense of community both within and outside the work organization.

SOURCE: Adapted from L. C. Spears, "Introduction: Servant-Leadership and the Greenleaf Legacy," in *Reflections on Leadership: How Robert K. Greenleaf's Theory of Servant-Leadership Influenced Today's Top Management Thinkers*, ed. L. C. Spears (New York: Wiley, 1995), 1–14.

Does your current manager display the traits shown in Table 13.3? If yes, then you are more likely to be happier, more productive, more creative, and more willing to go above and beyond your role. This is precisely what researchers have uncovered.⁴⁸ The following Self-Assessment measures the extent to which a current or former manager uses servant-leadership behaviors. Results from the Assessment will enhance your understanding of what it takes to really be a servant-leader.



SELF-ASSESSMENT 13.3 Is My Boss a Servant-Leader?

Go to connect.mheducation.com and complete Self-Assessment 13.3 to evaluate your manager's status as being a servant-leader. Then do the following:

1. If you were able to give your boss feedback based on these results, what would you recommend?
2. To what extent do you think you engage in servant-leader behaviors?
3. How might you demonstrate more servant-leadership in your teams at work or school? Be specific.

Sam Palmisano, former chairman and CEO of IBM, is a good example of a servant-leader. Here is what he had to say about his approach to leadership:

Over the course of my IBM career I've observed many CEOs, heads of state, and others in positions of great authority. I've noticed that some of the most effective leaders don't make themselves the center of attention. They are respectful. They listen. This is an appealing personal quality, but it's also an effective leadership attribute. Their selflessness makes the people around them comfortable. People open up, speak up, contribute. They give those leaders their very best.⁴⁹

Research on servant-leadership is relatively new. We expect that future results will continue to confirm the value of using this leader behavior to promote individual, group, and organizational flourishing. In the meantime, we encourage you to practice this style of leadership.

TAKE-AWAY APPLICATION—TAAP

Using Relationship-Oriented Leadership

1. Think about the group projects you currently are working on. Now describe how you might attempt to use both empowering leadership and servant-leadership in team meetings.
2. How would you evaluate whether or not these leader behaviors are effective?

Passive Leadership

Passive leadership is best illustrated by what OB scholars call *laissez-faire* leadership. **Laissez-faire leadership represents a general failure to take responsibility for leading.** Examples of laissez-faire leadership include avoiding conflict, failing to provide coaching on difficult assignments, failing to assist employees in setting performance goals, failing to give performance feedback, failing to address issues associated with bullying, or being so hands-off that employees have little idea about what they should be doing. Given these examples, you should not be surprised to learn that laissez-faire leadership had a greater negative impact on employees' perceptions of leadership effectiveness than did the unique positive contributions from positive leadership traits, initiating structure, transactional leadership, consideration, and transformational leadership.⁵⁰

What does this suggest? Laissez-faire leadership can be demoralizing and it makes employees feel unsupported. We thus suggest that organizations should use employee feedback to identify managers who lead with this style. Once identified, people can be trained to use behaviors associated with other forms of task and relational leadership. All told, however, if a person in a leadership role is not willing to perform the role and responsibilities of being a leader, then he or she should be removed from the position.

What gender do you think engages in more laissez-faire leadership? A meta-analysis revealed that men displayed more of this type of leadership than women.⁵¹

What Are the Takeaways from Behavioral Styles Theory?

There are three.

1. **Leader behavior is more important than leader traits when it comes to effectiveness.**⁵² Our mantra for leaders is “every behavior matters.”
2. **Leader behaviors can be systematically improved and developed.**⁵³ Organizations are encouraged to continue to invest in leadership development programs.
3. **There is no one best style of leadership.** The effectiveness of a particular leadership style depends on the situation at hand.

SITUATIONAL THEORIES: DOES EFFECTIVE LEADERSHIP DEPEND ON THE SITUATION?

MAJOR QUESTION

How Do I Know When to Use a Specific Leader Behavior?

THE BIGGER PICTURE

If you're inclined to think about which leadership approach a particular situation suggests, you are already sympathetic to situational leadership. Proponents believe that effective leadership depends on the situation. Situational leadership attempts to help managers determine when they should use particular types of leader behavior. While many such theories have been proposed, only two have received extensive research examination: Fred Fiedler's *contingency model* and Robert House's *path-goal theory*. We conclude by discussing the application of situational theories.

major question

Situational leadership theories grew out of the realization that there is not a single “best” style of leadership. **Situational theories propose that the effectiveness of a particular style of leader behavior depends on the situation.** As situations change, different styles become appropriate. The concept makes a lot of common sense. As you will learn, however, the application of situational theories is more complicated than it appears.

Let's examine two alternative situational theories: Fiedler's contingency model and House's path-goal theory.

Fiedler's Contingency Model

The oldest situational theory was developed by Fred Fiedler. He labeled the model **contingency theory** because it is based on the premise that a leader's effectiveness is contingent on the extent to which a leader's style fits or matches characteristics of the situation at hand. To understand how this matching process works, we need to consider the key leadership styles identified by Fiedler and the situational variables that constitute what Fiedler labels *situational control*.⁵⁴

Two Leadership Styles: Task Orientation versus Relationship Orientation

Fiedler believed that leaders have one dominant or natural leadership style that is resistant to change. A leader's style is described as either task-motivated or relationship-motivated. You are familiar with these two orientations from our previous discussion in this chapter. Task-motivated leaders focus on accomplishing goals, whereas relationship-motivated leaders are more interested in developing positive relationships with followers. To determine an individual's leadership style, Fiedler developed the least preferred coworker (LPC) scale. The scale asks you to evaluate a coworker you least enjoy working with on 16 pairs of opposite characteristics (such as friendly/unfriendly or tense/relaxed). High scores on the survey (high LPC) indicate that an individual is relationship-motivated, and low scores (low LPC) suggest a task-motivated style.

Three Dimensions of Situational Control Situational control refers to the amount of control and influence the leader has in her or his immediate work environment. There are three dimensions of situational control: *leader–member relations*, *task structure*, and *position power*.

- **Leader–member relations** reflect the extent to which the leader has the support, loyalty, and trust of the work group. This dimension is the most important component of situational control. Good leader–member relations suggest that the leader can depend on the group, thus ensuring that the work group will try to meet the leader’s goals and objectives.
- **Task structure** is concerned with the amount of structure contained within tasks performed by the work group. For example, a managerial job contains less structure than that of a bank teller. Because structured tasks have guidelines for how the job should be completed, the leader has more control and influence over employees performing such tasks. This dimension is the second most important component of situational control.
- **Position power** refers to the degree to which the leader has formal power to reward, punish, or otherwise obtain compliance from employees.

The dimensions of situational control vary independently, forming eight combinations of situational control that vary from high to low (see Figure 13.2). High control implies that the leader’s decisions will produce predictable results because the leader has the ability to influence work outcomes. Low control implies that the leader’s decisions may not influence work outcomes because the leader has very little influence.

When Is Each Style Most Effective? Neither leadership style is effective in all situations. Figure 13.2 illustrates when task- and relationship-motivated leadership are expected to be most effective.

- **When task-oriented leadership is best.** Task-oriented leadership should be most effective in either *high-control* (situations I–III in Figure 13.2) or *low-control* situations (situation VIII).

FIGURE 13.2 REPRESENTATION OF FIEDLER’S CONTINGENCY MODEL

Fiedler’s contingency model	Situational Control	High-Control Situations			Moderate-Control Situations				Low-Control Situations
	Leader–Member Relations	Good	Good	Good	Good	Poor	Poor	Poor	Poor
	Task Structure	High	High	Low	Low	High	High	Low	Low
	Position Power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak
	Situation	I	II	III	IV	V	VI	VII	VIII
Optimal Leadership Style	Task-Motivated Leadership			Relationship-Motivated Leadership				Task-Motivated Leadership	

SOURCE: Adapted from F. E. Fieldler, “Situational Control and a Dynamic Theory of Leadership,” in *Managerial Control and Organizational Democracy*, ed. B. King, S. Streufert, and F. E. Fieldler (New York: Wiley, 1978), 114.

HIGH-CONTROL EXAMPLE Suppose you are taking the lead in preparing a 10-page report for a class project that requires extensive use of Excel. In this situation, you have strong influence across a majority of the dimensions, as shown:

Leader–member relations: Good. Your teammates like you and they realize that you have the most experience with using Excel.

Task structure: High. You know the professor’s expectations and you have the skills needed to crunch numbers with Excel.

