

Often the most effective leaders are people who can inspire and motivate others.

There are many kinds of leaders: coaches, parents, religious leaders, government and community officials, corporate CEOs. No one leadership style is right for all situations. Each leader requires different skills and knowledge to succeed, but all leaders have the ability to influence people to reach objectives.

Chapter 13 discusses the nature of leadership and explains the difference between leadership and management, traits and types of leaders, and behavioral, contingency, and new approaches to leadership. Chapter 14 discusses the impact of leaders in organizations—motivation of the workforce. Chapter 15 defines communications, explores the different types of communication, and presents ways of managing communication. Chapter 16 focuses on teams, their characteristics, and team development.



Leading



D A D T V

Leadership in Organizations

CHAPTER OUTLINE

The Nature of Leadership

Leadership versus Management

Position Power

Personal Power

Empowerment

Leadership Traits

Autocratic versus Democratic Leaders

Behavioral Approaches

Ohio State Studies

Michigan Studies

The Leadership Grid

Contingency Approaches

Fiedler's Contingency Theory

Hersey and Blanchard's Situational Theory

Path–Goal Theory

Substitutes for Leadership

New Leadership Approaches

Transactional Leaders

Charismatic Leaders

Transformational Leaders

Interactive Leaders

Servant Leaders

LEARNING OBJECTIVES

After studying this chapter, you should be able to

- Define leadership and explain its importance for organizations.
- Identify personal characteristics associated with effective leaders.
- Explain the five sources of power and how each causes different subordinate behavior.
- Describe the leader behaviors of initiating structure and consideration and when they should be used.
- Describe Hersey and Blanchard's situational theory and its application to subordinate participation.
- Explain the path–goal model of leadership.
- Explain how leadership fits the organizational situation and how organizational characteristics can substitute for leadership behaviors.
- Describe transformational leadership and when it should be used.

MANAGEMENT PROBLEM

“More losses. I don’t know how much more we can take,” sighed Steve Silverman to his wife and business partner, Robin. As owners of the Grand Forks, North Dakota, clothing store, Silverman’s, they knew they would go out of business if they stayed downtown for another year rather than move to the malls that customers now preferred. In the past three years Silverman’s sales had plummeted 30 percent and they were overloaded in inventory and personnel.

Moving, though, seemed out of the question, since the 83-year-old business had purchased the building it had been in for 40 years. Robin knew she and Steve could not manage to take care of everything required for a move, either. Counting on their employees to pitch in and help was impossible. The company was still managed according to the vision of Steve’s grandfather, that is, excellent customer service and a “carefree” employee family. Carefree was the operant word here, for the employees lacked initiative to take responsibility or problem-solve. The owners set and enforced the rules of the working “household,” making sure at least one of them approved every decision made.

With red ink threatening their store’s existence, Robin and Steve leased mall space equal to one-half their current square footage. It wouldn’t be just a move. They knew it would require a complete makeover of the physical space, as well as the way they ran the business.¹

- Do you think Robin and Steve need a new leadership

3
1
B
E
T
P
A
H
C

leadership

The ability to influence people toward the attainment of organizational goals.

style? What should they change? What is wrong with the way they have been leading?

The leadership style of Steve and Robin Silverman kept their small, family-owned business successful for many years, but new situations may call for new ways of leading. For example, in 1990, CEO Paul B. Kazarian was instrumental in rescuing Sunbeam-Oster Company from Chapter 11 after its parent, Allegheny International, slid into bankruptcy. A former investment banker, Kazarian chose to tightly control operations and inventory. Although this style helped turn the company around, executives soon began complaining that Kazarian's interference with daily operations and his unwillingness to commit to new plants and products were limiting growth. In January 1993, Kazarian was ousted and replaced by Roger W. Schipke, whose contrasting leadership style includes aggressive development of new products and liberal delegation of authority to line managers.² Many styles of leadership can be successful in organizations depending on the leader and the situation. Consider the leadership style of Irish pop star Bob Geldof, who mobilized aid for Ethiopia's famine-stricken population in the 1980s. Geldof threaded together diverse international forces to create two historical music events, Band Aid and Live Aid. Alternatively stroking, coaxing, and prodding, Geldof successfully coordinated communication technology and delicate star egos into a "collective individualism." Today, executives for global companies study Geldof's multinational coordination techniques.³

This chapter explores one of the most widely discussed and researched topics in management—leadership. Here we will define leadership, explore the differences between a leader and a manager, and discuss the sources of leader power. We will examine trait, behavioral, and contingency theories of leadership effectiveness. We will also discuss new leadership styles, such as transformational, charismatic, and interactive approaches. Chapters 14 through 16 deal with many of the functions of leadership,

including employee motivation, communication, and leading groups.

THE NATURE OF LEADERSHIP

There is probably no topic more important to business success today than leadership. The concept of leadership continues to evolve as the needs of organizations change. Among all the ideas and writings about leadership, three aspects stand out—people, influence, and goals. Leadership occurs among people, involves the use of influence, and is used to attain goals.⁴ *Influence* means that the relationship among people is not passive. Moreover, influence is designed to achieve some end or goal. Thus, **leadership** as defined here is the ability to influence people toward the attainment of goals. This definition captures the idea that leaders are involved with other people in the achievement of goals.

Leadership is reciprocal, occurring *among* people.⁵ Leadership is a "people" activity, distinct from administrative paper shuffling or problem-solving activities. Leadership is dynamic and involves the use of power.

LEADERSHIP VERSUS MANAGEMENT

Much has been written in recent years about the difference between management and leadership. Management and leadership are both important to organizations. Because management power comes from organizational structure, it promotes stability, order, and problem solving within the structure. Leadership power, on the other hand, comes from personal sources that are not as invested in the organization, such as personal interests, goals, and values. Leadership power promotes vision, creativity, and change in the organization. Exhibit 13.1 illustrates the different qualities attributed to leaders and managers, although it is impor-

tant to remember that some people can exhibit a combination of leader/manager qualities.

One of the major differences between the leader and the manager relates to their source of power and the level of compliance it engenders within followers. **Power** is the potential ability to influence the behavior of others.⁶ Power represents the resources with which a leader effects changes in employee behavior. Within organizations, there are typically five sources of power: legitimate, reward, coercive, expert, and referent.⁷ Sometimes power comes from a person's position in the organization, while other sources of power are based on personal characteristics.

Position Power

The traditional manager's power comes from the organization. The manager's position gives him or her the power to reward or punish subordinates in order to influence their behavior. Legitimate power, reward power, and coercive power are all forms of position power used by managers to change employee behavior.

Legitimate Power. Power coming from a formal management position in an organization and the authority granted to it is called **legitimate power**. For example, once a person has been selected as a supervisor, most workers understand that they are obligated to follow his or her direction with respect to work activities. Subordinates accept this source of power as legitimate, which is why they comply.

Reward Power. Another kind of power, **reward power**, stems from the authority to bestow rewards on other people. Managers may have access to formal rewards, such as pay increases or promotions. They also have at their disposal such rewards as praise, attention, and recognition. Managers can use rewards to influence subordinates' behavior.

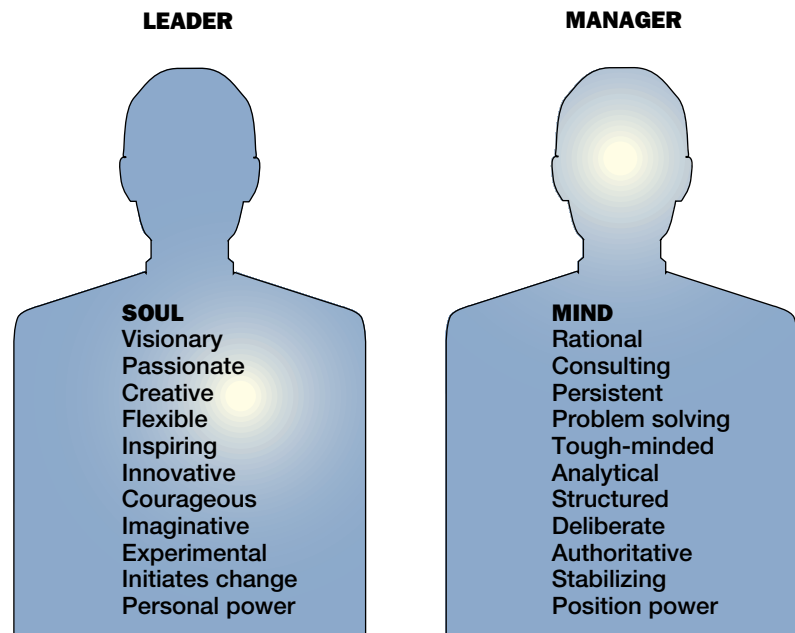


EXHIBIT 13.1

Leader versus Manager Qualities

SOURCE: Genevieve Capowski, "Anatomy of a Leader: Where Are the Leaders of Tomorrow?" *Management Review*, March 1994, 12.

power

The potential ability to influence others' behavior.

legitimate power

Power that stems from a formal management position in an organization and the authority granted to it.

reward power

Power that results from the authority to reward others.

coercive power

Power that stems from the authority to punish or recommend punishment.

Coercive Power. The opposite of reward power is **coercive power**. It refers to the authority to punish or recommend punishment. Managers have coercive power when they have the right to fire or demote employees, criticize, or withdraw pay increases. For example, if Paul, a salesman, does not perform as expected, his supervisor has the coercive power to criticize him, reprimand him, put a negative letter in his file, and hurt his chance for a raise.

Different types of position power elicit different responses in followers.⁸ Legitimate power and reward power are most likely to generate follower compliance. *Compliance* means that workers will obey orders and carry out instructions, although they may personally disagree with them and may not be enthusiastic. Coercive power most often generates resistance. *Resistance* means that workers will deliberately try to avoid carrying out instructions or will attempt to disobey orders. How power is used can also depend on whether the leader is in an established corporation or the start-up of a new venture, as illustrated in Exhibit 13.2.

EXHIBIT 13.2

Professional Management versus Entrepreneurial Management

SOURCE: NATION'S BUSINESS (December 1996), p. 56. The Cohn Financial Group Inc., Phoenix, AZ. Reproduced with permission.

Area of Activity	Entrepreneurial Management	Professional Management
Organization	Informal; plan as you go	Formal, systematic planning
Leadership	Varies from dictatorial to laissez-faire	Consultative, participative
Control	Informal structure with overlapping and undefined responsibilities	Formal, well-defined structure
Management development	Individual training for specific needs at the time; learn as you go	Training, education integrated with goals
Culture	Family-oriented, tradition-bound	Well-defined corporate identity
Budgeting	Usually not clear-cut; changes as needs arise	Based on industry standards and corporate goals
Profit	Seen as a by-product	Seen as an important goal
Information and communication	Information guarded and shared on a need-to-know basis; communication informal, on-the-fly	Open, shared information; regularly scheduled interactive forums

referent power

Power that results from characteristics that command subordinates' identification with, respect and admiration for, and desire to emulate the leader.

Thomas C. Graham, chairman of AK Steel, is a believer in position power. Unimpressed with new ideas about empowering workers, he prefers a military-style management, where cost cutting is rewarded and mistakes are quickly disciplined. His blunt views suggest that management in the steel industry has failed to push people and equipment hard enough. Graham's tough hierarchical approach has resulted in turnarounds for mills at LTV, U.S. Steel, and Washington Steel but has also caused him to be ousted or passed over for promotion in the midst of his successes.⁹

Personal Power

In contrast to the external sources of position power, personal power most often comes from internal sources, such as a person's special knowledge or personality characteristics. Personal power is the tool of the leader. Subordinates follow a leader because of the respect, admiration, or caring they feel for the individual and his or her ideas. Two types of personal power are expert power and referent power.

Expert Power. Power resulting from a leader's special knowledge or skill regarding the tasks performed by followers is referred to as **expert power**. When the leader is a true expert, subordinates go along with recommendations because of his or her superior knowledge. Leaders at supervisory

levels often have experience in the production process that gains them promotion. At top management levels, however, leaders may lack expert power because subordinates know more about technical details than they do.

