

# Module 7

## Leadership

### Introduction

Some people argue that leadership skills are of paramount importance in an organisation; leaders help to establish vision, shape effective strategy, and motivate employees to fulfil corporate goals. Others argue that leadership does not play as critical a role, given the parameters and constraints within which leaders must lead. In this module you are going to study leadership in detail.

Leadership considers various characteristics of leadership: traditional theories of leadership as well as the role of leadership in sharing a vision and fostering a work environment that facilitates the realisation of planned objectives. In addition, we will examine various types of leadership opportunities across a number of different levels and functional areas within the organisation.

Upon completion of this module you will be able to:

- *define* leadership.
- *discuss* the evolution of three leadership theories.
- *identify* and *explain* the characteristics of transactional versus transformational leadership.
- *argue* for and against leadership associating with culture.
- *identify* and *elaborate* on current leadership issues.



#### Outcomes

## Terminology



#### Terminology

#### Behavioural Theory of Leadership:

The behavioural theory of leadership considers two primary dimensions upon which managers behave: consideration and initiating structure. A leader who demonstrates high consideration is particularly sensitive to people's feelings, and places priority on an environment of trust and respect. This leader is concerned for employees' well-being, satisfaction and comfort. A leader that demonstrates a high initiating structure is more focussed on defining specific task requirements and clarification of work agendas.

Contingency Theory Contingency Theory of Leadership argues that



of Leadership:	group effectiveness is dependent on an appropriate match between the leader's style (a trait measure) and the demand of the situation. Success depends upon a proper match between a leader's style and the degree to which the situation gives control to a leader.
Leadership:	Leadership is the process by which a person exerts influence over others, and inspires, motivates, and directs their activities to help achieve group or organisational goals.
Situational Leadership Theory:	A leadership contingency theory that focuses on follower's ability and motivation as situational factors affecting leadership.

## Leadership defined

Leadership is the process by which a person exerts influence over others, and inspires, motivates, and directs their activities to help achieve group or organisational goals. A leader is faced with many challenges, particularly in complex, rapidly changing environments. They must create and sustain an environment that increases an organisation's ability to manage and overcome ongoing challenges. This means more than just sustaining a competitive advantage and strengthening profitability; it also means establishing ethical standards, ensuring that the organisation is fostering a safe and equitable work environment, as well as attending to its civic responsibilities. How is one able to successfully motivate members of an organisation to take ownership of corporate goals and objectives? There is a vast amount of literature on this topic (more than 10,000 studies, using numerous approaches), and we will examine this question in the following sections. The theories of leadership that will be examined include trait, behavioural, and situational or contingency theories. In addition, we will compare transactional and transformational leadership, discuss the influence of culture on leadership, and finally focus on leadership issues in today's organisations.

## Theories of leadership

### Trait theory of leadership

There are some leaders that fascinate observers because of the enormous influence they have had: Martin Luther King, Jr.; Winston Churchill; Mahatma Gandhi; Nelson Mandela. What made these leaders so influential? It has been suggested that these types of leaders possess a unique set of traits that others do not have. Trait theory argues that leaders have certain personality, social and physical characteristics, known as traits, that influence whether the person acts as a leader. It was first introduced in the 1940s, and originally proposed that individuals were born to be leaders. Tests that measured intelligence, initiative, persistence, self-confidence, and alertness to others' needs indicated that people were born with these traits. There have been hundreds of studies

conducted that indicate that there is a relationship between specific personal characteristics and effective leadership (see **Table 7.1**).

It is also important to note that some very effective leaders do not possess all of these traits. In addition, some ineffective leaders do demonstrate these traits. The research demonstrated that there was no specific set of traits that always resulted in effective leadership. This inconsistency prompted researchers to seek out alternative explanations for effective leadership. The research indicated that we could not rely exclusively on traits as a basis for selecting leaders, and so attention was directed to behaviours and situations, in an effort to determine their influence on leadership. Perhaps there would be some relationship between how members in organisations behave and their success as leaders.