Position power: Weak. You do not have the authority to evaluate your teammates and dole out rewards or punishment.

As shown in Figure 13.2, this high-control situation calls for a task-oriented style of leadership.

LOW-CONTROL EXAMPLE Suppose as before that you are working on the same class project preparing a 10-page report for a class project requiring extensive use of Excel. This time, however, you have less control:

Leader–member relations: Poor. Your teammates perceive that you use “dark side” leadership traits,

Task structure: Low. The professor did not clearly explain the performance expectations for the project.

Position power: Weak. You do not have the authority to evaluate your teammates and dole out rewards or punishment.

As shown in Figure 13.2, this low-control situation also calls for task-oriented leadership.

- **When relationship-oriented leadership is best.** Relationship-oriented leadership should be most effective in situations of *moderate control* (situations IV–VII in Figure 13.2).

MODERATE-CONTROL EXAMPLE Again, suppose you are working on the same class project preparing a 10-page report for a class project that requires extensive use of Excel. This time, you have a moderate amount of control:

Leader–member relations: Good. Your teammates like you and they realize that you have the most experience with using Excel.

Task structure: Low. The professor did not clearly explain the performance expectations for the project.

Position power: Weak. You do not have the authority to evaluate your teammates and dole out rewards or punishment.

As shown in Figure 13.2, this moderate-control situation calls for a relationship-oriented leadership style.

What should you do if your dominant leadership style—task or relationship—does not match the situation? Then, Fiedler suggests, it is better to move the leader to a more suitable situation than to try to change the leader’s leadership style. This response is contrary to the behavioral styles approach, which assumes that we can learn different leader behaviors. Fiedler believes that people cannot change their leadership style. Do you agree with this proposition?

Takeaways from Fiedler’s Model Although research provides only partial support for this model and the LPC scale,⁵⁵ there are three key takeaways from Fiedler’s model.

1. **Leadership effectiveness goes beyond traits and behaviors.** The fit between a leader’s style and the situational demands is important. As a case in point, a team of researchers examined the effectiveness of 20 senior-level managers from GE who left the company for other positions. The researchers concluded that “not

all managers are equally suited to all business situations. The strategic skills required to control costs in the face of fierce competition are not the same as those required to improve the top line in a rapidly growing business or balance investment against cash flow to survive in a highly cyclical business. . . . We weren't surprised to find that relevant industry experience had a positive impact on performance in a new job, but that these skills didn't transfer to a new industry."⁵⁶

2. **Organizations should attempt to hire or promote people whose leadership styles fit or match situational demands.** For example, Bill Marriott, Marriott's executive chairman, decided to select the first nonfamily CEO because he felt that his son John was not suited for the position despite spending his entire life working his way up through the company (see Problem-Solving Application). If a manager is failing in a certain context, management should consider moving the individual to another situation. Don't give up on a high-potential person simply because he or she was a poor leader in one context.
3. **Leaders need to modify their style to fit a situation.** For example, a recent study found that too much task-oriented leader behavior was viewed negatively by employees whereas excessive relationship leadership was not. Leaders need to experiment with finding the "right" amount of leadership to exhibit in different situations.⁵⁷

solving application

problem

Bill Marriott Selects Arne Sorenson to Be CEO over His Son

Bill Marriot became CEO of the company at the age of 32. He was selected by his father after working in the company since he was 14. Under his leadership, the company grew from \$85 million in 1964 to \$11.8 billion in 2012.

Bill's Dilemma After suffering a heart attack at the age of 57, Bill Marriott began to consider a succession plan. He wanted one of his four children to take over because the 85-year-old company had always been run by a family member.

John Marriott was the most capable to take over. John started as a cook in the kitchen and went on to work in every aspect of the business. Bill said that John "spent most of his adult life preparing to succeed me as CEO. He devoted

his heart and soul to learning the business. . . . But as time went on, I realized that it wasn't the right fit—not for John and not for Marriott."

Bill's Response Bill Marriott saw that the company needed a CEO with strong people skills. He noted that "our culture is focused on people, because treating one another well is essential to creating an atmosphere in which everyone treats guests well, and that's the most fundamental element of our business."

The company had hired lawyer Arne Sorenson to help represent the company in 1993. Bill thought Sorenson had great financial skills so he hired him at a later time to head up mergers and acquisitions. Sorenson became chief financial officer in 1998. Over time, Bill Marriott

observed that his CFO developed very keen people skills.

As Sorenson's task and relationship skills grew, John Marriott became unhappy working at headquarters. He simply did not like managing the bureaucracy of such a large company. Bill concluded that his son was a "natural born entrepreneur" who did not have the personality to run a company like Marriott.

The Outcome Father and son agreed that John would be happier working in another role. In 2005, John became vice chairman of the board, and he started a medical testing company. He also is CEO of JWM Family Enterprises, a family trust company. Bill turned over the CEO reigns to Arne in March 2012. Arne is flourishing in his new role.⁵⁸

YOUR CALL

- Stop 1:** What is the problem in this case?
- Stop 2:** What leadership concepts or theories helped Bill Marriott to make a decision about his successor?
- Stop 3:** Do you agree with Bill Marriott's decision? Explain.



The mountaineering guide in yellow is a great example of a path-goal leader. His job is to reduce roadblocks during an ascent and to provide coaching and support during the journey. Of the two climbers, who do you think has the most fun? Who has the greatest sense of accomplishment?

House's Path-Goal Theory

A second popular situational theory, proposed by Robert House in the 1970s and revised in 1996, is the **path-goal theory**, which holds that leader behaviors are effective when employees view them as a source of satisfaction or as paving the way to future satisfaction. Leaders are expected to do this by (1) reducing roadblocks that interfere with goal accomplishment, (2) providing the guidance and support needed by employees, and (3) linking meaningful rewards to goal accomplishment.

House's revised model is presented in Figure 13.3. You can see that leadership effectiveness is influenced by the interaction between eight leadership behaviors and a variety of contingency factors.

What Determines Leadership Effectiveness? The Match Between Leadership Behavior and Contingency Factors Figure 13.3 shows that two contingency factors—employee characteristics and environmental factors—are expected to cause different leadership behaviors to be more effective than others.

- **Employee characteristics.** Five important employee characteristics are locus of control, task ability, need for achievement, experience, and need for clarity.
- **Environmental factors.** Two relevant environmental factors are task structure (independent versus interdependent tasks) and work group dynamics.
- **Leader behaviors.** Figure 13.3 reveals that House has expanded the number of task- and relationship-oriented leader behaviors beyond those previously discussed. A description of these leader behaviors is presented in Table 13.4.