Referent Power. The last kind of power, **referent power**, comes from leader personality characteristics that command subordinates' identification, respect, and admiration so they wish to emulate the leader. When workers admire a supervisor because of the way she deals with them, the influence is based on referent power. Referent power depends on the leader's personal characteristics rather than on a formal title or position and is most visible in the area of charismatic leadership, which will be discussed later in this chapter.

The follower reaction most often generated by expert power and referent power is commitment.¹⁰ *Commitment* means that workers will share the leader's point of view and enthusiastically carry out instructions. Needless to say, commitment is preferred to compliance or resistance. It is particularly important when change is the desired outcome of a leader's instructions, because change carries risk or uncertainty. Commitment assists the follower in overcoming fear of change.

An example of expert power is Bill Gates of Microsoft Corporation. His visionary leadership style, combined with his own

expert power

Power that stems from special knowledge of or skill in the tasks performed by subordinates.

expertise, has led his company to the top of the computer software industry. Current explorations into network computing, online services, office equipment, and biotechnology promise to keep Microsoft on the leading edge of technology and its employees committed to constant change.¹¹

Empowerment

A significant recent trend in corporate America is for top executives to *empower* lower employees. Fully 74 percent of executives in a survey claimed that they are more participatory, more concerned with consensus building, and more reliant on communication than on command compared with the past. Executives no longer hoard power.

At Steiner/Bressler Advertising, when the deaths of the president and account-services chief left John Zimmerman as boss, he mobilized his colleagues into a team to completely redefine the autocratic culture. He brought in a financial expert, opened the books to employees, and placed 40 percent of after-tax profits into a companywide bonus pool. Five teams became the structure, completely organized and driven by customer needs. The results were a 25 percent drop in expenses and new business that doubled billings to \$18 million.¹²

Empowering employees works because total power in the organization seems to increase. Everyone has more say and hence contributes more to organizational goals. The goal of senior executives in many corporations today is not simply to wield power but also to give it away to people who can get jobs done.¹³ For entrepreneurs, giving away power is often more difficult than starting a company. Casey Cowell, though, was able to empower and continue to run his ever-growing company.

U.S. ROBOTICS

Casey G. Cowell and some college buddies decided to start a company in honor of a shared hero, science fiction writer Isaac Asimov. The only problem was: What should their

new U.S. Robotics manufacture? Knowing nothing about biotechnology, they decided on computers and, through a fluke, ended up with modems. But it wasn't until the Internet took off that their company could move away from threatened bankruptcy.

Now the North American modem leader, Skokie, Illinois-based USR has 6,000 employees and is doubling every 12 months, as new generations of modems are needed almost that quickly.

Cowell is the rare entrepreneur who is able to start a company and later manage a multi-billion dollar corporation. The essence of his success is his willingness to hand over responsibility to talented executives. An example is RGD head Dale Walsh, who took a chance in 1983 on the then-tiny USR because Cowell told him he could run his own show, and who is largely responsible for USR's jump on its competitors with cutting-edge technology. Cowell's leadership of USR has now taken it international and into diversification by selling network communication systems.

A former championship hockey goalie, Cowell insists on teamwork at USR, where performance goals for salespeople to managers alike are based on "pooled" goals, rather than individual ones. He pushes for aggressive targets and wears out some employees, but his light personal touch often saves the day and may be seen by his office guitar-playing, riding a bike, or commandeering his Range Rover.

Cowell's advice to entrepreneurs struggling to develop: "Build teams and let them run the business, go global as soon as you can, develop diverse product lines from competitive strengths," and know what being a leader means. "You want to have veto power," he says.¹⁴ ■

LEADERSHIP TRAITS

Early efforts to understand leadership success focused on the leader's personal characteristics or traits. **Traits** are the distinguishing personal characteristics of a leader, such as intelligence, values, and appearance. The early research focused on leaders who had achieved a level of

traits

Distinguishing personal characteristics, such as intelligence, values, and appearance.

autocratic leader

A leader who tends to centralize authority and rely on legitimate, reward, and coercive power to manage subordinates.

democratic leader

A leader who delegates authority to others, encourages participation, and relies on expert and referent power to manage subordinates.

greatness and hence was referred to as the *great man* approach. The idea was relatively simple: Find out what made these people great, and select future leaders who already exhibited the same traits or could be trained to develop them. Generally, research found only a weak relationship between personal traits and leader success.¹⁵ For example, football coaches Tom Osborne at Nebraska and Joe Paterno at Penn State have different personality traits, but both are successful leaders of their football programs.

In addition to personality traits, physical, social, and work-related characteristics of leaders have been studied. Exhibit 13.3 summarizes the physical, social, and personal leadership characteristics that have received the greatest research support.¹⁶ However, these characteristics do not stand alone. The appropriateness of a trait or set of traits depends on the leadership situation. The same traits do not apply to every organization.

Another example from football is Joe Montana, retired quarterback for the Kansas City Chiefs. Montana was sometimes called the ultimate turnaround specialist, with his last-minute plays that led to victory. Although his physical attributes dimmed over time, his cool concentration on the task at hand, his ability to spontaneously spot opportunities and use them, his discipline and experience in executing sophisticated game plans, and the quiet pride he communicated to teammates made him a leader of winning teams.¹⁷

Further studies have expanded the un-

derstanding of leadership beyond the personal traits of the individual to focus on the dynamics of the relationship between leaders and followers.

AUTOCRATIC VERSUS DEMOCRATIC LEADERS

One way to approach leader characteristics is to examine autocratic and democratic leaders. An **autocratic leader** is one who tends to centralize authority and rely on legitimate, reward, and coercive power. A **democratic leader** delegates authority to others, encourages participation, and relies on expert and referent power to influence subordinates.

The first studies on these leadership characteristics were conducted at Iowa State University by Kurt Lewin and his associates.¹⁸ These studies compared autocratic and democratic leaders and produced some interesting findings. The groups with autocratic leaders performed highly so long as the leader was present to supervise them. However, group members were displeased with the close, autocratic style of leadership, and feelings of hostility frequently arose. The performance of groups who were assigned democratic leaders was almost as good, and these were characterized by positive feelings rather than hostility. In addition, under the democratic style of leadership, group members performed well even when the leader was absent and left the group on its own.¹⁹ The participative

EXHIBIT 13.3
Personal
Characteristics of
Leaders

Physical characteristics	Personality	Social characteristics
Activity	Alertness	Ability to enlist cooperation
Energy	Originality, creativity	Cooperativeness
Social background	Personal integrity, ethical conduct	Popularity, prestige
Mobility	Self-confidence	Sociability, interpersonal skills
Intelligence and ability	Work-related characteristics	Social participation
Judgment decisiveness	Achievement drive, desire to excel	Tact, diplomacy
Knowledge	Drive for responsibility	
Fluency of speech	Responsibility in pursuit of goals	
	Task orientation	

SOURCE: Adapted from Bernard M. Bass, *Stogdill's Handbook of Leadership*, rev. ed. (New York: Free Press, 1981), 75–76. This adaptation appeared in R. Albanese and D. D. Van Fleet, *Organizational Behavior: A Managerial Viewpoint* (Hinsdale, Ill.: The Dryden Press, 1983).

techniques and majority rule decision making used by the democratic leader trained and involved group members such that they performed well with or without the leader present. These characteristics of democratic leadership explain why the empowerment of lower employees is a popular trend in companies today.

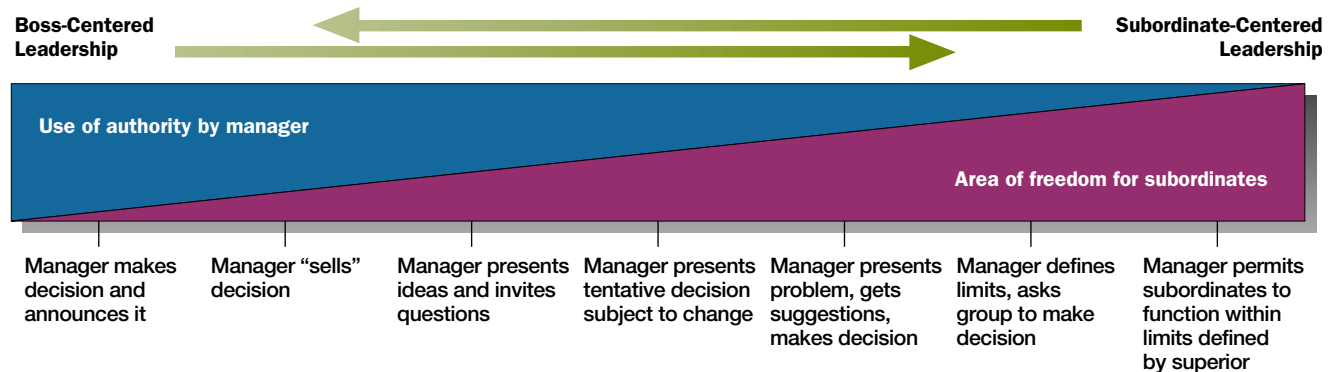
This early work suggested that leaders were either autocratic or democratic in their approach. However, further work by Tannenbaum and Schmidt indicated that leadership could be a continuum reflecting different amounts of employee participation.²⁰ Thus, one leader might be autocratic (boss-centered), another democratic (subordinate-centered), and a third a mix of the two styles. The leadership continuum is illustrated in Exhibit 13.4.

Leaders may adjust their styles depending on the situation. Recall the Vroom–Jago model from Chapter 8, which assists the leader in determining the appropriate participation level of subordinates in the decision-making process. Tannenbaum and Schmidt also suggested that the extent to which leadership is boss-centered or subordinate-centered depends on organizational circumstances. For example, if there is time pressure on a leader or if it takes too long for subordinates to learn how to make decisions, the leader will tend to use an autocratic style. When subordinates are able to learn decision-making skills readily, a par-

ticipative style can be used. Another situational factor is the skill difference between subordinates and the leader. The greater the skill difference, the more autocratic the leader approach, because it is difficult to bring subordinates up to the leader's expertise level.²¹

For example, Stephen Fleming uses an autocratic style as a marketing manager in an oil products company. He is being groomed for a higher position because his marketing department has performed so well. However, this has meant time spent at meetings away from his group, and their performance has declined because the subordinates have not learned to function independently. In contrast, Dorothy Roberts, CEO of Echo Scarves, believes that people are managed best by showing them respect and courtesy. Decision making is shared by representatives of design, sales, marketing, and operations. In the traditionally tough fashion industry, her nice-guy leadership style permeates the entire company, creating a unique corporate culture that is open, honest, and supportive of employees. Company prosperity is centered on treating people well. Roberts's leadership style creates satisfied employees who in turn create satisfied customers, which may be more difficult with an autocratic leadership style.²² Working around an autocratic leadership style takes great ingenuity, as illustrated in the Technology for Today box.

EXHIBIT 13.4 Leadership Continuum



SOURCE: *Harvard Business Review*. An exhibit from Robert Tannenbaum and Warren Schmidt, "How to Choose a Leadership Pattern" (May–June 1973). Copyright © 1973 by the president and Fellows of Harvard College.



TECHNOLOGY FOR TODAY FISHER SPACEPEN COMPANY

Standard issue for astronauts: A pressurized ballpoint pen able to write under any conditions, including zero gravity and vacuum, manufactured by Fisher SpacePen Company. The NASA seal of approval gave the company a bonanza (not unlike Tang's) in the 1970s when millions of yearly revenues came in.

So how did a new-invention company become stuck in a time-warp with flat sales, sickly profits, and Sputnik-era technology? Because the 82-year-old pen inventor and gadget lover Paul Fisher couldn't launch into the information-intensive technologies necessary to keep the company merely even with its competitors.

By the time Fisher's sons, Cary and

Morgan, entered the business in the 1980s, they realized the company's marketing and finance approaches were "lost in the Sixties," while their father spent all his time perfecting ink formulas. So the company languished for years with stone-age operations until an old SpacePen fan, Jim Jobin, came on board as marketing and technology consultant. Nothing was automated, including a clumsy sales system of notebook and scraps of paper. Preferring to manage a small company, Jobin knew he could not persuade Fisher by big plans. Instead, Jobin wooed him by establishing trust through numerous tennis games and then sold him on the idea of new "gadgets."