TRAIT	Leadership Feature
Intelligence	Helps managers understand complex issues and solve problems
Knowledge and expertise	Helps managers make good decisions and discover ways to increase efficiency and effectiveness
Dominance	Helps managers influence their subordinates to achieve organisational goals
Self-confidence	Contributes to managers' effectively influencing subordinates and persisting when faced with obstacles or difficulties
High energy	Helps managers deal with the many demands they face
Tolerance for stress	Helps managers deal with uncertainty and the making of difficult decisions
Integrity and honesty	Helps managers behave ethically and earn their subordinates' trust and confidence
Maturity	Helps managers avoid acting selfishly, control their feelings, and admit when they have made a mistake

**Table 7.1: Traits and personal characteristics related to effective leadership**

## Behavioural theories of leadership

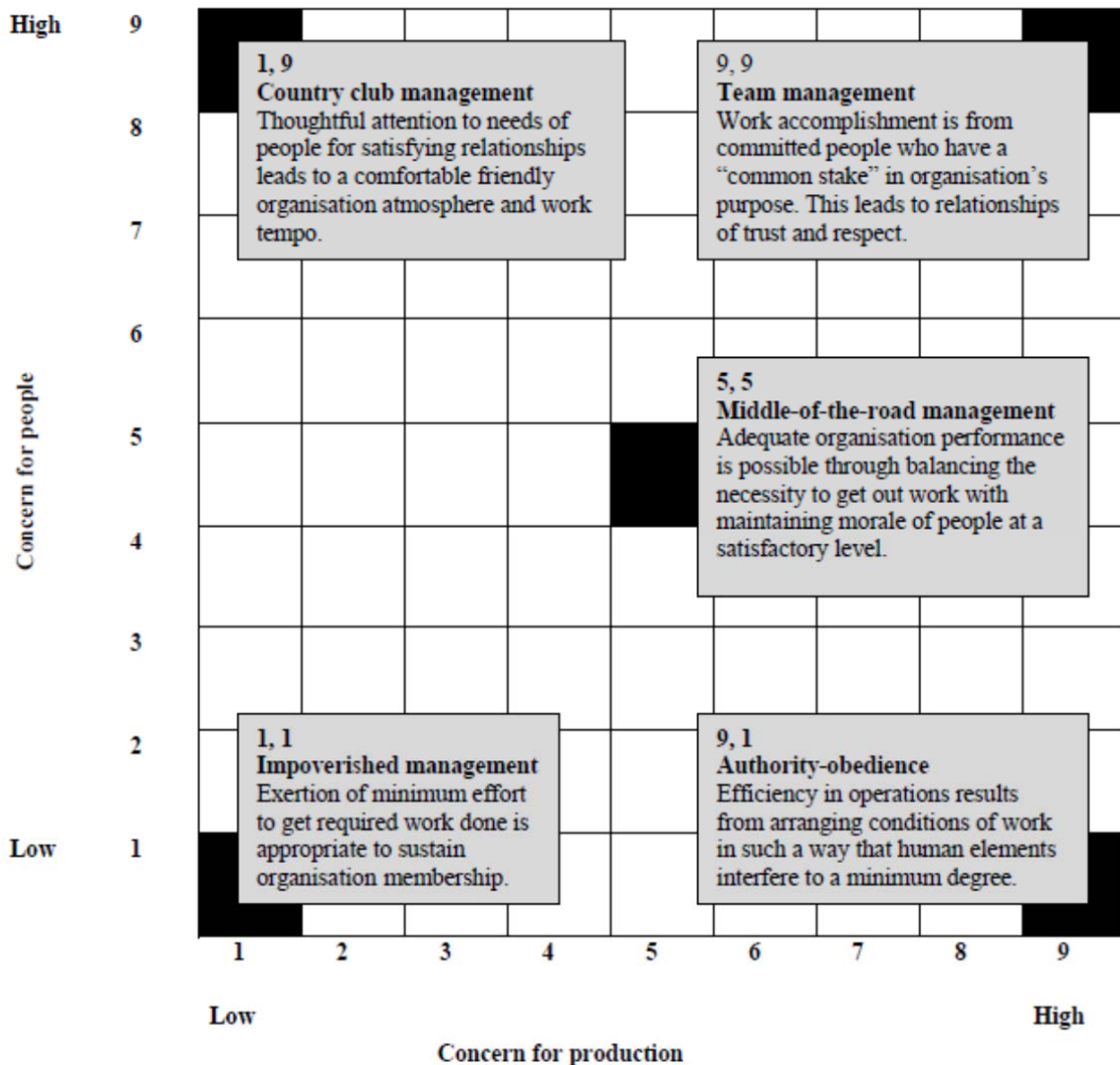
Three well-documented behavioural theories of leadership are discussed in this section: the Ohio University studies, conducted in the 1940s; the University of Michigan studies that emerged in the same decade; and Blake and Mouton's Managerial Grid, where behavioural definitions from the Ohio and Michigan studies are reflected.