FIGURE 13.3 A REPRESENTATION OF HOUSE'S REVISED PATH-GOAL THEORY

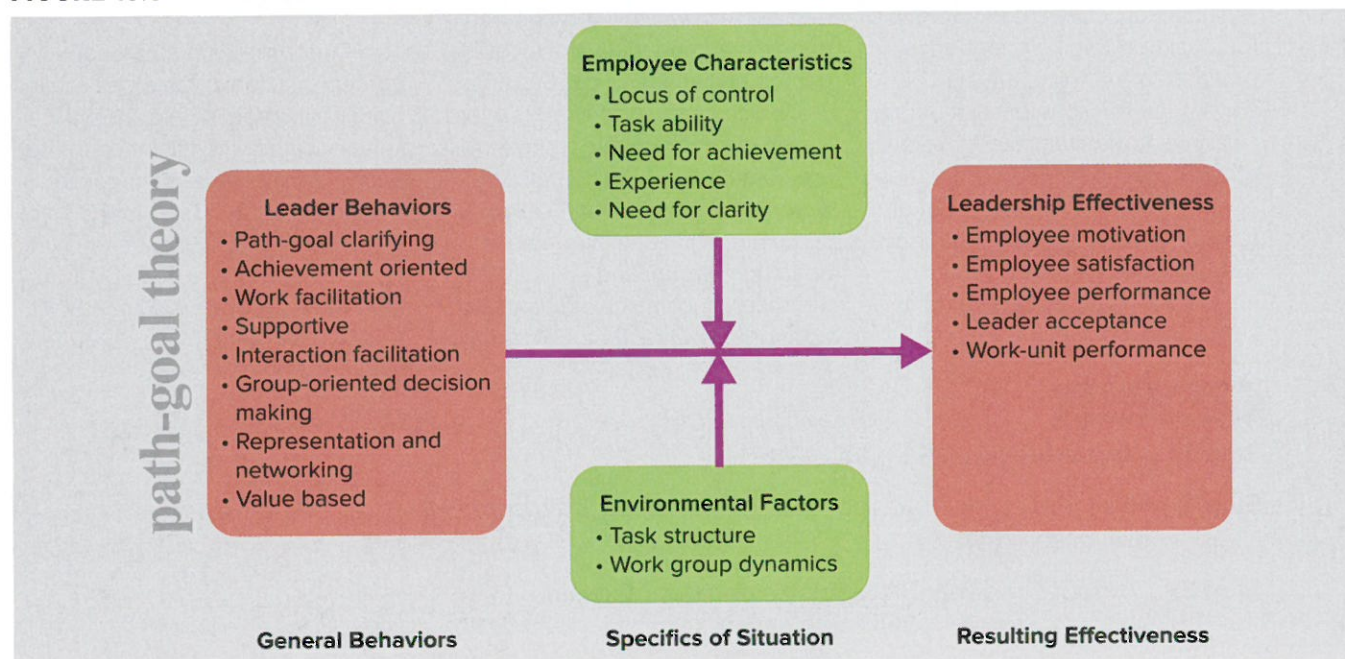


TABLE 13.4 CATEGORIES OF LEADER BEHAVIOR WITH THE REVISED PATH-GOAL THEORY

LEADER BEHAVIORS	WHAT IT MEANS
Path-goal–clarifying behaviors	Clarifying employees' performance goals; providing guidance on how employees can complete tasks; clarifying performance standards and expectations; use of positive and negative rewards contingent on performance.
Achievement-oriented behaviors	Setting challenging goals; emphasizing excellence; demonstrating confidence in employees' abilities.
Work-facilitation behaviors	Planning, scheduling, organizing, and coordinating work; providing mentoring, coaching, counseling, and feedback to assist employees in developing their skills; eliminating roadblocks; providing resources; empowering employees to take actions and make decisions.
Supportive behaviors	Showing concern for the well-being and needs of employees; being friendly and approachable; treating employees as equals.
Interaction-facilitation behaviors	Resolving disputes; facilitating communication; encouraging the sharing of minority opinions; emphasizing collaboration and teamwork; encouraging close relationships among employees.
Group-oriented decision-making behaviors	Posing problems rather than solutions to the work group; encouraging group members to participate in decision making; providing necessary information to the group for analysis; involving knowledgeable employees in decision making.
Representation and networking behaviors	Presenting the work group in a positive light to others; maintaining positive relationships with influential others; participating in organizational social functions and ceremonies; doing unconditional favors for others.
Value-based behaviors	Establishing a vision, displaying passion for it, and supporting its accomplishment; demonstrating self-confidence; communicating high-performance expectations and confidence in others' abilities to meet their goals; giving frequent positive feedback.

SOURCE: Adapted from R. J. House, "Path-Goal Theory of Leadership: Lessons, Legacy, and a Reformulated Theory," *Leadership Quarterly*, 1996, 323–352.

Putting the Theory into Action To better understand how these contingency factors influence leadership effectiveness, we consider locus of control (see Chapter 3), an employee characteristic, and task structure, an environmental factor.

EXAMPLE Locus of Control. Can be internal or external.

Internal. Employees with an internal locus of control are

- More likely to prefer participative or achievement-oriented leadership because they believe they have control over the work environment.
- Unlikely to be satisfied with directive leader behaviors that exert additional control over their activities.

External. Employees with an external locus

- Tend to view the environment as uncontrollable, thereby preferring the structure provided by supportive or directive leadership.

EXAMPLE Task Structure. Task structure can be low or high.

Low. Low task structure occurs when

- Employees are not clear about their roles or performance expectations—high role ambiguity.

Directive and supportive leadership should help employees experiencing role ambiguity.

High. High task structure occurs when

- Employees work on routine and simple tasks.

Directive leadership is likely to frustrate such employees. Supportive leadership is most useful in this context.

Does the Revised Path-Goal Theory Work? There are not enough direct tests of House's revised path-goal theory to draw overall conclusions. Nonetheless, there are three important takeaways from this theory.

1. **Use more than one style of leadership.** Effective leaders use multiple types of leader behavior. Thus, you are encouraged to familiarize yourself with the eight types of leader behavior outlined in path-goal theory and to try new behaviors when the situation calls for them.



EXAMPLE Consider the leader behaviors exhibited by Bob Iger, CEO of Walt Disney Company. Iger prefers to work behind the scenes and does not host any Disney TV productions. He is known to say hello to everyone he encounters on the Disney campus and participates in a Disney team that competes in the Malibu, California, triathlon to raise money for charity. Since taking over the helm at Disney, Iger patched up the rocky relationship between Pixar and Disney and ultimately purchased Pixar for \$7 billion. He also resolved several contentious issues with former director Roy Disney and Comcast. Iger empowers his employees and allows them plenty of freedom to make decisions. At the same time, he holds people accountable for their work.⁵⁹

This example illustrates that Iger uses path-goal–clarifying behaviors, achievement-oriented behaviors, work-facilitation behaviors, supportive behaviors, interaction-facilitation behaviors, and representation and networking behaviors. See Table 13.4.

2. **Help employees achieve their goals.** Leaders are encouraged to clarify the paths to goal accomplishment and to remove any obstacles that may impair an employee's ability to achieve his or her goals. In so doing, managers need to guide and coach employees during the pursuit of their goals.
3. **Modify your leadership style to fit various employee and environmental characteristics.** A small set of employee characteristics (i.e., ability, experience, and need for independence) and environmental factors (task characteristics of autonomy, variety, and significance) are relevant contingency factors.⁶⁰

Applying Situational Theories

Although researchers and practitioners support the logic of situational leadership, the practical application of such theories has not been clearly developed. A team of researchers thus attempted to resolve this problem by proposing a general strategy that managers can use across a variety of situations. The general strategy contains five steps.⁶¹ We explain how to implement the steps by using the examples of a head coach of a sports team and a sales manager.

Step 1: Identify important outcomes. Managers must first determine the goals they want to achieve. For example, the head coach may have games to win or wish to avoid injury to key players whereas a sales manager's goals might be to increase sales by 10 percent or decrease customers' complaints.

Step 2: Identify relevant leadership behaviors. Next managers need to identify the specific types of behaviors that may be appropriate for the situation at hand. The list of behaviors shown in Table 13.4 is a good starting point. A head coach in a championship game, for instance, might focus on achievement-

oriented and work-facilitation behaviors. In contrast, a sales manager might find path-goal–clarifying, work-facilitation, and supportive behaviors more relevant for the sales team. Don't try to use all available leadership behaviors. Rather, select the one or two that appear most helpful.

Step 3: Identify situational conditions. Fiedler and House both identify a set of potential contingency factors to consider, but there may be other practical considerations. For example, a star quarterback on a football team may be injured, which might require the team to adopt a different strategy toward winning the game. Similarly, managing a virtual sales team from around the world will affect the types of leadership that are most effective in this context.

Step 4: Match leadership to the conditions at hand. There simply are too many possible situational conditions for us to provide specific advice. This means that you should use your knowledge about organizational behavior to determine the best match between leadership styles/behaviors and the situation at hand. The coach whose star quarterback is injured might use supportive and values-based behaviors to instill confidence that the team can win with a different quarterback. Our virtual sales manager also might find it useful to use the empowering leadership associated with work-facilitation behaviors and to avoid directive leadership.

Step 5: Determine how to make the match. Managers can either use guidelines from contingency theory or path-goal theory. Either you can change the person in the leadership role or the leader can change his or her style or behavior. Returning to our examples, it is not possible to change the head coach in a championship game. This means that the head coach needs to change his or her style or behavior to meet the specific challenge. In contrast, the organization employing the sales manager might move him or her to another position because the individual is too directive and does not like to empower others. Alternatively, the sales manager could change his or her behavior, if possible.

Caveat When Applying Situational Theories

Can you think of any downside to applying situational theories? Consider this scenario. A manager has three employees reporting to her and one of them is exceeding her goals by 30 percent. The other two have satisfactory levels of performance. Because of the superior performance by one employee, the manager decides to reward this person by assigning her to a new, hot project. Part of this assignment entails attending a week-long training session in Phoenix, Arizona, in January. The employee is ecstatic!

The other two employees hear about this assignment and they are mad. Rather than seeing this situational leadership as positive, they feel inequity and are claiming favoritism. This will likely result in lower engagement and performance. Are you surprised by this outcome? Do you have any idea why this happened?