With only a \$35,000 budget, Jobin and Cary studied network technology and spent weekends wiring the office

themselves. They set up Act!, a contact management program, tracking every sales lead, and connected a 1-800-number database with salespeople's laptops. Sales productivity increased over 100 percent, so the elder Fisher was convinced to hire 53 new salespeople and boost international sales. Selling a Web site to him, though, was as difficult as explaining the Internet to your grandparents.

Jobin's work has paid off. Sales have leaped up like an astronaut jumping on the moon—by an increase of 65 percent. Even 82-year-old Fisher is finally booting up. He had a PC installed next to the astronaut memorabilia.

SOURCE: Sarah Schafer, "A SpacePen Odyssey," *Inc. Technology*, No. 2, 1996, 74–79.

consideration

A type of leader behavior that describes the extent to which a leader is sensitive to subordinates, respects their ideas and feelings, and establishes mutual trust.

initiating structure

A type of leader behavior that describes the extent to which a leader is task oriented and directs subordinates' work activities toward goal achievement.

BEHAVIORAL APPROACHES

The autocratic and democratic styles suggest that it is the "behavior" of the leader rather than a personality trait that determines leadership effectiveness. Perhaps any leader can adopt the correct behavior with appropriate training. The focus of recent research has shifted from leader personality traits toward the behaviors successful leaders display. Important research programs on leadership behavior were conducted at Ohio State University, the University of Michigan, and the University of Texas.

Ohio State Studies

Researchers at Ohio State University surveyed leaders to study hundreds of dimensions of leader behavior.²³ They identified two major behaviors, called *consideration* and *initiating structure*.

Consideration is the extent to which the leader is mindful of subordinates, respects their ideas and feelings, and establishes mutual trust. Considerate leaders are friendly, provide open communication, develop teamwork, and are oriented toward their subordinates' welfare.

Initiating structure is the extent to which the leader is task-oriented and directs subordinate work activities toward goal attainment. Leaders with this style typically give instructions, spend time planning, emphasize deadlines, and provide explicit schedules of work activities.

Consideration and initiating structure are independent of each other, which means that a leader with a high degree of consideration may be either high or low on initiating structure. A leader may have any of four styles: high initiating structure–low consideration, high initiating structure–high consideration, low initiating structure–low consideration, or low initiating

structure–high consideration. The Ohio State research found that the high consideration–high initiating structure style achieved better performance and greater satisfaction than the other leader styles. However, new research has found that effective leaders may be high on consideration and low on initiating structure or low on consideration and high on initiating structure, depending on the situation. Thus, the “high–high” style is not always the best.²⁴

Michigan Studies

Studies at the University of Michigan at about the same time took a different approach by comparing the behavior of effective and ineffective supervisors.²⁵ The most effective supervisors were those who focused on the subordinates’ human needs in order to “build effective work groups with high performance goals.” The Michigan researchers used the term *employee-centered leaders* for leaders who established high performance goals and displayed supportive behavior toward subordinates. The less effective leaders were called *job-centered leaders*; these tended to be less concerned with goal achievement and human needs in favor of meeting schedules, keeping costs low, and achieving production efficiency.

The Leadership Grid

Blake and Mouton of the University of Texas proposed a two-dimensional leadership theory called **leadership grid** that builds on the work of the Ohio State and Michigan studies.²⁶ The two-dimensional model and five of its seven major management styles are depicted in Exhibit 13.5. Each axis on the grid is a 9-point scale, with 1 meaning low concern and 9 high concern.

Team management (9,9) often is considered the most effective style and is recommended for managers because organization members work together to accomplish tasks. *Country club management* (1,9) occurs when primary emphasis is given to people rather than to work outputs. *Authority-*

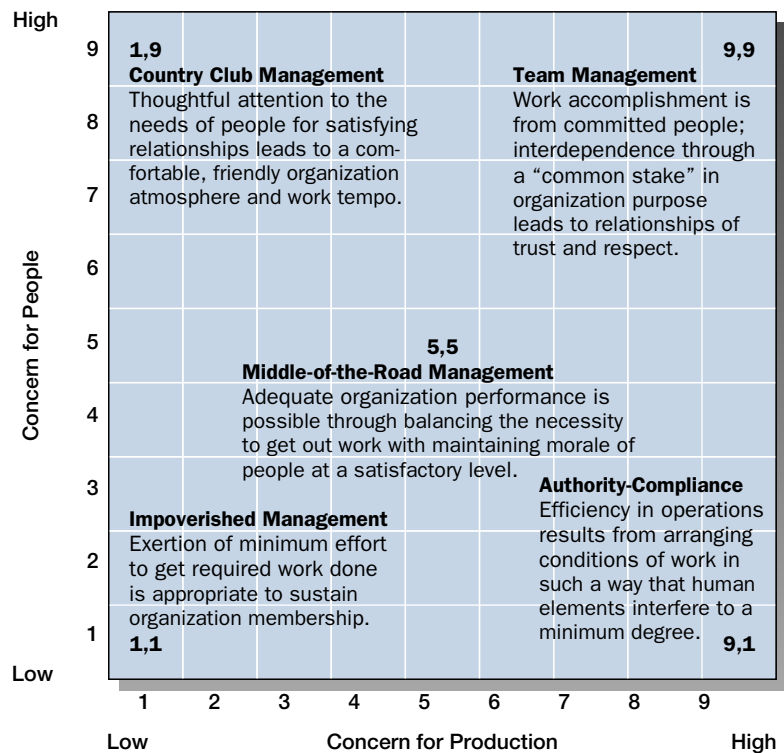


EXHIBIT 13.5
The Leadership Grid® Figure

SOURCE: The Leadership Grid® Figure from Robert R. Blake and Anne Adams McCanse, *Leadership Dilemmas—Grid Solutions* (Houston: Gulf, 1991), 29. Copyright © 1991 by Scientific Methods, Inc.

compliance management (9,1) occurs when efficiency in operations is the dominant orientation. *Middle-of-the-road management* (5,5) reflects a moderate amount of concern for both people and production. *Impoverished management* (1,1) means the absence of a management philosophy; managers exert little effort toward interpersonal relationships or work accomplishment. Consider these examples.

M/A-COM AND TENNECO

In a world of constant stress and change, the humane leader must balance, and help others balance, the tremendous pressures of work with demands from the rest of their lives. No one knows that better than Rick Hess, the CEO of M/A-Com, a company that manufactures microwave communications equipment for the defense industry. He and his staff typically spend 12-hour days at work, and he knows helping everyone avoid burnout is one of his

leadership grid

A two-dimensional leadership theory that measures a leader’s concern for people and concern for production.

most important jobs. He stays close to employees, taking them to lunch, playing ball with them one night a week, finding out what's going on in their lives. If someone's wife is having a baby, Hess doesn't give him an assignment that requires working an 80-hour week. "The worst thing I can do is give someone an assignment he's bound to fail," he asserts. Hess motivates people to challenge themselves, to extend their reach. "Don't trap people in cubbies," he says. "Let a technical guy go and talk with customers and grow."

Compare the style of Rick Hess with that of former West Point professor Dana G. Mead, CEO of Tenneco, Inc. His motto, adapted from General George Patton, is "Plan deliberately; execute violently." His hard-driving management style is to set ambitious goals for division presidents on everything from return on capital investments to workplace safety. If the executives already know how to meet these goals, Mead says they were set too low to call forth true creativity. And if they can't? Before his executives prevailed upon him to remove it, Mead had a noose hanging in his office. "The first division president that walks in here and hasn't made his numbers is going to try it on for size," he used to say.²⁷ ■

LPC scale

A questionnaire designed to measure relationship-oriented versus task-oriented leadership style according to the leader's choice of adjectives for describing the "least preferred coworker."

The leadership style of Rick Hess is characterized by high people concern and moderate concern for production. Dana Mead, in contrast, is high on concern for costs and production and low on concern for people. Both leaders are successful because of their different situations. The next group of theories builds on the leader-follower relationship of behavioral approaches to explore how organizational situations affect the leader's approach.

CONTINGENCY APPROACHES

contingency approach

A model of leadership that describes the relationship between leadership styles and specific organizational situations.

Several models of leadership that explain the relationship between leadership styles and specific situations have been developed. These are termed **contingency approaches** and include the leadership model

developed by Fiedler and his associates, the situational theory of Hersey and Blanchard, the path-goal theory presented by Evans and House, and the substitutes-for-leadership concept.

Fiedler's Contingency Theory

An early, extensive effort to combine leadership style and organizational situation into a comprehensive theory of leadership was made by Fiedler and his associates.²⁸ The basic idea is simple: Match the leader's style with the situation most favorable for his or her success. By diagnosing leadership style and the organizational situation, the correct fit can be arranged.

Leadership Style. The cornerstone of Fiedler's contingency theory is the extent to which the leader's style is relationship-oriented or task-oriented. A *relationship-oriented leader* is concerned with people, as in the consideration style described earlier. A *task-oriented leader* is primarily motivated by task accomplishment, which is similar to the initiating structure style described earlier.

Leadership style was measured with a questionnaire known as the least preferred coworker (LPC) scale. The **LPC scale** has a set of 16 bipolar adjectives along an 8-point scale. Examples of the bipolar adjectives used by Fiedler on the LPC scale follow:

open	- - - - -	guarded
quarrelsome	- - - - -	harmonious
efficient	- - - - -	inefficient
self-assured	- - - - -	hesitant
gloomy	- - - - -	cheerful

If the leader describes the least preferred coworker using positive concepts, he or she is considered relationship-oriented: that is, a leader who cares about and is sensitive to other people's feelings. Conversely, if a leader uses negative concepts to describe the least preferred coworker, he or she is considered task-oriented: that is, a leader who sees other people in negative terms and places greater value on task activities than on people.

Situation. Leadership situations can be analyzed in terms of three elements: the quality of leader–member relationships, task structure, and position power.²⁹ Each of these elements can be described as either favorable or unfavorable for the leader.

- 1 *Leader–member relations* refers to group atmosphere and members' attitude toward and acceptance of the leader. When subordinates trust, respect, and have confidence in the leader, leader–member relations are considered good. When subordinates distrust, do not respect, and have little confidence in the leader, leader–member relations are poor.
- 2 *Task structure* refers to the extent to which tasks performed by the group are defined, involve specific procedures, and have clear, explicit goals. Routine, well-defined tasks, such as those of assembly-line workers, have a high degree of structure. Creative, ill-defined tasks, such as research and development or strategic planning, have a low degree of task structure. When task structure is high, the situation is considered favorable to the leader; when low, the situation is less favorable.
- 3 *Position power* is the extent to which the leader has formal authority over subordinates. Position power is high when the leader has the power to plan and direct the work of subordinates, evaluate it, and reward or punish them. Position power is low when the leader has little authority over subordinates and cannot evaluate their work or reward them. When position power is high, the situation is considered favorable for the leader; when low, the situation is unfavorable.

Combining the three situational characteristics yields a list of eight leadership situations, which are illustrated in Exhibit 13.6. Situation I is most favorable to the leader because leader–member relations are good, task structure is high, and leader position power is strong. Situation VIII is most unfa-

vorable to the leader because leader–member relations are poor, task structure is low, and leader position power is weak. All other octants represent intermediate degrees of favorableness for the leader.

Contingency Theory. When Fiedler examined the relationships among leadership style, situational favorability, and group task performance, he found the pattern shown in Exhibit 13.7. Task-oriented leaders are more effective when the situation is either highly favorable or highly unfavorable. Relationship-oriented leaders are more effective in situations of moderate favorability.

The task-oriented leader excels in the favorable situation because everyone gets along, the task is clear, and the leader has power; all that is needed is for someone to take charge and provide direction. Similarly, if the situation is highly unfavorable to the leader, a great deal of structure and task direction is needed. A strong leader defines task structure and can establish authority over subordinates. Because leader–member relations are poor anyway, a strong task orientation will make no difference in the leader's popularity.