Each of these three models considers two primary dimensions upon which managers behave. These two dimensions are known in the Ohio State studies as **consideration and initiating structure**. A leader who demonstrates high consideration is particularly sensitive to people's feelings, and places priority on an environment of trust and respect. This leader is concerned for employees' well-being, satisfaction and comfort.



A leader who demonstrates a high initiating structure is more focussed on defining specific task requirements and clarification of work agendas.

It was first believed in the Ohio State studies that leaders who demonstrated high consideration would be more effective in achieving subordinate satisfaction. Yet findings of these studies indicate that effective leaders need to be high on both dimensions.



**Figure 7.1: Blake and Mouton's Managerial Grid**

Source: Reprinted from Blake, Mouton, Barnes & Greiner (1964, November-December).

The Michigan studies also focussed on two dimensions: employee-oriented and production-oriented. Employee-oriented leaders place importance on personal relations and try to ensure that allowance is made

for subordinates' distinctions and individual needs. Production-oriented leaders like the leaders demonstrating initiating structure (in Ohio State studies) focus on tasks and technical aspects of work.

Blake and Mouton proposed a managerial grid that is based on the two dimensions from the studies above. The Managerial Grid shown in **Figure 7.1** established that there are potentially 81 different positions for leadership style (nine possible positions along each axis). Managers who performed under a 9, 9 (team management style), were more effective than managers with a 9, 1 (authority-obedience) or a 1, 9 (country-club style). The Blake and Mouton Grid, as well as the other two studies, indicates that inconsistent results might necessitate further pursuance of additional variables when developing leadership models. Therefore, in the 1960s researchers began to consider the role of situational factors that influenced a leader's ability to perform effectively.

## Situational or contingency theories of leadership

Leaders might display appropriate traits and behaviours, yet remain ineffective leaders. It has been suggested that this might be due to the wide variety of situations or circumstances under which leaders must perform. A CEO of a large investment bank might not be an effective leader in a non-profit organisation. Similarly, leaders must demonstrate appropriate behaviour when managing subordinates as well as reporting to superiors (a board of directors for example). Leaders face pressures from various levels within the organisation to adjust leadership style. As a result, the environment in which leaders must perform influences their behaviour and effectiveness. In this section, we will consider two situational or contingency theories of leadership: Fiedler's Contingency Model, and Hersey and Blanchard's Situation Theory.

### Fiedler's Leadership Contingency Theory

In the 1960s, Fred Fiedler established a theory that argued that group effectiveness is dependent on an appropriate match between the leader's style (a trait measure) and the demand of the situation. Success depends upon a proper match between a leader's style and the degree to which the situation gives control to a leader. Fiedler used an instrument known as the **least-preferred co-worker (LPC)** questionnaire, in an effort to determine whether employees were more interested in personal relations with co-workers (relationship-oriented) or productivity (task-oriented).