A team of OB researchers investigated the possibility that there are unintended negative consequences when managers use a situational approach with members from a team. Study findings revealed that treating group members differently resulted in some employees feeling that they were not among the leader's "in-group" (i.e., a partnership characterized by mutual trust, respect, and liking). The concept of in-groups and out-groups is discussed later in the chapter. These negative feelings in turn had a counterproductive effect on employees' self-efficacy and subsequent group performance. The point to remember is that leaders of teams need to be careful when treating individual team members differently. There are potential pros and cons to the application of situational theories in a team context.⁶²

TRANSFORMATIONAL LEADERSHIP: HOW DO LEADERS TRANSFORM EMPLOYEES' MOTIVES?

MAJOR QUESTION

How can I use transformational leadership when working with others?

THE BIGGER PICTURE

Transformational leaders use a combination of charisma, interpersonal skills, and leader behaviors to transform followers' goals, motives, and behavior. Four key behaviors used by transformational leaders are inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation. We discuss a process by which these behaviors help produce positive outcomes.

Transformational leadership represents a broad type of leader behavior that goes beyond task and relational leadership. Its origins date back to the 1940s when German sociologist Max Weber discussed the pros and cons of charismatic leadership.⁶³ **Charisma** is a form of interpersonal attraction that inspires acceptance, devotion, and enthusiasm. Weber's initial ideas were examined and then incorporated into different models of transformational leadership during the 1970s and 80s. The dominant model of transformational leadership was proposed by a renowned OB scholar named Bernard Bass.⁶⁴ Bass believed that transformational leaders used key leader behaviors to influence others.

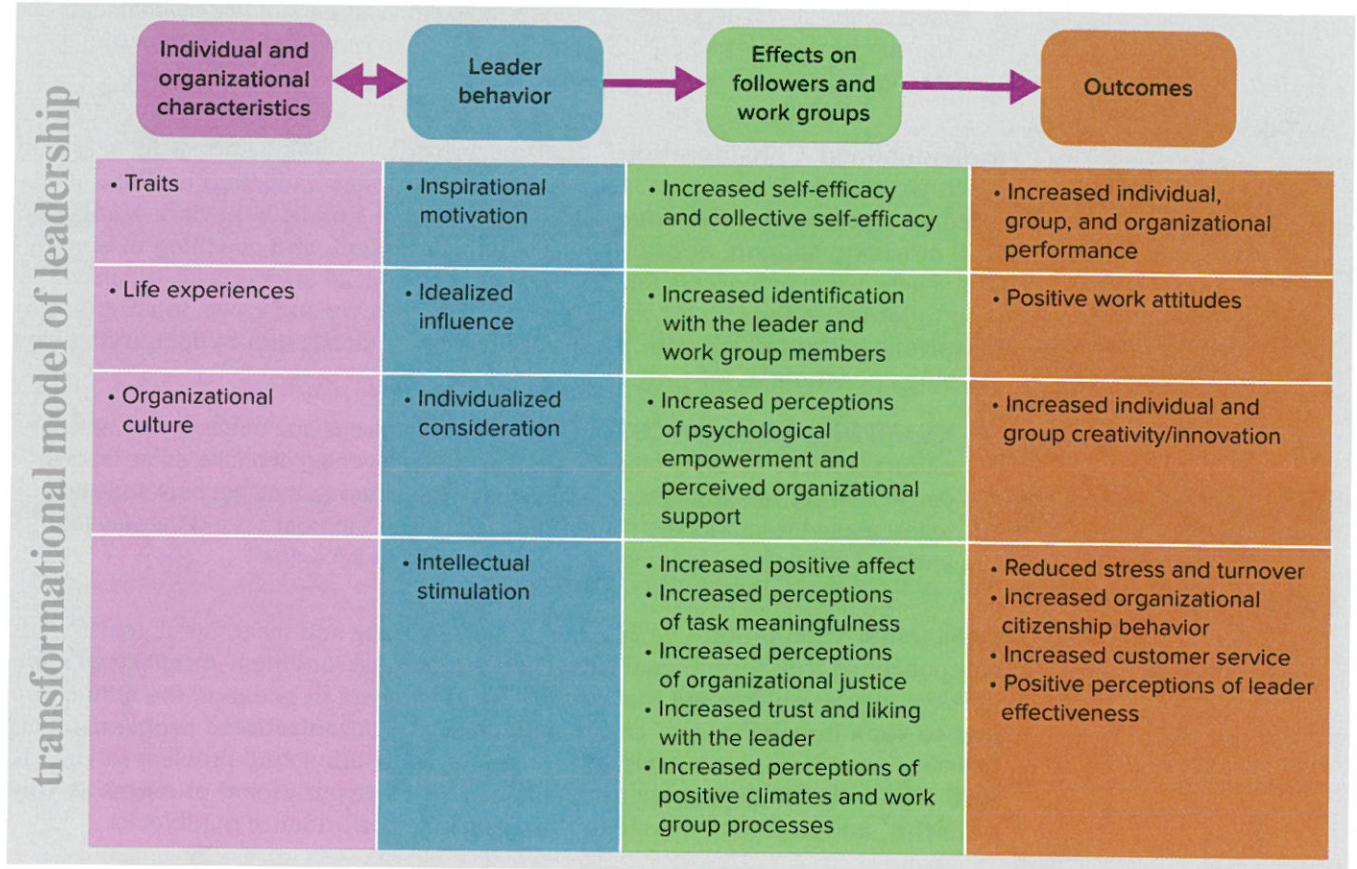
A Model of Transformational Leadership

Transformational leaders transform followers to pursue organizational goals over self-interests. They do this by using leader behaviors that appeal to followers' self-concepts—namely their values, motives, and personal identity. There are *four key behaviors of transformational leaders*. Figure 13.4 provides a sketch of how transformational leaders rely on these four key leader behaviors (second column from left): inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation. Let's look at each in more detail.

Inspirational Motivation “Let me share a vision that transcends us to a greater good.” **Inspirational motivation, which includes the use of charisma, involves establishing an attractive vision of the future, the use of emotional arguments, and exhibition of optimism and enthusiasm.** A vision is “a realistic, credible, attractive future for your organization.”⁶⁵ According to Burt Nanus, a leadership expert, the “right” vision unleashes human potential because it serves as a beacon of hope and common purpose. It does this by attracting commitment, energizing workers, creating meaning in employees' lives, establishing a standard of excellence, promoting high ideals, and bridging the gap between an organization's present problems and its future goals and aspirations.

EXAMPLE Biotechnology firm Genentech “inspires employees with tear-jerking presentations by patients whose lives have been helped by Genentech products.” One employee commented that “there is a sense of purpose when you share clients' stories. We are all working toward the same goal: life.”⁶⁶

FIGURE 13.4 A TRANSFORMATIONAL MODEL OF LEADERSHIP



SOURCE: Adapted from D. A. Waldman and F. J. Yammarino, "CEO Charismatic Leadership: Levels-of-Management and Levels-of-Analysis Effects," *Academy of Management Review*, April 1999, 266–285; and D. V. Knippenberg and S. B. Sitkin, "A Critical Assessment of Charismatic-Transformational Leadership Research: Back to the Drawing Board," *The Academy of Management Annals*, 2013, 1–60.

EXAMPLE Civil rights leader Martin Luther King Jr. had a vision or "dream" of racial equality. He both inspired a movement of people and helped the country envision a brighter future.

EXAMPLE Lloyd Dean, CEO of Dignity Health, has a vision of human kindness.⁶⁷ He believes that humanity is the core of health care.



Yvon Chouinard (on the left) at a cocktail party mingling with several of his employees and celebrity guests.

Idealized Influence "Let me demonstrate how to work hard and do the 'right' thing." The focus of **idealized influence is to instill pride, respect, and trust within employees**. Managers do this by sacrificing for the good of the group, being a role model, and displaying high ethical standards.

EXAMPLE Yvon Chouinard, founder of the outdoor clothing brand Patagonia, is a role model of running a business with goals that go far beyond profits. He wants the company to be a great place to work and has instituted policies to support employees. For example, an on-site cafeteria serves healthful food and the company provides on-site child care. Chouinard is dedicated to environmental issues. He committed "the company to 'tithing' for environmental activism, committing 1 percent of sales or 10 percent of profits, whichever is greater. The commitment include[s] paying employees working on local environmental projects so they could commit their efforts

full-time.” He also committed the company to using all pesticide-free cotton because the standard process for producing cotton was bad for the environment. The company’s flex-time policies allow employees to come and go as they want as long as goals and deadlines are being met.⁶⁸

Individualized Consideration “Let me provide tangible support to help you reach your goals.” This component of transformational leadership is relationship-oriented. Specifically, **individualized consideration** entails behaviors associated with providing support, encouragement, empowerment, and coaching to employees. These behaviors necessitate that leaders pay special attention to the needs of their followers and search for ways to help people develop and grow. You can do this by spending time talking with people about their interests and by identifying new learning opportunities for them.