The relationship-oriented leader performs better in situations of intermediate favorability because human relations skills are important in achieving high group performance. In these situations, the leader may be moderately well liked, have some power, and supervise jobs that contain some ambiguity. A leader with good interpersonal skills can create a positive group atmosphere that will improve relationships, clarify task structure, and establish position power.

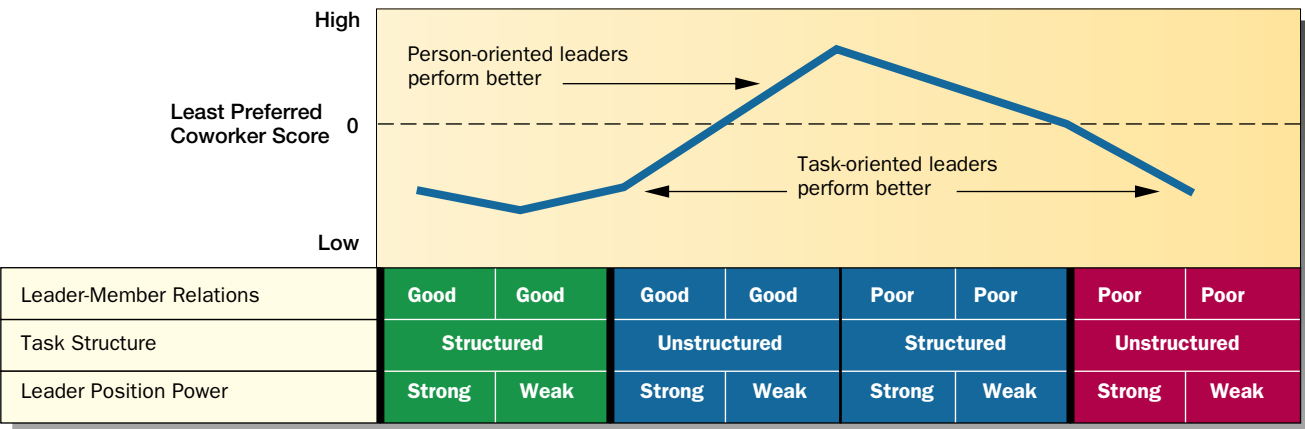
A leader, then, needs to know two things in order to use Fiedler's contingency theory. First, the leader should know whether he or she has a relationship- or task-oriented style. Second, the leader should diagnose the situation and determine whether leader–member relations, task structure, and position power are favorable or unfavorable.

EXHIBIT 13.6
Fiedler's Classification of Situation Favorableness

	Very Favorable		Intermediate				Very Unfavorable	
Leader-Member Relations	Good	Good	Good	Good	Poor	Poor	Poor	Poor
Task Structure	High		Low		High		Low	
Leader Position Power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak
Situations	I	II	III	IV	V	VI	VII	VIII

SOURCE: Reprinted from “The Effects of Leadership Training and Experience: A Contingency Model Interpretation,” by Fred E. Fiedler published in *Administrative Science Quarterly* Vol. 17, No. 4 by permission of *Administrative Science Quarterly*.

EXHIBIT 13.7
How Leader Style Fits the Situation



SOURCE: Reprinted from “The Effects of Leadership Training and Experience: A Contingency Model Interpretation,” by Fred E. Fiedler published in *Administrative Science Quarterly* Vol. 17, No. 4 by permission of *Administrative Science Quarterly*.

Fitting leader style to the situation can help a company transform itself successfully. Consider the situation of Corsair Communications, Inc.

CORSAIR COMMUNICATIONS, INC.

A tiny blond woman stood in front of the 60 engineers, jettisoned from a large Silicon Valley defense contractor and now employees of Corsair Communications, Inc., reporting to Mary Ann Byrnes. The engineers were skeptical and Byrnes was nervous.

They had developed a technology capable of identifying the “fingerprint” of a particular Soviet submarine, with commercial value in in-

hibiting illegal cellular phone use, which could save cellular providers \$1 billion per year.

Byrnes had to change Corsair’s culture from one where work was done on assigned tasks according to established procedures and where employees never talked to customers because competition wasn’t even an issue.

The new culture, though, had to deliver real products to real customers and beat the competition. In place of the engineers’ relative isolation, the new culture would need to communicate a sense of community, encouraging a customer focus and a sense of urgency.

Corsair is based on cross-functional teams with a continual sharing of information, highlighted by Friday pizza lunches where anything

and everything is discussed. Because employees now focus on customer needs and hold company stock, they value the work differently. "It's important for me not to make certain decisions," she says, "otherwise they won't get follow-through."

Corsair's culture is its "principal competitive weapon." If the company succeeds, it will be because Byrnes created an environment that's more instrumental in motivating and allowing the engineers to get the job done. So far, the company is succeeding, with stellar financial performance in its first year.

What Byrnes set out to do was take some of the smartest scientists in the world and to make them productive, to assist them in swiftly perfecting what they had been unable to deliver before. One proof of her effectiveness is how the previously skeptical engineers see her. Her leadership has let them feel part of the decision making and the rewards. As one of them said, "She trusts us."³⁰ ■

Mary Ann Byrnes's experience at Corsair illustrates Fiedler's model; a relationship-oriented leadership style was correct for a new, unstructured situation.

An important contribution of Fiedler's research is that it goes beyond the notion of leadership styles to show how styles fit the situation to improve organizational effectiveness. On the other hand, the model has also been criticized.³¹ Using the LPC score as a measure of relationship- or task-oriented behavior seems simplistic, and how the model works over time is unclear. For example, if a task-oriented leader is matched with an unfavorable situation and is successful, the organizational situation is likely to improve and become more favorable to the leader. The leader might need to change his style or go to a new situation to find the same challenge for his task-oriented leader style.

Hersey and Blanchard's Situational Theory

The **situational theory** of leadership is an interesting extension of the behavioral theories described earlier and summarized in

the leadership grid (Exhibit 13.5). More than previous theories, Hersey and Blanchard's approach focuses a great deal of attention on the characteristics of employees in determining appropriate leadership behavior. The point of Hersey and Blanchard is that subordinates vary in readiness level. People low in task readiness, because of little ability or training, or insecurity, need a different leadership style than those who are high in readiness and have good ability, skills, confidence, and willingness to work.³²

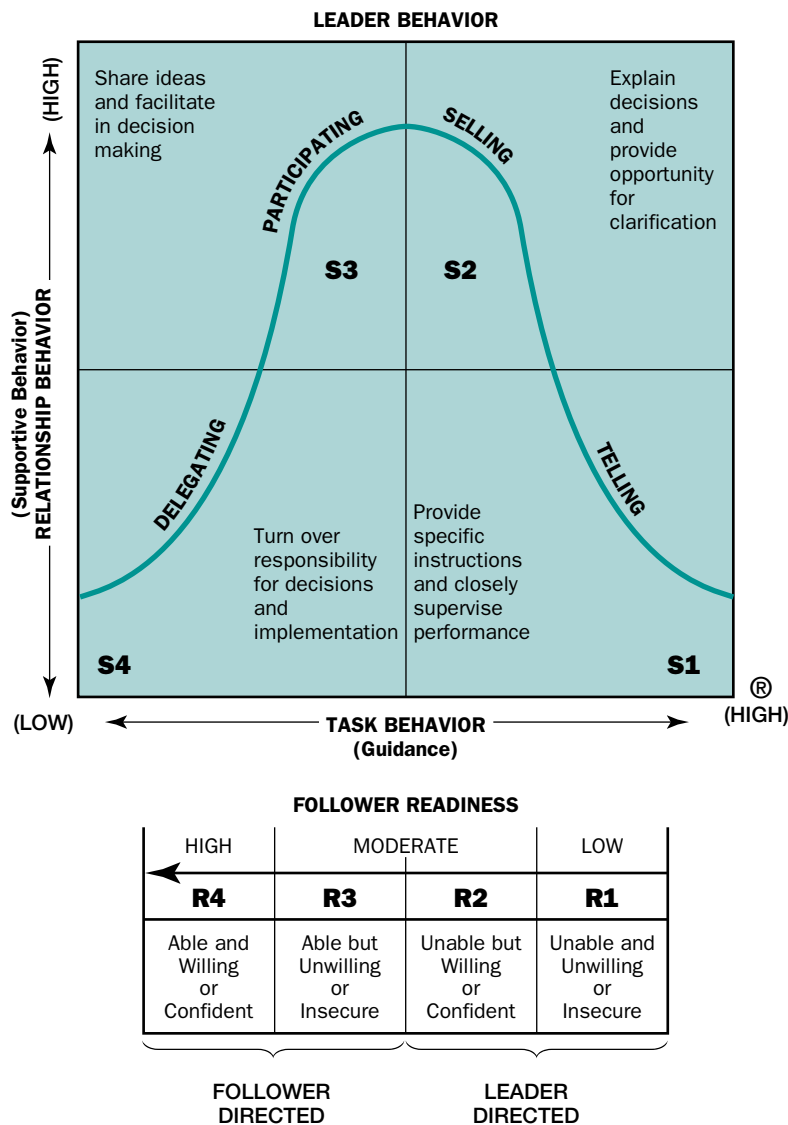
The relationships between leader style and follower readiness are summarized in Exhibit 13.8. The upper part of the exhibit indicates style of leader, which is based on a combination of relationship behavior and task behavior. The bell-shaped curve is called a prescriptive curve, because it indicates when each leader style should be used. The four styles—telling (S1), selling (S2), participating (S3), and delegating (S4)—depend on the readiness of followers, indicated in the lower part of Exhibit 13.8. R1 is low readiness and R4 represents high readiness. The telling style is for low-readiness subordinates, because people are unable and unwilling to take responsibility for their own task behavior. The selling and participating styles work for followers with moderate readiness, and delegating is appropriate for employees with high readiness.

This contingency model is easier to understand than Fiedler's model, but it incorporates only the characteristics of followers, not those of the situation. The leader should evaluate subordinates and adopt whichever style is needed. If one or more followers are at low levels of readiness, the leader must be very specific, telling them exactly what to do, how to do it, and when. For followers high in readiness, the leader provides a general goal and sufficient authority to do the task as they see fit. Leaders must carefully diagnose the readiness level of followers and then tell, sell, participate, or delegate.

Phil Hagans is a leader who understands how follower readiness determines leadership style. As the owner of two McDonald's franchises in northeast Houston, Hagans

situational theory

A contingency approach to leadership that links the leader's behavioral style with the task readiness of subordinates.

**EXHIBIT 13.8****The Situational Theory of Leadership**

SOURCE: Situational Leadership® is a registered trademark of The Center for Leadership Studies, Escondido, CA. All rights reserved.

path-goal theory

A contingency approach to leadership specifying that the leader's responsibility is to increase subordinates' motivation by clarifying the behaviors necessary for task accomplishment and rewards.

gives many of his young employees their first job as well as an introduction to the culture of work as he received it, moving up through the ranks. Starting with instruction on every detail of the job from how to dress to how to clean the grill, he coaches them through their first days. As they grow in ability and confidence, he uses a more participatory style but continues to mentor them with financial planning and educational assistance. Because many of his employees have never held a job before, Hagans knows to guide them through each

level of readiness.³³ A leader would need to use a different style with a part-time worker who was retired after 40 years in the business world.