Respondents were asked to describe the person with whom they were able to work least well. This was determined to be their least preferred co-worker. They were given a scale, and were asked to check a number that represented their feelings about their co-workers, based on a number of adjectives (see example below).



Friendly    \_\_\_    \_\_\_    \_\_\_    \_\_\_    \_\_\_    \_\_\_    \_\_\_    \_\_\_    Unfriendly

                  1    2    3    4    5    6    7    8

Pleasant    \_\_\_    \_\_\_    \_\_\_    \_\_\_    \_\_\_    \_\_\_    \_\_\_    \_\_\_    Unpleasant

                  1    2    3    4    5    6    7    8

Fiedler suggested that leaders demonstrating a high LPC (those leaders that described their least preferred co-worker positively) had a relationship-motivated style. Alternatively, low LPC leaders are more task-oriented. He argued that managers tend to maintain their leadership style; they are not able to adopt different styles in different situations.

Fiedler identified three situational characteristics that help to determine how favourable a situation is for leading:

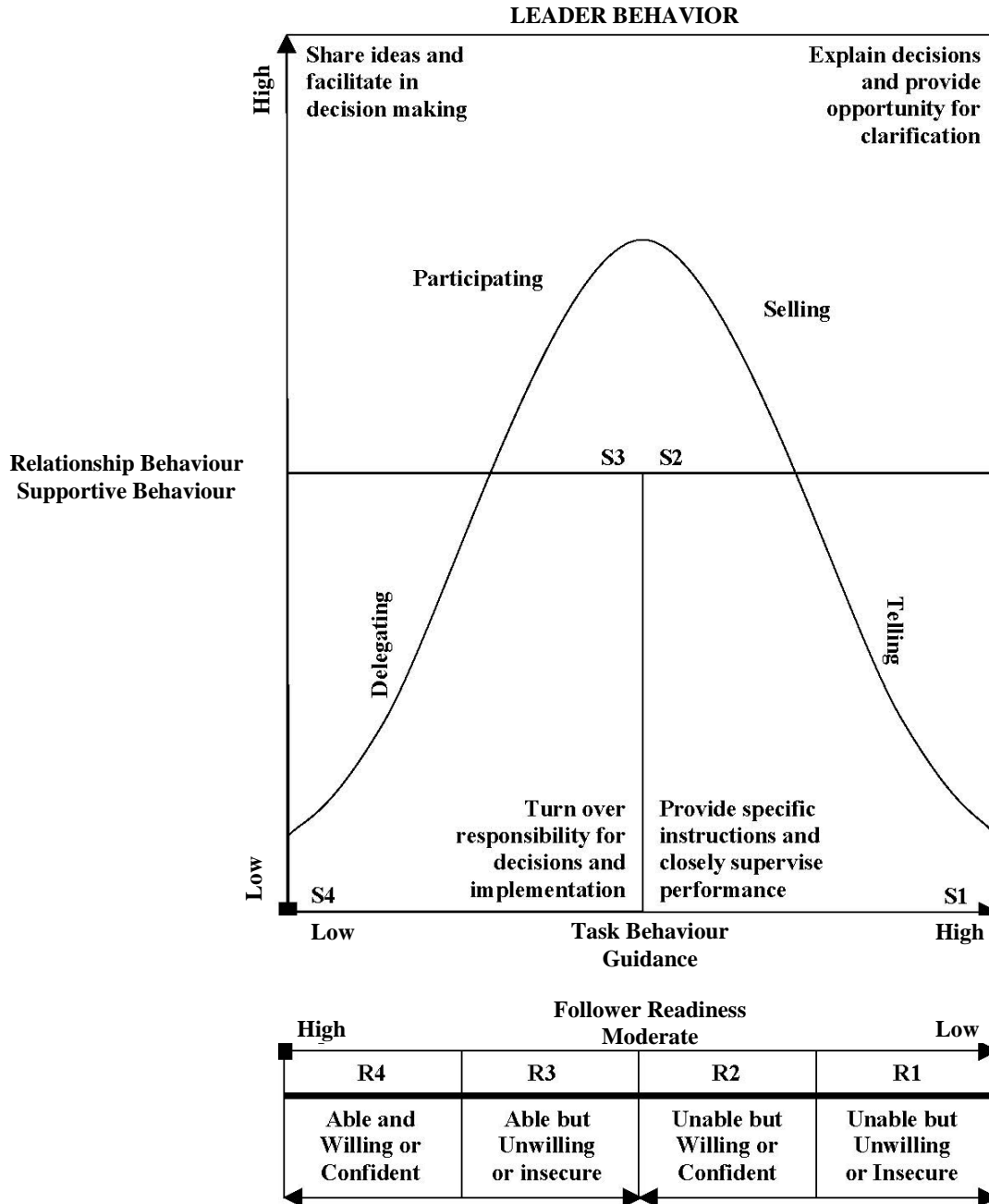
1. **Leader-member relations** represent the extent to which members in the organisation trust, and are loyal to their leaders. Logically, strong leader-member relationship leaders are favoured.
2. **Task structure** is the degree to which the job assignments are clearly communicated so that members know specifically what needs to be accomplished. Situations that are favourable for leading exist when task structure is high. Again, one might draw this conclusion, because where task structure is low, employees are unclear and unsure about what they should be doing and how work should be conducted.
3. In addition to the level of trust and loyalty employees feel towards their leaders as well as the clarity of the task structure, a situation can be made favourable when the leader has acquired **position power**. Position power is the amount of influence a leader has by virtue of his or her position, and leadership situations tend to be more favourable when position power is strong.