EXAMPLE Jeff Immelt, CEO of General Electric, invites one of the company’s officers to his home every other Friday for a casual evening of drinks, some laughs, dinner, and conversation about world events. On Saturday, they get back together to talk about the individual’s career. This “high touch” approach is a great way for Immelt to get to know his employees and to serve as a mentor.⁶⁹

Intellectual Stimulation “Let’s establish challenging and meaningful goals.” This component of transformational leadership is more task-oriented. **Intellectual stimulation** involves behaviors that encourage employees to question the status quo and to seek innovative and creative solutions to organizational problems. This behavior aims to encourage employee creativity, innovation, and problem solving. If used effectively, employees are more likely to view organizational problems as “my problems” and to proactively attempt to overcome performance roadblocks.

EXAMPLE At San Diego’s WD-40, makers of lubricants and cleaners, managers are held accountable for employee engagement. Managers set improvement goals based on employee surveys, and then they meet with upper management every 90 days to discuss progress against goals. Speaking of goals, CEO Garry Ridge said, “Our goals are tied not only to financial performance but to the cultural performance of our company, which includes the level of engagement scores.”⁷⁰

How Does Transformational Leadership Work?

Figure 13.4 shows on the left-hand side that transformational leader behavior is first influenced by both individual and organizational characteristics. For example, on the individual side, research reveals that transformational leaders tend to have personalities that are more extraverted, agreeable, and proactive and less neurotic than non-transformational leaders. They also have higher emotional intelligence.⁷¹ Female leaders also were found to use transformational leadership more than male leaders.⁷² It is important to note, however, that transformational leadership is less trait-like and more susceptible to managerial influence. This conclusion reinforces the notion that an individual’s life experiences play a role in developing transformational leadership and that transformational leadership can be learned. Finally, Figure 13.4 shows that organizational culture influences the extent to which leaders are transformational. Cultures that are adaptive and flexible rather than rigid and bureaucratic are more likely to create environments that foster the opportunity for transformational leadership to be exhibited.

Figure 13.4, in the third column from the left, further shows that the use of transformational leadership creates positive effects on followers and work groups. In turn, these positive effects are expected to lead to positive outcomes (in the right-hand column) like individual, group, and organizational performance;

organizational commitment; organizational citizenship behaviors (OCBs); and safety behaviors.⁷³ By and large, research supports these proposed linkages.⁷⁴

Have you worked for a transformational leader? The following Self-Assessment measures the extent to which a current or former manager used transformational leadership. Taking the Assessment provides a good idea about the specific behaviors you need to exhibit if you want to lead in a transformational manner.

 connect

SELF-ASSESSMENT 13.4 Is My Manager Transformational?

Go to connect.mheducation.com and complete Self-Assessment 13.4. Then answer the following questions.

1. What could your manager have done to be more transformational?
2. Use the survey questions to identify three behaviors you can exhibit to increase your application of transformational leadership.

Implications for Managers Support for transformational leadership underscores five important managerial implications.

- **The establishment of a positive vision of the future—inspirational motivation—should be considered a first step at applying transformational leadership.** Why? Because the vision represents a long-term goal, and it is important for leaders to begin their influence attempts by gaining agreement and consensus about where the team or organization is headed. It also is critical to widely communicate the vision among the team or entire organization.⁷⁵ People can't get excited about something they don't know about or don't understand.
- **The best leaders are not just transformational.** Effective leaders also rely on other task-oriented and relationship-oriented behaviors, and they avoid a laissez-faire or "wait-and-see" style.⁷⁶ We encourage you to use all types of leader behavior discussed in this chapter, when appropriate.



Just like Optimus Prime and other Transformers can change their form, managers need to morph their styles to fit the situation at hand. Why do you think some people struggle with changing their leadership style across situations?

- **Transformational leadership affects outcomes at the individual, group, and organizational levels.**⁷⁷ Managers can thus use the four types of transformational leadership shown in Figure 13.4 (second column from left) as a vehicle to improve a host of important outcomes. The key point to remember is that transformational leadership transforms individuals as well as teams and work groups, ultimately creating widespread positive influence.
- **Transformational leadership works virtually.** If you lead geographically dispersed people, then it is important to focus on how you can display the four transformational leader behaviors in your e-mails, tweets, webinars, and conference calls.⁷⁸
- **Transformational leaders can be ethical or unethical.** Whereas ethical transformational leaders enable employees to enhance their self-concepts, unethical ones select or produce obedient, dependent, and compliant followers.

MAJOR QUESTION

How can I improve the relationship with my boss?

THE BIGGER PICTURE

You are about to discover the most recent addition to OB's understanding of leadership: *leader-member exchange theory*. You will also discover that OB has meaningful insights into the role of the follower.

Two additional perspectives on leadership deserve attention:

- Leader-member exchange (LMX) theory.
- A follower perspective.

The Leader-Member Exchange (LMX) Model of Leadership

Over the last two decades, LMX has been the second-most-researched theory of leadership. This theory differs considerably from those previously discussed, as it focuses on the *quality of relationships* between managers and subordinates as opposed to the *behaviors or traits* of either leaders or followers. It also differs in that it does not assume that leader behavior is characterized by a stable or average leadership style as do the previously discussed models. In other words, most models of leadership assume a leader treats all employees in about the same way.

In contrast, the **leader-member exchange (LMX) theory** is based on the assumption that leaders develop unique one-to-one relationships with each of the people reporting to them. Behavioral scientists call this sort of relationship a *vertical dyad*. The forming of vertical dyads is said to be a naturally occurring process, resulting from the leader's attempt to delegate and assign work roles. In turn, the quality of these relationships is expected to affect a host of outcomes in the Integrative Framework of OB such as performance, work attitudes, and turnover. Two distinct types of LMX relationships are expected to evolve.⁷⁹

In-Group versus Out-Group Exchanges LMX relationships are based on the leader's attempt to delegate and assign work roles. This process results in two types of leader-member dyads.

- **In-group exchange: Creating trust and mutual obligation.** High LMX relationships are characterized by a partnership of reciprocal influence, mutual trust, respect and liking, and a sense of common fates. These relationships become more social over time.
- **Out-group exchange: Creating more formality in expectations and rewards.** Low LMX relationships tend to focus on the economic exchange between leaders and followers. In other words, the relationship tends to be more formal and revolves around specifically negotiating the relationship between performance and pay. This relationship does not create a sense of mutual trust, respect, or common fate.⁸⁰

Does the Quality of an LMX Matter? Yes! LMXs have widespread influence on many important outcomes. For example, a positive LMX is associated with individual-level behavioral outcomes like performance, turnover, and organizational citizenship behavior, and attitudinal outcomes such as organizational commitment, job satisfaction, and justice.⁸¹ Differential treatment of team members can also be problematic. A team of researchers found that differential treatment among members of soccer, hockey, and basketball teams led to negative team atmospheres, which in turn promoted poor perceptions of team performance.⁸² Low-quality leader-member exchanges are not good for individuals or groups.

You might not be surprised to learn that the quality of leader-member exchanges varies in importance across Western and Asian countries. While outcomes in Asian cultures are influenced by the quality of an LMX, employees in Asian countries also are influenced by collective interests and role-based obligations more so than Western-based employees.⁸³

How Are LMX Relationships Formed? The quality of an LMX is influenced by three categories of variables: follower characteristics, leader characteristics, and interpersonal relationship variables.⁸⁴

1. **Follower characteristics.** As we learned in Chapter 4, initial perceptions of others are based on individual characteristics. Leaders tend to create more positive LMXs with employees perceived as possessing competence, positive personalities, agreeableness, conscientiousness, and extraversion.
2. **Leader characteristics.** Leaders that use transactional and transformational leadership tend to have more positive LMXs. Not surprisingly, extraverted and agreeable leaders also tend to have more positive LMXs.



When this photo was taken in September 2013, just prior to the G20 Summit, Barack Obama and Vladimir Putin had numerous reasons to distrust each other and veer from a more solid one-to-one relationship. Differences over an appropriate response to civil war in Syria and Russia's embrace and protection of NSA turncoat Edward Snowden were only two of many irksome issues creating friction between their countries. Certainly their relationship would not be characterized as an in-group exchange. Do you think it is important for world leaders to have in-group exchanges? If yes, how might their relationship be improved?