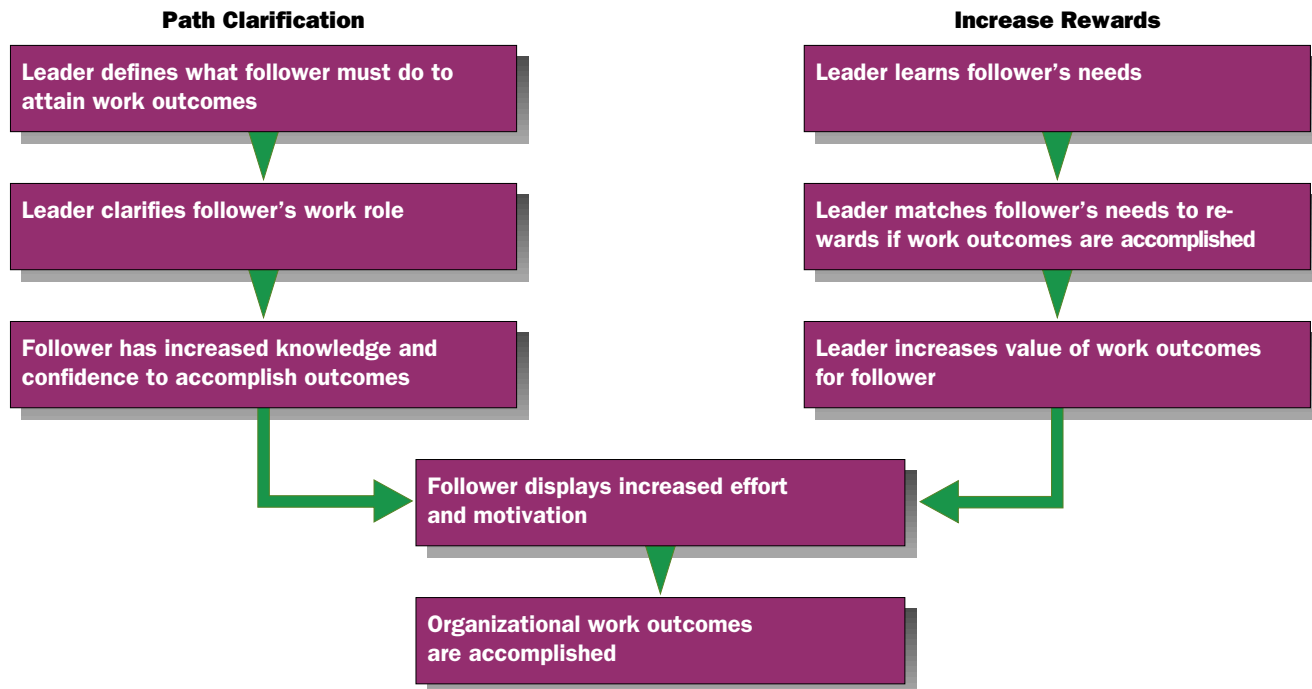
Path-Goal Theory

Another contingency approach to leadership is called the path-goal theory.³⁴ According to the **path-goal theory**, the leader's responsibility is to increase subordinates' motivation to attain personal and organizational goals. As illustrated in Exhibit 13.9, the leader increases their motivation by either (1) clarifying the subordinates' path to the rewards that are available or (2) increasing the rewards that they value and desire. Path clarification means that the leader works with subordinates to help them identify and learn the behaviors that will lead to successful task accomplishment and organizational rewards. Increasing rewards means that the leader talks with subordinates to learn which rewards are important to them—that is, whether they desire intrinsic rewards from the work itself or extrinsic rewards such as raises or promotions. The leader's job is to increase personal payoffs to subordinates for goal attainment and to make the paths to these payoffs clear and easy to travel.³⁵ The Leading the Management Revolution box illustrates how George Sztykiel's leadership style as "number-one servant" has created a motivated workforce and successful company.

This model is called a contingency theory because it consists of three sets of contingencies—leader behavior and style, situational contingencies, and the use of rewards to meet subordinates' needs.³⁶ Whereas in the Fiedler theory described earlier the assumption would be to switch leaders as situations change, in the path-goal theory leaders switch their behaviors to match the situation.

Leader Behavior. The path-goal theory suggests a fourfold classification of leader behaviors.³⁷ These classifications are the types of leader behavior the leader can

EXHIBIT 13.9
Leader Roles in the Path–Goal Model



SOURCE: Based on Bernard M. Bass, "Leadership: Good, Better, Best," *Organizational Dynamics* 13 (winter 1985), 26–40.

adopt and include supportive, directive, achievement-oriented, and participative styles.

Supportive leadership involves leader behavior that shows concern for subordinates' well-being and personal needs. Leadership behavior is open, friendly, and approachable, and the leader creates a team climate and treats subordinates as equals. Supportive leadership is similar to the consideration leadership described earlier.

Directive leadership occurs when the leader tells subordinates exactly what they are supposed to do. Leader behavior includes planning, making schedules, setting performance goals and behavior standards, and stressing adherence to rules and regulations. Directive leadership behavior is similar to the initiating-structure leadership described earlier.

Participative leadership means that the leader consults with his or her subordinates about decisions. Leader behavior includes asking for opinions and suggestions, en-

couraging participation in decision making, and meeting with subordinates in their workplaces. The participative leader encourages group discussion and written suggestions.

Achievement-oriented leadership occurs when the leader sets clear and challenging goals for subordinates. Leader behavior stresses high-quality performance and improvement over current performance. Achievement-oriented leaders also show confidence in subordinates and assist them in learning how to achieve high goals.

The four types of leader behavior are not considered ingrained personality traits as in the Fiedler theory; rather, they reflect types of behavior that every leader is able to adopt, depending on the situation.

Situational Contingencies. The two important situational contingencies in the path–goal theory are (1) the personal characteristics of group members and (2) the work environment. Personal characteristics



LEADING THE MANAGEMENT REVOLUTION

SPARTAN MOTORS

When George W. Szykiel was 46, he had one son in law school, another in college, and his wife was ill. Then his company, Diamond Reo Trucks, Inc., folded. His reaction was to take out a second mortgage and, along with three others, build his first truck chassis. Thus was Spartan Motors born. Szykiel believes the “luxury” of those traumas led to their ultimate success. “We had the power of poverty,” he says.

This novel principle is the guiding force at Spartan, which builds chassis for fire trucks, motor homes, and, more recently, transit and school buses. Being driven by poverty forces hard work, he believes, which in turn builds value and creates wealth. The complacent die, and so does the company if the hunger ever fades.

Austerity and function are also integral values, as shown by the company’s threadbare industrial building in Charlotte, Michigan. Szykiel has no secre-

tary, and there are no budgets. Three department heads have final say over expenditures, which are justified by desperate need and potential for profitability.

Spartan’s workforce demonstrates the essence of the company. Only about 2 percent of the company’s 510 employees have college degrees. Most of the “engineers” began on the assembly line before being promoted to the drafting table. Szykiel is strictly interested in attitude, brains, and people who are not afraid to work. “Building trucks is not a science, it is an art,” he says. “The old engineers pass on the feeling to the new guys. We produce ten times faster than bigger companies, where they have lost the feeling, so all they can do is apply science.”

Although Spartan workers earn only 80 percent of what their union counterparts earn at GM, they stay because of the family atmosphere, profit sharing, and job security. In an industry fraught with plant closings and worker-

shedding, Spartan has never had to lay off an employee and Szykiel vows it will never happen. Disdaining the title of boss, he calls himself the number-one servant of the corporation. Making \$100,000, or four times the lowest-paid worker, Szykiel believes his counterparts are outrageously overcompensated.

Though the heavy-truck industry has been in a quasi-depression for much of the past decade, Spartan has done remarkably well, with stock soaring as much as 800 percent in some years. Earnings in 1996 were double that of 1995.

Spartan’s growth has been based on old-fashioned values and strong leadership. GM executives may need to learn about the power of poverty.

SOURCES: “Investor’s Information,” Spartan Motors, August 1996; 1995 Annual Report of Spartan Motors, 1996; Edward O. Welles, “The Shape of Things to Come,” *Inc.*, Feb. 1992, 66–74; and Richard S. Teitelbaum, “Spartan Motors,” *Fortune*, Dec. 28, 1992, 55. Company sources.

of subordinates are similar to Hersey and Blanchard’s readiness level and include such factors as ability, skills, needs, and motivations. For example, if an employee has a low level of ability or skill, the leader may need to provide additional training or coaching in order for the worker to improve performance. If a subordinate is self-centered, the leader must use rewards to motivate him or her. Subordinates who want clear direction and authority require a directive leader who will tell them exactly what to do. Craftworkers and professionals, however, may want more freedom and autonomy and work best under a participative leadership style.

The work environment contingencies include the degree of task structure, the na-

ture of the formal authority system, and the work group itself. The task structure is similar to the same concept described in Fiedler’s contingency theory; it includes the extent to which tasks are defined and have explicit job descriptions and work procedures. The formal authority system includes the amount of legitimate power used by managers and the extent to which policies and rules constrain employees’ behavior. Work group characteristics are the educational level of subordinates and the quality of relationships among them.

Use of Rewards. Recall that the leader’s responsibility is to clarify the path to rewards for subordinates or to increase the amount of rewards to enhance satisfaction

and job performance. In some situations, the leader works with subordinates to help them acquire the skills and confidence needed to perform tasks and achieve rewards already available. In others, the leader may develop new rewards to meet the specific needs of a subordinate.

Exhibit 13.10 illustrates four examples of how leadership behavior is tailored to the situation. In the first situation, the subordinate lacks confidence; thus, the supportive leadership style provides the social support with which to encourage the subordinate to undertake the behavior needed to do the work and receive the rewards. In the second situation, the job is ambiguous, and the employee is not performing effectively. Directive leadership behavior is used to give instructions and clarify the task so that the follower will know how to accomplish it and receive rewards. In the third situation, the subordinate is unchallenged by the task; thus, an achievement-oriented behavior is used to set higher goals. This clarifies the path to rewards for the employee. In the fourth situation, an incorrect reward is given to a subordinate, and the participative leadership style is used to change this. By discussing the subordinate's needs, the

leader is able to identify the correct reward for task accomplishment. In all four cases, the outcome of fitting the leadership behavior to the situation produces greater employee effort by either clarifying how subordinates can receive rewards or changing the rewards to fit their needs.

In some organizations, such as McArthur-Glen Group, leaders display complementary leadership styles to meet subordinates' needs.

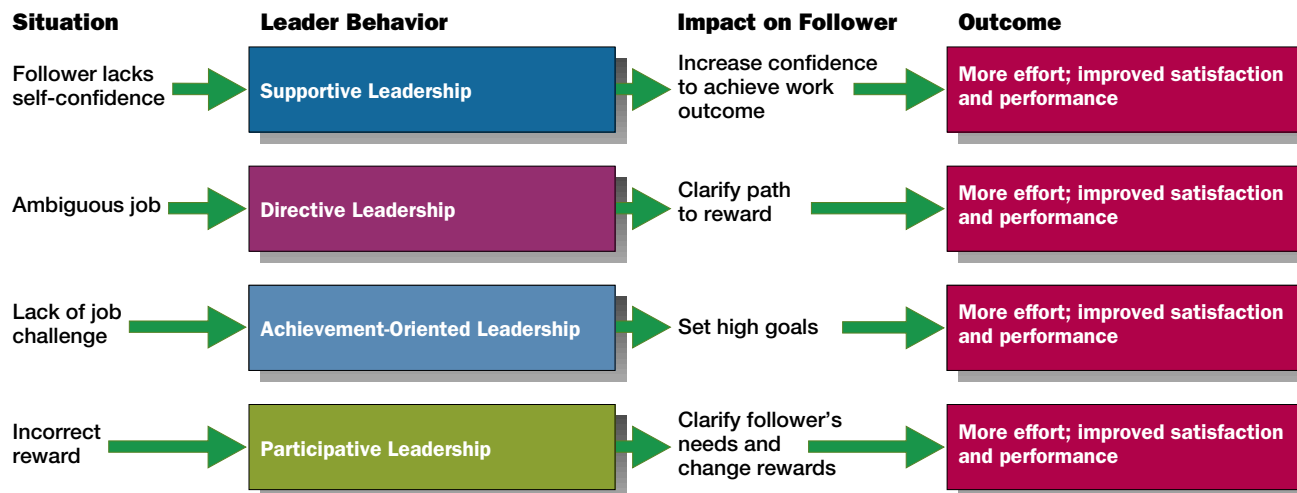
McARTHUR-GLEN GROUP

The leadership of Cheryl McArthur and Alan Glen, co-founders of a company that developed and manages 13 outlet malls, illustrates the strengths that differing leadership styles can bring to an organization.