Since Fiedler premised his argument on the assumption that leaders cannot change their behaviour, he argued that managers need to be placed in leadership situations that are consistent with their style. Alternatively, a situation would need to be changed to suit the leader. A number of leadership studies have supported Fiedler's model, yet it has been argued that it is not without flaws. Some have argued against the premise that leaders cannot adjust their style.

### Hersey and Blanchard's Situational Theory

Paul Hersey and Ken Blanchard introduced the Situational Leadership Theory (SLT), and this model has been incorporated into hundreds of leadership training programmes in organisations. This model also argues that there is no one best way to lead. This model compares the leader-follower relationship to a parent and child relationship. Similar to a parent-child relationship where children are given more control as they mature, it is argued in this model that leaders should also do this with

employees. Specifically, the theory suggests that it is the responsibility of the leader to select a behaviour that will match a follower's ability and motivation.



**Figure 7.2 Hersey and Blanchard's Situational Leadership Theory**

Source: Hersey & Blanchard (1988)



If the follower is unable or unwilling to perform a task, then it is the leader's responsibility to provide very specific instructions and be highly directive.

Specifically, Hersey and Blanchard identified four leadership styles:

1. **Telling style:** is most appropriate for low follower readiness, where employees are unable and unwilling to take responsibility themselves.
2. **Selling style:** is most appropriate for employees who are unable but willing to take responsibility. These followers have low to moderate readiness. Here, leaders combine a directive approach with an explanation as well as reinforcement to foster commitment.
3. **Participating style:** is most appropriate for moderate to high follower readiness. These employees are able but unwilling followers. As a result, leaders solicit their opinions and allow them to participate in decision-making.
4. **Delegating style:** is most appropriate for high readiness. These employees require very little in terms of support and direction or clarification for work. As a result, these employees tend to have a high degree of autonomy.

This model suggests that the leader must determine the level of readiness among followers: based on that determination, he or she must then choose a response that is most consistent with that behaviour. **Figure 7.2** demonstrates the matches for appropriate leadership style.