3. **Interpersonal relationship variables.** There are far too many interpersonal factors that affect an LMX, so we note three that have the greatest impact on a leader-member relationship. High LMXs tend to occur when the parties:
- Trust each other.
 - Perceive themselves as similar in terms of interests (both like sports or action movies), values (both value honesty), and attitudes (both want work–life balance).
 - Like each other.

Managerial and Personal Implications of LMX Theory There are three important implications.

- **Expectations.** Leaders are encouraged to establish high-performance expectations for all of their direct reports because favoritism and differential treatment within teams lead to negative outcomes.
- **Diversity.** Because personality and demographic similarity between leaders and followers are associated with higher LMXs, managers need to be careful that they don't create a homogenous work environment in the spirit of having positive relationships with their direct reports.
- **Initiative.** It is important to take positive actions at improving a poor LMX. We encourage you to take the lead as opposed to waiting for your boss to change the relationship. The following Self-Assessment was designed with this application in mind. Taking this Assessment will help you diagnose the quality of your relationship with a boss and determine how you can improve it.

connect

SELF-ASSESSMENT 13.5 Assessing My Leader-Member Exchange

Go to connect.mheducation.com and complete Self-Assessment 13.5. It measures the quality of a current or former leader-member exchange. Then answer these questions.

1. Are you surprised by the results? Explain.
2. Based on your results, what do you think are the key causes of the LMX with your boss? Be specific.

SOURCE: Survey items were taken from R. C. Liden and J. M. Maslyn, "Multidimensionality of Leader-Member Exchange: An Empirical Assessment through Scale Development," *Journal of Management*, 1998, 56. Reproduced with permission of Sage Publications Ltd. via Copyright Clearance Center.

A management consultant offers the following tips for improving the quality of leader-member exchanges.⁸⁵

- *Stay focused on your department's goals and remain positive about your ability to accomplish your goals.* An unsupportive boss is just another obstacle to be overcome.
- *Focus on changing things you can control.* Take control in changing the relationship and empower yourself to get things done. Stop dwelling on circumstances you cannot control.

EXAMPLE Laura Stein, general counsel at Clorox Co., found herself reporting to a new CEO brought from the outside, and she did not know much about him, so she studied up on his values and preferred communications style. And she was proactive: "[S]he volunteered to informally advise colleagues about revamping [company] strategy in China, where she previously had worked." The new CEO, Donald Knauss, was impressed. He concluded that Laura would "help anyone who asks for help," and he subsequently broadened her duties "to cover additional areas such as crisis management."⁸⁶

- *Work on improving your relationship with your manager.* Begin by examining the level of trust between the two of you and then try to improve it by frequently and effectively communicating. You can also increase trust by following through on your commitments and achieving your goals.
- *Use an authentic, respectful, and assertive approach to resolve differences with your manager.* It also is useful to use a problem-solving approach when disagreements arise.

TAKE-AWAY APPLICATION—TAAP

Using results from your Self-Assessment and the recommendations above:

1. What aspects of your relationship are most in need of improvement?
2. What do you think are the main causes of your LMX?
3. Describe three things you can do to improve your LMX.

The Role of Followers in the Leadership Process

All of the previous theories discussed in this chapter have been leader-centric. That is, they focused on understanding leadership effectiveness from the leader's point of view. We conclude this chapter by discussing the role of followers in the leadership process.

To start, note how both leaders and followers are closely linked. You cannot lead without having followers, and you cannot follow without having leaders. Each needs the other, and the quality of the relationship determines how we behave as followers. This is why it is important for both leaders and followers to focus on developing a mutually rewarding and beneficial relationship.

Let's consider "types" of followers and steps you can take to be a better follower.

What Do Leaders Want from Followers? Followers vary in terms of the extent to which they commit to, comply with, and resist a leader's influence attempts. For example, one researcher identified three types of followers: helpers, independents, and rebels.

- *Helpers* show deference to and comply with the leadership.
- *Independents* distance themselves from the leadership and show less compliance.
- *Rebels* show divergence from the leader and are least compliant.

The same researcher notes other types of followers, moderate in compliance: *diplomats*, *partisans*, and *counselors*.⁸⁷ Leaders obviously want followers who are

1. Productive
2. Reliable
3. Honest
4. Cooperative
5. Proactive
6. Flexible

Leaders do not benefit from followers who hide the truth, withhold information, fail to generate ideas, are unwilling to collaborate, provide inaccurate feedback, or are unwilling to take the lead on projects and initiatives.⁸⁸

What Do Followers Want from Leaders? Followers seek, admire, and respect leaders who foster three emotional responses in others:

- Significance
- Community
- Excitement

That is, followers want organizational leaders to create feelings of *significance* (what one does at work is important and meaningful), *community* (a sense of unity encourages people to treat others with respect and dignity and to work together in pursuit of organizational goals), and *excitement* (people are engaged and feel energy at work).⁸⁹

How Can I Become a Better Follower? A pair of OB experts developed a four-step process for followers to use in managing the leader–follower relationship.⁹⁰

1. **It is critical to understand your boss.** You should attempt to gain an appreciation for your manager’s leadership style, interpersonal style, goals, expectations, pressures, and strengths and weaknesses. One way of doing this is to ask your manager to answer the following seven questions:⁹¹
 - a. How would you describe your leadership style? Does your style change when you are under pressure?
 - b. When would you like me to approach you with questions or information? Are there any situations that are off limits (e.g., a social event)?
 - c. How do you want me to communicate with you?
 - d. How do you like to work?
 - e. Are there behaviors or attitudes that you will not tolerate? What are they?
 - f. What is your approach toward giving feedback?
 - g. How can I help you?
2. **You need to understand your own style, needs, goals, expectations, and strengths and weaknesses.**
3. **Conduct a gap analysis between the understanding you have about your boss and the understanding you have about yourself.** With this information in mind, you are ready to proceed to the final step of developing and maintaining a relationship that fits both parties’ needs and styles.
4. **Build on mutual strengths and adjust or accommodate the leader’s divergent style, goals, expectations, and weaknesses.**⁹² For example, you might adjust your style of communication in response to your boss’s preferred method for receiving information. Other adjustments might be made in terms of decision making. If the boss prefers a participative approach, then you should attempt to involve your manager in all decisions regardless of your decision-making style—recall our discussion of decision-making styles in Chapter 11. Good use of time and resources is another issue for you to consider. Most managers are pushed for time, energy, and resources and are more likely to appreciate followers who save rather than cost them time and energy. You should not use up your manager’s time discussing trivial matters.

We’ll leave you with two final thoughts on being a successful follower or employee in the organization:

Recognize Conflict. The fact is, sometimes you may not be able to accommodate a leader’s style, expectations, or perhaps weaknesses, and may have to seek a transfer or quit to reconcile the discrepancy. We recognize that there are personal and ethical trade-offs that one may not be willing to make when managing the leader–follower relationship.

Enhance Success. Finally, recognize the importance of working at being a good follower, when that is your role. We can all enhance our boss’s leadership effectiveness and our employer’s success by becoming better followers, and thus create our own success. Remember, it is in your best interest to be a good follower because leaders need and want competent employees.⁹³

what did i learn?

You learned that to be an effective leader requires appropriate leadership behavior that can be learned and developed. The chapter provided an integrated model of leadership to allow you to understand the many contributing factors to leadership effectiveness. You also learned the importance of being a good follower. Reinforce your learning with the Key Points below. Consolidate your learning using the Integrative Framework. Then Challenge your mastery of the material by answering the Major Questions in your own words.

Key Points for Understanding Chapter 13

You learned the following key points.

13.1 MAKING SENSE OF LEADERSHIP THEORIES

- You do not need to have a formal position of authority to lead.
- Figure 13.1 shows an integrated model of leadership. The extent to which people effectively use the four key leader behaviors—task-oriented, relationship-oriented, passive, and transformational—is a function of demographic characteristics, knowledge and skills, task-oriented traits, and interpersonal attributes.
- Effective leadership requires effective managerial skills at some level.

13.2 TRAIT THEORIES: DO LEADERS POSSESS UNIQUE TRAITS AND PERSONAL CHARACTERISTICS?

- Table 13.1 summarizes the positive task-oriented traits and positive/negative interpersonal attributes possessed by leaders.
- Emotional intelligence impacts the use of transformational leadership and is positively associated with leadership effectiveness.
- There are both similarities and differences between leadership traits possessed by men and women.
- Leaders need four key skills: cognitive abilities, interpersonal skills, business skills, and strategic skills.
- People possess prototypes of effective and ineffective leaders.