McArthur's management style stresses interactive characteristics often displayed by women managers. Empowerment is a priority, and McArthur willingly shares information and strives to keep the lines of communication open. McArthur's people skills enable her to convey the company vision to each of the 125 employees, clarify tasks, and provide the

EXHIBIT 13.10

Path-Goal Situations and Preferred Leader Behaviors



SOURCE: Adapted from Gary A. Yukl, *Leadership in Organizations* (Englewood Cliffs, N.J.: Prentice-Hall, 1981), 146–152.

substitute

A situational variable that makes a leadership style redundant or unnecessary.

neutralizer

A situational variable that counteracts a leadership style and prevents the leader from displaying certain behaviors.

supportive leadership necessary to help the individual employee perform effectively under deadline pressure.

Glen, by contrast, focuses on the creative end. His experience enables the company to set deadlines and realistic timetables and to get the malls up and running with a minimum of hassle. Glen prefers to focus on the big picture and leave the daily organizational and staff details to McArthur. However, Glen credits his partner with the “ambition” that drives the company forward and makes his vision a reality. Each partner appreciates the strengths of the other, and the two contrasting styles are complementary. Employees, too, appreciate these leadership styles of McArthur and Glen, remarking, “they fit together like a zipper.”³⁸ ■

Although Glen’s leadership style is achievement oriented, McArthur’s style is considered supportive leadership behavior, which gives Glen the support to overcome obstacles and achieve higher performance.

Path-goal theorizing can be complex, but much of the research on it has been encouraging.³⁹ Using the model to specify precise relationships and make exact predictions about employee outcomes may be difficult, but the four types of leader behavior and the ideas for fitting them to situational contingencies provide a useful way for leaders to think about motivating subordinates.

Substitutes for Leadership

The contingency leadership approaches considered so far have focused on the leaders’ style, the subordinates’ nature, and the situation’s characteristics. The final contingency approach suggests that situational variables can be so powerful that they actually substitute for or neutralize the need for leadership.⁴⁰ This approach outlines those organizational settings in which a leadership style is unimportant or unnecessary.

Exhibit 13.11 shows the situational variables that tend to substitute for or neutralize leadership characteristics. A **substitute** for leadership makes the leadership style unnecessary or redundant. For example, highly professional subordinates who know how to do their tasks do not need a leader who initiates structure for them and tells them what to do. A **neutralizer** counteracts the leadership style and prevents the leader from displaying certain behaviors. For example, if a leader has absolutely no position power or is physically removed from subordinates, the leader’s ability to give directions to subordinates is greatly reduced.

Situational variables in Exhibit 13.11 include characteristics of the group, the task, and the organization itself. For example, when subordinates are highly professional and experienced, both leadership styles are less important. The employees do not need

EXHIBIT 13.11
Substitutes and Neutralizers for Leadership

Variable		Task-Oriented Leadership	People-Oriented Leadership
Organizational variables:	Group cohesiveness	Substitutes for	Substitutes for
	Formalization	Substitutes for	No effect on
	Inflexibility	Neutralizes	No effect on
	Low positional power	Neutralizes	Neutralizes
	Physical separation	Neutralizes	Neutralizes
Task characteristics:	Highly structured task	Substitutes for	No effect on
	Automatic feedback	Substitutes for	No effect on
	Intrinsic satisfaction	No effect on	Substitutes for
Group characteristics:	Professionalism	Substitutes for	Substitutes for
	Training/experience	Substitutes for	No effect on
	Low value of rewards	Neutralizes	Neutralizes

much direction or consideration. With respect to task characteristics, highly structured tasks substitute for a task-oriented style, and a satisfying task substitutes for a people-oriented style. With respect to the organization itself, group cohesiveness substitutes for both leader styles. Formalized rules and procedures substitute for leader task orientation. Physical separation of leader and subordinate neutralizes both leadership styles.

The value of the situations described in Exhibit 13.11 is that they help leaders avoid leadership overkill. Leaders should adopt a style with which to complement the organizational situation. For example, the work situation for bank tellers provides a high level of formalization, little flexibility, and a highly structured task. The head teller should not adopt a task-oriented style, because the organization already provides structure and direction. The head teller should concentrate on a people-oriented style. In other organizations, if group cohesiveness or previous training meet employees' social needs, the leader is free to concentrate on task-oriented behaviors. The leader can adopt a style complementary to the organizational situation to ensure that both task needs and people needs of the work group will be met.

NEW LEADERSHIP APPROACHES

In Chapter 1, we defined management to include the functions of leading, planning, organizing, and controlling. But recent work on leadership has begun to distinguish leadership as something more: a quality that inspires and motivates people beyond their normal levels of performance.

Transactional Leaders

The traditional management function of leading has been called *transactional leadership*.⁴¹ **Transactional leaders** clarify the role and task requirements of subordinates, ini-



Disney CEO Michael Eisner is considered a *charismatic leader*. Disney's uniqueness stems from having a creative executive in charge rather than a financier or lawyer. He shapes the corporate value system by inducing creativity in others and calls himself the "head cheerleader." Freewheeling and wildly creative brainstorming sessions are typical of what Eisner will do to get creative energy flowing. His vision of creativity extends the corporate culture founded by Walt Disney and fuels Disney's current growth and competitiveness.

tiate structure, provide appropriate rewards, and try to be considerate to and meet the social needs of subordinates. The transactional leader's ability to satisfy subordinates may improve productivity. Transactional leaders excel at management functions. They are hardworking, tolerant, and fair-minded. They take pride in keeping things running smoothly and efficiently. Transactional leaders often stress the impersonal aspects of performance, such as plans, schedules, and budgets. They have a sense of commitment to the organization and conform to organizational norms and values.

Charismatic Leaders

Charismatic leadership goes beyond transactional leadership techniques. The **charismatic leader** has the capacity to motivate people to do more than normally expected. The impact of charismatic leaders is normally from (1) stating a lofty vision of an imagined future that employees identify with, (2) shaping a corporate value system for which everyone stands, and (3) trusting subordinates and earning their complete trust in return.⁴² Charismatic leaders raise subordinates' consciousness about new outcomes and motivate them to transcend their own interests for the sake of the department

charismatic leader

A leader who has the ability to motivate subordinates to transcend their expected performance.

transactional leader

A leader who clarifies subordinates' role and task requirements, initiates structure, provides rewards, and displays consideration for subordinates.

or organization. Charismatic leaders tend to be less predictable than transactional leaders. They create an atmosphere of change, and they may be obsessed by visionary ideas that excite, stimulate, and drive other people to work hard. Charismatic leaders have an emotional impact on subordinates. They stand for something, have a vision of the future, are able to communicate that vision to subordinates, and motivate them to realize it.⁴³ The Focus on Leadership box provides a short quiz to help you determine whether you have the potential to be a charismatic leader.

Charismatic leaders include Mother Teresa; Martin Luther King, Jr.; and Adolf Hitler. The true charismatic leader often does not fit within a traditional organization and may lead a social movement rather than a formal organization. H. Ross Perot is an example of how charismatic leadership can provide the foundation for a successful business or a political movement.

interactive leader

A leader who is concerned with consensus building, is open and inclusive, and encourages participation.

Transformational Leaders

Critics of the state of business today charge that most U.S. companies have a tendency to be “overmanaged and underled.” Managers deal with “organizational complexity”; leaders initiate “productive change.”⁴⁴ Transformational leaders balance the demands of both. **Transformational leaders** are similar to charismatic leaders but are distinguished by their special ability to bring about innovation and change.⁴⁵

Transformational leaders emerge to take an organization through major strategic change, such as revitalization. They have the ability to lead changes in the organization’s mission, structure, and human resource management. Transformational leaders do not analyze or control specific transactions with followers using only rules, directions, or financial incentives. They focus on intangible qualities, such as vision, shared values, and ideas, to build relationships, give larger meaning to separate activities, and provide common ground to enlist their followers in the changes.⁴⁶

transformational leader

A leader distinguished by a special ability to bring about innovation and change.

Interactive Leaders

As women move into higher positions in organizations, it has been perceived that they often possess a different leadership style that is very effective in today’s turbulent corporate environment. Leadership qualities traditionally associated with white, American males have included aggressiveness or assertiveness, taking initiative, and a “take charge” attitude. Men tend to be competitive and individualistic and prefer working in vertical hierarchies. They often describe their leadership style as transactional and are likely to use position power in their dealings with subordinates.

Although women in leadership may also share these qualities, they tend to demonstrate and stress leadership behaviors that are interactive. An **interactive leader** is concerned with consensus building, inclusiveness, participation, and caring.⁴⁷ Interactive leadership promotes the idea that striving to reach organizational goals enables employees to reach their personal goals. Female leaders such as Linda Johnson Rice, president and CEO of Johnson Publishing Company, which owns *Ebony*, *Jet*, and Fashion Fair Cosmetics, are often more willing to share power and information, to empower their employees, and to strive to enhance workers’ self-worth. As Rice puts it, “It is the creative process that I find stimulating, sitting down and letting ideas flow among the different groups. I love the interaction with people. To me, that’s the best part.”⁴⁸

The interactive leadership style is not limited to women. Many male managers are learning to adopt this style by developing their skills in attention to nonverbal behavior, empathy, cooperation, collaboration, and listening.⁴⁹ Another leadership style that builds on the interactive principle is servant or steward leadership.

Servant Leaders

The concept of leadership as stewardship or service is a bottom-up approach to leadership that starts with the follower’s needs. It



FOCUS ON LEADERSHIP

ARE YOU A CHARISMATIC LEADER?

If you were the head of a major department in a corporation, how important would each of the following activities be to you? Answer yes or no to indicate whether you would strive to perform each activity.

1. Help subordinates clarify goals and how to reach them.
2. Give people a sense of mission and overall purpose.
3. Help get jobs out on time.
4. Look for the new product or service opportunities.
5. Use policies and procedures as guides for problem solving.
6. Promote unconventional beliefs and values.
7. Give monetary rewards in exchange for high performance from subordinates.

8. Command respect from everyone in the department.

9. Work alone to accomplish important tasks.

10. Suggest new and unique ways of doing things.

11. Give credit to people who do their jobs well.

12. Inspire loyalty to yourself and to the organization.

13. Establish procedures to help the department operate smoothly.

14. Use ideas to motivate others.

15. Set reasonable limits on new approaches.

16. Demonstrate social nonconformity.

The even-numbered items represent behaviors and activities of charismatic leaders. Charismatic leaders are personally involved in shaping ideas, goals, and direction of change. They use

an intuitive approach to develop fresh ideas for solving old problems and seek new directions for the department or organization. The odd-numbered items are considered more traditional management activities, or what would be called *transactional leadership*. Managers respond to organizational problems in an impersonal way, make rational decisions, and coordinate and facilitate the work of others. If you answered yes to more even-numbered than odd-numbered items, you may be a potential charismatic leader.

SOURCES: Based on Bernard M. Bass, *Leadership and Performance beyond Expectations* (New York: Free Press, 1985); and Lawton R. Burns and Selwyn W. Becker, "Leadership and Managership," in *Health Care Management*, ed. S. Shortell and A. Kaluzny (New York: Wiley, 1986).

operates from the assumption that work exists for the development of the worker as much as the worker exists to do the work.⁵⁰

Servant leaders operate on two levels: for the fulfillment of their subordinates' goals and needs and for the realization of the larger purpose or mission of their organization.⁵¹ The purpose of servant leadership is to bring the followers' higher motives to the work and connect them to the organization's mission and goals. Wal-Mart's corporate culture, developed by Sam Walton, was

to lead from the top but run from the bottom. His view of servant leadership was to provide workers with whatever they needed to serve the customers, in terms of merchandise, capital, information, and inspiration, and then get out of the way.⁵²

Servant leadership is particularly useful in the learning organization, which was discussed in Chapter 2, because it unleashes followers' creativity, full commitment, and natural impulse to learn.

servant leader

A leader who works to fulfill subordinates' needs and goals as well as to achieve the organization's larger mission.