13.3 BEHAVIORAL STYLE THEORIES: WHICH LEADER BEHAVIORS DRIVE EFFECTIVENESS?

- There are four categories of leader behavior: task-oriented, relationship-oriented, passive, and transformational.
- Task-oriented leadership includes the use of initiating structure and transactional leadership.
- Relationship-oriented leadership includes the use of consideration, empowerment, and servant leadership.
- Psychological empowerment is experienced when leaders create perceptions of meaningfulness, self-determination or choice, competence, and impact.
- Servant-leadership focuses on increased service to others rather than to oneself. Servant-leaders display the characteristics in Table 13.3.
- Passive leadership, also known as laissez-faire leadership, is demoralizing and makes employees feel unsupported. Avoid it!

13.4 SITUATIONAL THEORIES: DOES EFFECTIVE LEADERSHIP DEPEND ON THE SITUATION?

- Situational theories are based on the idea that effective leadership depends on the situation at hand.
- Fiedler believes leadership effectiveness depends on an appropriate match between leadership style and situational control. Leaders are either task or relationship oriented and the situation is composed of leader-member relations, task structure, and position power.
- House's path-goal theory holds that leader behaviors are effective when employees view them as a source of satisfaction or as paving the way to future satisfaction. In this respect, leaders exhibit eight styles or categories of leader behavior. In turn, the effectiveness of these styles depends on various employee characteristics and environmental factors.
- Researchers suggest a five-step approach for applying situational theories.

13.5 TRANSFORMATIONAL LEADERSHIP: HOW DO LEADERS TRANSFORM EMPLOYEES' MOTIVES?

- Transformational leaders motivate employees to pursue organizational goals above their own self-interests.
- Transformational leaders rely on four unique types of leader behavior: inspirational motivation, idealized

influence, individualized consideration, and intellectual stimulation.

- Individual characteristics and organizational culture influence the extent to which people use transformational leadership.
- The use of transformational leadership has positive effects on followers and work groups. In turn, these positive effects foster positive individual, group, and organizational performance.

13.6 ADDITIONAL PERSPECTIVES ON LEADERSHIP

- The LMX model revolves around the development of dyadic relationships between managers and their direct reports. These leader-member exchanges result in either in-group or out-group relationships.
- It is hard for leaders to be effective if they have bad followers. Leaders want followers who are productive, reliable, honest, cooperative, proactive, and flexible. People are more likely to be positive followers when the leader creates feelings of significance, community, and excitement.
- Followers can use a four-step process for improving the relationship with their boss. First, it is critical to understand your boss. Second, followers need to understand their own style, needs, goals, expectations, and strengths and weaknesses. Third, conduct a gap analysis between the understanding followers have about their boss and themselves. Finally, build on mutual strengths and adjust to or accommodate the leader's different style, goals, expectations, and weaknesses.

The Integrative Framework for Chapter 13

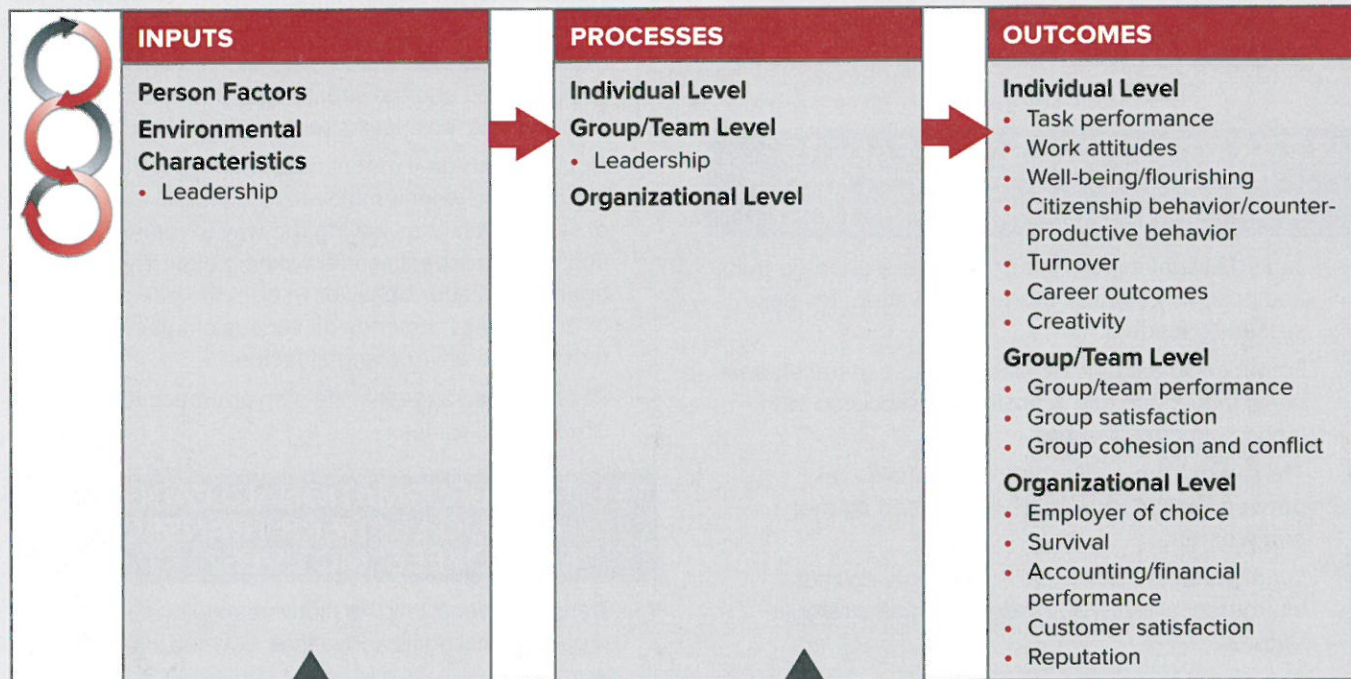
As shown in Figure 13.5, you learned that leadership is a critical input and process associated with the person factors of personality, emotions, demographics, and skills and abilities, and the environmental characteristic of relationship quality. You also learned that leadership is associated with many OB outcomes. At the individual level, leadership is related to task performance, work attitudes, well-being/flourishing, citizenship behavior, turnover, and creativity. Leadership further impacts the group-level outcomes of team performance, satisfaction, and cohesion and conflict. Finally, effective leadership is correlated with five organizational-level outcomes.

Challenge: Major Questions for Chapter 13

At the start of the chapter, we told you that after reading the chapter you should be able to answer the following questions. Unless you can, have you really processed and internalized the lessons in the chapter? Refer to the Key Points, Figure 13.5, the chapter itself, and your notes to revisit and answer the following major questions:

1. How does an integrated model of leadership help me become an effective leader?
2. How can I use the takeaways from trait theories to improve my ability to lead?
3. Do effective leaders behave in similar ways?
4. How do I know when to use a specific leader behavior?
5. How can I use transformational leadership when working with others?
6. How can I improve the relationship with my boss?

FIGURE 13.5 THE INTEGRATIVE FRAMEWORK FOR UNDERSTANDING AND APPLYING OB



Leadership Style and Substance at Dignity Health

Catholic Healthcare West (now Dignity Health) may have hired Lloyd Dean as much for his leadership style as his résumé. Yes, in 2000 the résumé showed eight years' experience in health care at Evangelical Health Systems and more before that in pharmaceuticals. But something else gave him the edge.

Dean stands out "as an unconventional leader in a staid, grave industry," a 2013 profile in *Fortune* declared, based on such recent glimpses into Dean's leadership style as follows:

- **Energetic and Positive.** Coworkers know Dean's early arrival every morning at work by his bellowing laugh as he exits the elevators.
- **Eyes and Ears.** Dean will sometimes show up in sweats and sunglasses to hang in the lobbies of his hospitals so he can check on customer service and hear their complaints.
- **Customer Focus and Communication.** When Dean uncovers a problem, he'll write a memo for staff called "Just Thinking." Staff members realize they should read "Just Thinking" as "Just Fix It."
- **Outreach and Engagement.** Once, the late Senator Ted Kennedy was running late. He was supposed to introduce Dean at a Washington Hilton to executives, policy makers, and congressional staff. By the time Kennedy arrived, Dean had already made the rounds of the room and done Kennedy's job for him.
- **Authentic and Sincere.** Kathleen Sebelius, the former U.S. Secretary of Health and Human Services under President Obama, noted that unlike most health care CEOs with whom she consulted, Dean never failed to ask her how she was doing and to offer his help. "There's a personal side that isn't phony or fake," she said.
- **Personal Brand and Reputation.** Dean's personal brand of fairness and integrity precedes him and affords him more credibility with elected officials "than [with] almost any other corporate executive," says Willie Brown, former mayor of San Francisco.
- **Balance and Tact.** *Fortune* praised Dean for his poise and diplomacy in balancing religiosity and secularity, quite a feat considering he's not even Catholic.⁹⁴

Teachers and CEOs Have Much in Common

In a recent interview, Dean ties success as a CEO to what he learned as a public school teacher.