SUMMARY AND MANAGEMENT SOLUTION

This chapter covered several important ideas about leadership. The early research on leadership focused on personal traits such as intelligence, energy, and appearance.

Later, research attention shifted to leadership behaviors that are appropriate to the organizational situation. Behavioral approaches dominated the early work in this

area; consideration and initiating structure were suggested as behaviors that lead work groups toward high performance. The Ohio State and Michigan approaches and the leadership grid are in this category. Contingency approaches include Fiedler's theory, Hersey and Blanchard's situational theory, the path-goal model, and the substitutes-for-leadership concept.

Leadership concepts have evolved from the transactional approach to charismatic, transformational, interactive, and servant leadership behaviors. Charismatic leadership is the ability to articulate a vision and motivate followers to make it a reality. Transformational leadership extends charismatic qualities to guide and foster dramatic organizational change. Interactive leadership, typical of many women leaders, involves consensus building, empowerment, and sharing of information and resources. Servant leadership facilitates the growth, goals, and empowerment of followers first in order to liberate their best qualities in pursuing organizational goals.

Robin and Steve Silverman, from the chapter opening, had to change their way of doing business in order for their clothing store to survive. It was losing so much money they had to move to a mall and take on a new leadership style. Robin and Steve decided to let the staff lead them for a change. They took the staff to the new mall

space and said, "You're about to see your future." The tailors were excited about their new and larger alterations shop and the sales staff admired the brightness of the selling floor. Within two days, all staff had divided themselves into three teams: one to organize the moving sale, one to arrange for the actual move, and the last to oversee opening the new store. Robin and Steve were pleasantly surprised at the skills that emerged. A quiet secretary became a phone-system research dynamo, calling vendors to find the best deals. The marketing manager took on the new store decoration with an intense passion, and a salesman who never seemed to know mannequins even existed suddenly began dressing the forms like an old pro. Three staff members, though, could not make the transition to the new "culture" and quit or were fired. The moving sale paid off old debts and the move was made on time. The new location has helped them create more streamlined inventory and improved working conditions. Sales are increasing. Most important, Robin and Steve decided never to manage by themselves again. They do everything teaming with various managers, talking over problems and creating a new vision. Solutions developed are cost-effective and have the support of the whole staff. After a year in the new location, Silverman's has "new" leaders, a committed staff, and plenty of sales.⁵³

DISCUSSION QUESTIONS

- 1 Rob Martin became manager of a forklift assembly plant and believed in participative management, even when one supervisor used Rob's delegation to replace two competent line managers with his own friends. What would you say to Rob about his leadership style in this situation?
- 2 Suggest some personal traits that you believe would be useful to a leader. Are these traits more valuable in some situations than in others?
- 3 What is the difference between trait theories and behavioral theories of leadership?
- 4 Suggest the sources of power that would be available to a leader of a student government organization. To be effective, should student leaders keep power to themselves or delegate power to other students?
- 5 Would you prefer working for a leader who has a consideration or an initiating-structure leadership style? Discuss the reasons for your answer.
- 6 Consider Fiedler's theory as illustrated in Exhibit 13.6. How often do very favorable, intermediate, or very unfavorable situations occur in real life? Discuss.
- 7 What is transformational leadership? Differentiate between transformational leadership and transactional leadership. Give an example of each.
- 8 One critic argued that women should not be stereotyped as having a leadership style different from that

of men. Do you agree? Do you think that women, on average, have a more interactive style of leadership than men? Discuss.

- 9 Do you think leadership style is fixed and unchangeable for a leader or flexible and adaptable? Discuss.

- 10 Consider the leadership position of a senior partner in a law firm. What task, subordinate, and organizational factors might serve as substitutes for leadership in this situation?

MANAGEMENT EXERCISES

MANAGER'S WORKBOOK

T-P Leadership Questionnaire: An Assessment of Style

Some leaders deal with general directions, leaving details to subordinates. Other leaders focus on specific details with the expectation that subordinates will carry out orders. Depending on the situation, both approaches may be effective. The important issue is the ability to identify relevant dimensions of the situation and behave accordingly. Through this questionnaire, you can identify your relative emphasis on two dimensions of leadership: task orientation (T) and people orientation (P). These are not opposite approaches, and an individual can rate high or low on either or both.

Directions: The following items describe aspects of leadership behavior. Respond to each item according to the way you would most likely act if you were the leader of a work group. Circle whether you would most likely behave in the described way: always (A), frequently (F), occasionally (O), seldom (S), or never (N).

- | | |
|---|-----------|
| 1 I would most likely act as the spokesperson of the group. | A F O S N |
| 2 I would encourage overtime work. | A F O S N |
| 3 I would allow members complete freedom in their work. | A F O S N |
| 4 I would encourage the use of uniform procedures. | A F O S N |
| 5 I would permit members to use their own judgment in solving problems. | A F O S N |
| 6 I would stress being ahead of competing groups. | A F O S N |
| 7 I would speak as a representative of the group. | A F O S N |
| 8 I would needle members for greater effort. | A F O S N |

- | | |
|---|-----------|
| 9 I would try out my ideas in the group. | A F O S N |
| 10 I would let members do their work the way they think best. | A F O S N |
| 11 I would be working hard for a promotion. | A F O S N |
| 12 I would tolerate postponement and uncertainty. | A F O S N |
| 13 I would speak for the group if there were visitors present. | A F O S N |
| 14 I would keep the work moving at a rapid pace. | A F O S N |
| 15 I would turn the members loose on a job and let them go to it. | A F O S N |
| 16 I would settle conflicts when they occur in the group. | A F O S N |
| 17 I would get swamped by details. | A F O S N |
| 18 I would represent the group at outside meetings. | A F O S N |
| 19 I would be reluctant to allow the members any freedom of action. | A F O S N |
| 20 I would decide what should be done and how it should be done. | A F O S N |
| 21 I would push for increased production. | A F O S N |
| 22 I would let some members have authority which I could keep. | A F O S N |
| 23 Things would usually turn out as I had predicted. | A F O S N |
| 24 I would allow the group a high degree of initiative. | A F O S N |
| 25 I would assign group members to particular tasks. | A F O S N |
| 26 I would be willing to make changes. | A F O S N |

27 I would ask the members to work harder.

A F O S N

28 I would trust the group members to exercise good judgment.

A F O S N

29 I would schedule the work to be done.

A F O S N

30 I would refuse to explain my actions.

A F O S N

31 I would persuade others that my ideas are to their advantage.

A F O S N

32 I would permit the group to set its own pace.

A F O S N

33 I would urge the group to beat its previous record.

A F O S N

34 I would act without consulting the group.

A F O S N

35 I would ask that group members follow standard rules and regulations.

A F O S N

T

P

The T–P Leadership Questionnaire is scored as follows:

- a. Circle the item number for items 8, 12, 17, 18, 19, 30, 34, and 35.

b. Write the number 1 in front of a *circled item number* if you responded *S* (seldom) or *N* (never) to that item.

c. Also write a number 1 in front of *item numbers not circled* if you responded *A* (always) or *F* (frequently).

d. Circle the number 1s that you have written in front of the following items: 3, 5, 8, 10, 15, 18, 19, 22, 24, 26, 28, 30, 32, 34, and 35.
- e. Count the *circled number 1s*. This is your score for concern for people. Record the score in the blank following the letter *P* at the end of the questionnaire.

f. Count *uncircled number 1s*. This is your score for concern for task. Record this number in the blank following the letter *T*.

SOURCE: Copyright 1969 by the American Educational Research Association. Adapted by permission of the publisher.

MANAGER'S WORKSHOP

The Many Faces of Leadership

I Think of examples of leaders who used their leadership abilities as a positive force, and those who used leadership as a negative force. Fill in the table below.

Leaders with positive force (Name)	General leadership characteristics	List characteristics according to Fiedler's contingency and path-goal theory	Results/outcome of their leadership
1.			
2.			
3.			
4.			
Leaders with negative force (Name)			
1.			
2.			
3.			
4.			

- 2 Divide into groups of four to seven members. Develop a “group list” of positive and negative leaders, having about five positive and five negative. Complete the second table as you answer each question.
- 3 What were the similarities between the positive and negative? What were the characteristics of leadership that were comparable?
- 4 What was it about the positive and negative leaders that made their outcomes so very different? Can you identify one or two critical elements that distinguish positive leaders from negative ones?
- 5 Refer back to information in Chapter 5 on ethics. Look at Exhibit 5.2 and see if you can find what levels of moral development the positive and negative leaders were operating out of.
- 6 Refer to the Focus on Leadership Box on charismatic leadership in this chapter. What similarities can you find with those characteristics and the leaders you identified?

Question 2	Question 3	Question 4	Question 5	Question 6
Positive leader names	Characteristics identified that have commonality with other leaders	What makes positive leader outcomes positive?	Level of moral development for each	Similarities to charismatic leaders
1.				
2.				
3.				
4.				
5.				
Negative leader names		What makes negative leader outcomes negative?		
1.				
2.				
3.				
4.				
5.				

SOURCE: Copyright 1996 by Dorothy Marcic. All rights reserved.

SURF THE 'NET

Surf through various company and personal Web sites. Find evidence for autocratic and democratic leadership styles, as well as people-oriented and task-oriented leadership. List the evidence you discovered and why you think it is proof of each of these four leadership styles.

ETHICAL DILEMMA

Does Wage Reform Start at the Top?

Preston Smith has just been offered the opportunity of a lifetime. The chairman of the board of Resitronic Corporation has just called to ask him to take the job as director of the troubled audio equipment manufacturing subsidiary. The first question Smith asked was “Will the board give me the autonomy to turn this company around?” The answer was yes. Resitronic’s problems were so severe that the board was desperate for change and ready to give Smith whatever it took to save the company.

Smith knows that cost-cutting is the first place he needs to focus. Labor expenses are too high, and product quality and production times are below industry standards. He sees that labor and management at Resitronic are two armed camps, but he needs cooperation at all levels to achieve a turnaround. Smith is energized. He knows he finally has the autonomy to try out his theories about an empowered workforce. He knows he must ask managers and workers to take a serious pay cut, with the promise of incentives to share in any improvements they might make. He also knows that everyone will be looking at his own salary as an indication of whether he walks his talk.

Smith is torn. He realizes he faces a year or two of complete hell, with long hours, little time for his family or outside interests, bitter resistance in subordinates, and no guarantees of success. Even if he comes in at the current director’s salary, he will be taking a cut in pay. But if he takes a bigger cut coming in, with the promise of bonuses

and stock options tied to his own performance, he sends a strong message to the entire subsidiary that they rise or fall together. He wonders what might happen if he fails. Many influences on the audio equipment subsidiary are beyond his control. Resitronic itself is in trouble. From his current vantage point, Smith believes he can turn things around, but what will he discover when he gets inside? What if the board undercuts him? Doesn’t he owe it to himself and his family to be compensated at the highest possible level for the stress and risk they will be enduring? Can he afford to risk his own security to send a message of commitment to the plan he is asking others to follow?

What Do You Do?

- 1 Take the same salary as the current director for one year. Circulate the information that although you are taking a cut to come to Resitronic, you are confident that you can make a difference. Build in pay incentive bonuses for the following years if the subsidiary succeeds.
- 2 Take a bigger cut in pay with generous incentive bonuses. Ask the board and the entire workforce to do the same. Open the books and let the whole company know exactly where they stand.
- 3 Ask for the same salary you are making now. You know you are going to be worth it, and you don’t want to ask your family to suffer monetarily as well as in their quality of life during this transition.

CASE FOR CRITICAL ANALYSIS

Technical Services Division

When DGL International, a manufacturer of refinery equipment, brought in John Terrill to manage its Technical Services division, company executives informed him of the urgent situation. Technical Services, with 20 engi-

neers, was the highest-paid, best-educated, and least-productive division in the company. The instructions to Terrill: Turn it around. Terrill called a meeting of the engineers. He showed great concern for their personal welfare and asked point blank: “What’s the problem? Why can’t

we produce? Why does this division have such turnover?"

Without hesitation, employees launched a hail of complaints. "I was hired as an engineer, not a pencil pusher." "We spend over half our time writing asinine reports in triplicate for top management, and no one reads the reports."

After a two-hour discussion, Terrill concluded he had to get top management off the engineers' backs. He promised the engineers, "My job is to stay out of your way so you can do your work, and I'll try to keep top management off your backs too." He called for the day's reports and issued an order effective immediately that the originals be turned in daily to his office rather than mailed to headquarters. For three weeks, technical reports piled up on his desk. By month's end, the stack was nearly three feet high. During that time no one called for the reports. When other managers entered his office and saw the stack, they usually asked, "What's all this?" Terrill answered, "Technical reports." No one asked to read them.

Finally, at month's end, a secretary from finance called and asked for the monthly travel and expense report. Terrill responded, "Meet me in the president's office tomorrow morning."

The next morning the engineers cheered as Terrill walked through the department pushing a cart loaded with the enormous stack of reports. They knew the showdown had come.

Terrill entered the president's office and placed the stack of reports on his desk. The president and the other senior executives looked bewildered.

"This," Terrill announced, "is the reason for the lack of productivity in the Technical Services division. These are the reports you people require every month. The fact that they sat on my desk all month shows that no one reads this material. I suggest that the engineers' time could be used in a more productive manner, and that one brief monthly report from my office will satisfy the needs of other departments."

Questions

- 1 What leadership style did John Terrill use? What do you think was his primary source of power?
- 2 Based on the Hersey–Blanchard theory, should Terrill have been less participative? Should he have initiated more task structure for the engineers? Explain.
- 3 What leadership approach would you have taken in this situation?

ENDNOTES

- 1 Robin Landew Silverman, "A Moving Experience," *Inc.* (August 1996) 23–24.
- 2 Gail DeGeorge, "Why Sunbeam Is Shining Brighter," *Business Week*, August 29, 1994, 74–75.
- 3 David C. Limerick, "Managers of Meaning: From Bob Geldof's Band Aid to Australian CEOs," *Organizational Dynamics* (spring 1990), 22–23.
- 4 Gary Yukl, "Managerial Leadership: A Review of Theory and Research," *Journal of Management* 15 (1989), 251–289.
- 5 James M. Kouzes and Barry Z. Posner, "The Credibility Factor: What Followers Expect from Their Leaders," *Management Review* (January 1990) 29–33.
- 6 Henry Mintzberg, *Power in and around Organizations* (Englewood Cliffs, N.J.: Prentice-Hall, 1983); and Jeffrey Pfeffer, *Power in Organizations* (Marshfield, Mass.: Pitman, 1981).

- 7 J. R. P. French, Jr., and B. Raven, "The Bases of Social Power," in *Group Dynamics*, ed. D. Cartwright and Alvin F. Zander (Evanston, Ill.: Row, Peterson, 1960), 607–623.
- 8 G. A. Yukl and T. Taber, "The Effective Use of Managerial Power," *Personnel* (March–April 1983), 37–44.
- 9 Erle Norton, "Chairman of AK Steel Tries to Shake Off Tag of 'Operating Man,'" *The Wall Street Journal*, November 25, 1994, A1, A5.
- 10 Yukl and Taber, "The Effective Use of Managerial Power."
- 11 Mark Maremont, "Bill Gates' Vision," *Business Week*, June 27, 1994, 56–62.
- 12 Patricia Sellers, "When Tragedy Forces Change," *Fortune*, January 10, 1994, 114.
- 13 Thomas A. Stewart, "New Ways to Exercise Power," *Fortune*, November 6, 1989, 52–64; and Thomas A. Stewart, "CEOs See Clout Shifting," *Fortune*, November 6, 1989, 66.

- 14 Peter Elstrom, "Casey Cowell's Modem Operandi," *Business Week*, November 11, 1996, 104, 107.
- 15 G. A. Yukl, *Leadership in Organizations* (Englewood Cliffs, N.J.: Prentice-Hall, 1981); and S. C. Kohs and K. W. Irle, "Propheying Army Promotion," *Journal of Applied Psychology* 4 (1920), 73–87.
- 16 R. Albanese and D. D. Van Fleet, *Organizational Behavior: A Managerial Viewpoint* (Hinsdale, Ill.: The Dryden Press, 1983).
- 17 Doron P. Levin, "Joe Montana, Case Study in Leadership Excellence," *The Tennessean*, January 23, 1994, 3E.
- 18 K. Lewin, "Field Theory and Experiment in Social Psychology: Concepts and Methods," *American Journal of Sociology* 44 (1939), 868–896; K. Lewin and R. Lippitt, "An Experimental Approach to the Study of Autocracy and Democracy: A Preliminary Note," *Sociometry* 1 (1938), 292–300; and K. Lewin, R. Lippitt, and R. K. White, "Patterns of Aggressive Behavior in Experimentally Created Social Climates," *Journal of Social Psychology* 10 (1939), 271–301.
- 19 R. K. White and R. Lippitt, *Autocracy and Democracy: An Experimental Inquiry* (New York: Harper, 1960).
- 20 R. Tannenbaum and W. H. Schmidt, "How to Choose a Leadership Pattern," *Harvard Business Review* 36 (1958), 95–101.
- 21 F. A. Heller and G. A. Yukl, "Participation, Managerial Decision Making and Situational Variables," *Organizational Behavior and Human Performance* 4 (1969), 227–241.
- 22 Patricia O'Toole, "How Do You Build a \$44 Million Company? By Saying 'Please,'" *Working Woman* (April 1990) 88–92.
- 23 C. A. Schriesheim and B. J. Bird, "Contributions of the Ohio State Studies to the Field of Leadership," *Journal of Management* 5 (1979), 135–145; and C. L. Shartle, "Early Years of the Ohio State University Leadership Studies," *Journal of Management* 5 (1979), 126–134.
- 24 P. C. Nystrom, "Managers and the High-High Leader Myth," *Academy of Management Journal* 21 (1978), 325–331; and L. L. Larson, J. G. Hunt, and Richard N. Osborn, "The Great High-High Leader Behavior Myth: A Lesson from Occam's Razor," *Academy of Management Journal* 19 (1976), 628–641.
- 25 R. Likert, "From Production- and Employee-Centeredness to Systems 1–4," *Journal of Management* 5 (1979), 147–156.
- 26 Robert R. Blake and Jane S. Mouton, *The Managerial Grid III* (Houston: Gulf, 1985).
- 27 Brian Dumaine, "The New Non-Manager Managers," *Fortune*, February 22, 1993, 80–84; and Allen R. Myerson, "West Pointer Commands Tenneco," *The New York Times*, May 15, 1994, F4.
- 28 Fred E. Fiedler, "Assumed Similarity Measures as Predictors of Team Effectiveness," *Journal of Abnormal and Social Psychology* 49 (1954), 381–388; F. E. Fiedler, *Leader Attitudes and Group Effectiveness* (Urbana, Ill.: University of Illinois Press, 1958); and F. E. Fiedler, *A Theory of Leadership Effectiveness* (New York: McGraw-Hill, 1967).
- 29 Fred E. Fiedler and M. M. Chemers, *Leadership and Effective Management* (Glenview, Ill.: Scott, Foresman, 1974).
- 30 Alessandra Bianchi, "Mission Improbable," *Inc.* (September 1996) 69–75.
- 31 R. Singh, "Leadership Style and Reward Allocation: Does Least Preferred Co-worker Scale Measure Tasks and Relation Orientation?" *Organizational Behavior and Human Performance* 27 (1983), 178–197; and D. Hosking, "A Critical Evaluation of Fiedler's Contingency Hypotheses," *Progress in Applied Psychology* 1 (1981), 103–154.
- 32 Paul Hersey and Kenneth H. Blanchard, *Management of Organizational Behavior: Utilizing Human Resources*, 4th ed. (Englewood Cliffs, N.J.: Prentice-Hall, 1982).
- 33 Jonathon Kaufman, "A McDonald's Owner Becomes a Role Model for Black Teenagers," *The Wall Street Journal*, August 23, 1995, A1, A6.
- 34 M. G. Evans, "The Effects of Supervisory Behavior on the Path–Goal Relationship," *Organizational Behavior and Human Performance* 5 (1970), 277–298; M. G. Evans, "Leadership and Motivation: A Core Concept," *Academy of Management Journal* 13 (1970), 91–102; and B. S. Georgopoulos, G. M. Mahoney, and N. W. Jones, "A Path–Goal Approach to Productivity," *Journal of Applied Psychology* 41 (1957), 345–353.
- 35 Robert J. House, "A Path–Goal Theory of Leader Effectiveness," *Administrative Science Quarterly* 16 (1971), 321–338.
- 36 M. G. Evans, "Leadership," in *Organizational Behavior*, ed. S. Kerr (Columbus, Ohio: Grid, 1974), 230–233.
- 37 Robert J. House and Terrence R. Mitchell, "Path–Goal Theory of Leadership," *Journal of Contemporary Business* (autumn 1974), 81–97.
- 38 Sharon Nelton, "Men, Women, & Leadership," *Nation's Business* (May 1991) 16–22.
- 39 Charles Greene, "Questions of Causation in the Path–Goal Theory of Leadership," *Academy of Management Journal* 22 (March 1979), 22–41; and C. A. Schriesheim and Mary Ann von Glinow, "The Path–Goal Theory of Leadership: A Theoretical and Empirical Analysis," *Academy of Management Journal* 20 (1977), 398–405.
- 40 S. Kerr and J. M. Jermier, "Substitutes for Leadership: Their Meaning and Measurement," *Organizational Behavior and Human Performance* 22 (1978), 375–403; and Jon P. Howell and Peter W. Dorfman, "Leadership and Substitutes for Leadership among Professional and Nonprofessional Workers," *Journal of Applied Behavioral Science* 22 (1986), 29–46.
- 41 The terms *transactional* and *transformational* come from James M. Burns, *Leadership* (New York: Harper & Row, 1978); and Bernard M. Bass, "Leadership: Good, Better, Best," *Organizational Dynamics* 13 (winter 1985), 26–40.
- 42 Jay A. Conger and Rabindra N. Kanungo, "Toward a Behavioral Theory of Charismatic Leadership in Organizational Settings," *Academy of Management Review* 12 (1987), 637–647; Walter Kiechel III, "A Hard Look at Executive Vision," *Fortune*, October 23, 1989, 207–211; and Allan Cox, "Focus on Teamwork, Vision, and Values," *The New York Times*, February 26, 1989, F3.
- 43 Robert J. House, "Research Contrasting the Behavior and Effects of Reputed Charismatic vs. Reputed Non-Charismatic Leaders" (paper presented as part of a symposium, "Charismatic Leadership: Theory and Evidence," Academy of Management, San Diego, 1985).
- 44 John P. Kotter, "What Leaders Really Do," *Harvard Business Review* (May–June 1990), 103–111.
- 45 Noel M. Tichy and David O. Ulrich, "The Leadership Challenge—A Call for the Transformational Leader," *Sloan Management Review* 26 (fall 1984), 59–68.
- 46 Richard L. Daft and Robert H. Lengel, *The Fourth Way: A New Leadership Covenant to Unshackle Your Organization* (Berrett-Koehler, 1998).
- 47 Judy Rosener, "Ways Women Lead," *Harvard Business Review* (November–December 1990), 119–125; and Nelton, "Men, Women, & Leadership."

- 48 Dawn Hill, "Women Leaders Doing It Their Way," *New Woman* (January 1994) 78.
- 49 M. Fine, F. Johnson, and M. S. Ryan, "Cultural Diversity in the Workforce," *Public Personnel Management* 19 (1990), 305–319; and Hill, "Women Leaders Doing It Their Way."
- 50 Daft and Lengel, *The Fourth Way*.
- 51 Peter M. Senge, "The Leader's New Work: Building Learning Organizations," *Sloan Management Review* 32, no. 1 (fall 1990), 12–13.
- 52 Bill Saporito, "And the Winner Is Still . . . Wal-Mart," *Fortune*, May 2, 1994, 62–70.
- 53 Silverman, "A Moving Experience."