Successful educators tend to have three key attributes. One, you have to be able to listen. Two, be able to take complex principles and ideas and put them in a

language that people will understand. Three, motivate and create the desire in individuals to learn—to get them to focus together on a common project. It's the same in business. It's what a CEO does.⁹⁵

Personal Values

Dean's engagement with his current job runs deep, he explains.

I'd always asked myself, how can I use the opportunity I have, the gifts I've been given, to have an impact on the kinds of communities that I came from? And I began to realize that in health care, faith-based organizations were really focused on the poor and most vulnerable. As someone who grew up in a religious family, and also wanted to help those communities, that really resonated with me. . . . I love health care. What greater opportunity do you have to impact large numbers of people? To help people really sustain life, or change the path that they're on in a positive way?⁹⁶

A Historic Challenge

Leadership style and substance came to the forefront in 2000, when Catholic Healthcare West (CHW) recruited Dean to save their system. CHW was in crisis and was close to insolvent.

Back then, CHW was a collection of dozens of religious and community hospitals and care facilities. It had all started in 1986, when two congregations of the Sisters of Mercy joined their 10 hospitals together. The goal was to use aggregated size to better serve the community. Soon other hospitals were added, Catholic, Lutheran, Methodist, nondenominational, and governmental in nature.

CHW had hoped to improve operating efficiencies through amalgamated size for more clout in dealing with vendors to control costs. It grew in two ways: vertically by acquiring physician networks and horizontally by acquiring hospitals.

Specific Challenges at CHW: A Weak Empire

James C. Robinson and Sandra Dratler studied CHW's transition in detail. They argue that Dean arrived to find a business that enjoyed few of the benefits and many disadvantages of its size. The situation was dire. CHW had been losing a million dollars a day *for the last three years*.⁹⁷

The specifics aren't pretty. CHW had:

- Suffered severe losses from conglomerate overexpansion.
- Placed its most prominent and often multiple facilities in Los Angeles, Sacramento, and San Francisco, where competition and utilization were at national lows.

- Bet on centralized billing, purchasing, and information technology (IT) at the corporate level with poor results.
- Tracked financial performance at the regional level, allowing management to overlook operational shortfalls when covered by investment earnings.
- Developed little understanding of the incremental revenues and costs attributable to each site and service.
- Acquired hospitals with independent community boards and medical staffs, hampering economies of scale.
- Failed to resolve conflicts between centralized corporate authority and local facilities that retained autonomous control over spending.
- Never achieved the potential benefit of consolidating its financial assets (because of local autonomy) to use surpluses in established markets to invest in communities with more potential growth.

Robinson and Dratler called CHW of that time “a weak empire of strong principalities, a holding company whose distinct businesses hoarded any profit and clamored for subsidies to cover any loss.”⁹⁸

For the purposes of this case, we’re asking you to apply your problem-solving skills to CHW as it existed when Dean took the helm. Drive your recommendations from the specifics above. Use what you learned about Dean from the case and leadership styles in the chapter to inform your recommendations.

Apply the 3-Stop Problem Solving Approach to OB

Stop 1: What is the problem?

- Use the Integrative Framework for Understanding and Applying OB to help identify the outcomes that are important in this case.
- Which of these outcomes are not being achieved in the case?
- Based on considering the above two questions, what is the most important problem in this case?

Stop 2: Use the Integrative Framework to help identify the OB concepts or theories that help you to understand the problem in this case.

- What person factors are most relevant?
- What environmental characteristics are most important to consider?
- Do you need to consider any processes? Which ones?
- What concepts or theories discussed in this chapter are most relevant for solving the key problem in this case?

Stop 3: What are your recommendations for solving the problem?

- Review the material in the chapter that most pertains to your proposed solution and look for practical recommendations.
- Use any past OB knowledge or experience to generate recommendations.
- Outline your plan for solving the problem in this case.

LEGAL/ETHICAL CHALLENGE

Is GlaxoSmithKline Effectively Responding to Allegations about Inappropriately Rewarding Doctors?

This case involves allegations that U.K. drug maker GlaxoSmithKline PLC’s salespeople are rewarding doctors in China for prescribing Botox.

“Internal Glaxo documents and e-mails reviewed by *The Wall Street Journal* show Glaxo’s China sales staff was apparently instructed by local managers to use their personal e-mail addresses to discuss marketing strategies related to Botox. In the personal e-mails, sales staff discuss rewarding doctors for prescribing Botox with cash payments, credits that could be used to meet medical-education requirements, and other rewards.”

An anonymous person reported the issue to Glaxo and indicated that its “China sales staff provided doctors with speaking fees, cash payments, dinners and all-expenses-paid trips” for prescribing company products between

2004 and 2010. Glaxo did an investigation and concluded that there was no evidence of wrongdoing.

The tipster sent a follow-up note in May 2013 revealing that the practices had continued during the past year. Glaxo again denied the charges and said they came from the same source who complained in the past.

The *Journal* did a follow-up examination of internal documents and e-mails and discovered that the company had a marketing strategy that targeted 48 doctors in China. A PowerPoint presentation uncovered by the *Journal* revealed that targeted doctors and hospitals were given sales goals and told, “if the hospital did not make it [the sales goal], the doctor cannot get bonus even if he made it to the sales target.” There is no direct evidence that any money was paid to physicians. Internal e-mails further showed that about

16 salespeople discussed this marketing program on their personal e-mails.

E-mails from April 2013 revealed that Glaxo managers were reminding Botox salespeople about the above marketing plan and required them to submit sales data.⁹⁹

What Would You Do If You Were a Member of Glaxo's Senior Leadership Team?

1. Nothing. The company has already concluded there was no wrongdoing and the recent charges come from the same individual.
2. Continue to do business, but launch a more thorough investigation with the help of Chinese officials. They are more likely to help the company get to the truth.
3. Fire or suspend all the managers whose names are associated with the internal e-mails that show interest in this alleged marketing scheme. I also would contact every Botox salesperson in China and tell them to discontinue any support for this marketing program. I would warn them that they will be terminated for failing to abide by this directive.
4. Invent other options.

GROUP EXERCISE

Exhibiting Leadership within the Context of Running a Meeting

Objectives

1. To consider the types of problems that can occur when running a meeting.
2. To identify the leadership behaviors that can be used to handle problems that occur in meetings.

Introduction

Managers often find themselves playing the role of formal or informal leader when participating in a planned meeting (e.g., committees, work groups, task forces). As a leader, individuals often must handle a number of interpersonal situations that have the potential of reducing the group's productivity. For example, if an individual has important information that is not shared with the group, the meeting will be less productive. Similarly, two or more individuals who engage in conversational asides could disrupt the normal functioning of the group. Finally, the group's productivity will also be threatened by two or more individuals who argue or engage in personal attacks on one another during a meeting. This exercise is designed to help you practice some of the behaviors necessary to overcome these problems and at the same time share in the responsibility of leading a productive group.

Instructions

Your instructor will divide the class into groups of four to six. Once the group is assembled, briefly summarize the types of problems that can occur when running a meeting—start with the material presented in the preceding introduction. Write your final list on a piece of paper. Next, for each problem on the group's list, the group should brainstorm a list of appropriate leader behaviors that can be used to handle the problem. Use the guidelines for brainstorming discussed in Chapter 11. Try to arrive at a consensus list of leadership behaviors that can be used to handle the various problems encountered in meetings.

Questions for Discussion

1. What types of problems that occur during meetings are most difficult to handle? Explain.
2. Are there any particular leader behaviors that can be used to solve multiple problems during meetings? Discuss your rationale.
3. Was there a lot of agreement about which leader behaviors were useful for dealing with specific problems encountered in meetings? Explain.