## Transactional versus transformational leadership

The leadership theories discussed above focus primarily on what is known as transactional leadership. Transactional leadership is based on leader-follower exchanges; subordinates perform their jobs and the leader rewards and recognises their efforts. The primary objective is to ensure that subordinate behaviour is consistent with overall organisational goals. There are four dimensions of transactional leadership:

1. **Contingent rewards:** leaders provide a variety of rewards in exchange for mutually agreed upon goal accomplishment.
2. **Active management by exception:** leaders take corrective action for any deviation from rules and standards.
3. **Passive management by exception:** leaders intervene only in circumstances where standards are not met.
4. **Laissez-faire:** leaders sometimes abdicate responsibilities and avoid decisions.

Transformational leadership is quite distinct from transactional leadership. Transformational leaders are able to alter the beliefs and attitudes of followers and inspire them to subordinate their own interests for the good of the organisation. Mahatma Gandhi, Martin Luther King Jr., Jack Welch (CEO of GE), Steven Jobs (CEO of Apple), Richard



Branson (of the Virgin Group) are some leaders that have been described as transformational. These leaders are able to facilitate new understandings by increasing or altering awareness of issues. This results in excited and inspired followers who are willing to put forth exceptional efforts to achieve specific goals.

Transformational leaders have four dimensions:

1. **Charisma:** the leader provides a clear vision and articulate mission, instils pride, and gains respect and trust.
2. **Communication:** communicates high expectations using symbols to direct efforts and expresses important purposes in simple ways.
3. **Intellectual stimulation:** promotes intelligence, rationality and careful problem solving.
4. **Individualised consideration:** the leader coaches and advises each employee based on his or her individual needs.

Some literature has identified charismatic leadership as being distinct from transformational leadership. However, it has been argued that the two can be used interchangeably. Conger and Kanungo (1998) argue that charismatic leaders “critically examine the status quo with a view to developing and articulating future strategic goals or vision for the organisation, and then leading organisational members to achieve these goals through empowering strategies”. They identify five key characteristics of charismatic leaders:

1. **Vision and articulation:** the leader has a vision expressed as an articulate goal. This goal suggests a future that is better than the status quo. The leaders are able to clarify the vision in a way that resonates with others.
2. **Personal risk:** charismatic leaders are willing to take on high personal risks and incur high costs and engage in self-sacrifice to achieve the vision.
3. **Environmental sensitivity:** charismatic leaders make realistic assessments of the environment and its constraints; are also able to identify needed resources to effect change.
4. **Sensitivity to follower needs:** they are perceptive of others’ abilities and are responsive to their needs and feelings.
5. **Unconventional behaviour:** they engage in behaviours that are perceived to be novel and counter to norms.

With regards to female leadership and how it differs from that of male, several argue that women prefer an “interactive” style, shaped by their experiences and are inclined to manage in a collaborative instead of top-down manner. Female managers are more capable than male managers of showing “feminine leadership,” which is needed by organisations more than ever in today’s business environment. It would be timely to study the different qualitative criteria that women bring to organisations, the practice and understanding of women’s leadership that affect change in



their respective organisations. When women are engaged in leading activities that will influence followers to be more accountable and decisive, they are regarded as committed to creating changes that will gradually or radically alter existing practices and processes. The idea of transformational leadership is about introducing new strategies and outcomes, wherever that leader operates, whether this is at the local, national, regional and global levels.

## Leadership and culture

In a cross-cultural context, leadership means many different things. In fact, the term leader is not even used in many cultures. The term used in Japanese, Chinese and Korean, for example, would mean coach in English. Germans avoid using the word for leader (Führer) because of its association with Hitler. Another cross-cultural distinction is the multiplicity of definitions and meanings for leaders. In the United States leadership roles and responsibilities are distinguished by titles such as vice-president, executive vice-president, senior vice-president, etc. These titles are not recognised across all cultures.

Labour relations differ throughout the world. In European countries, for example, labour relations are political and based on social class distinctions between workers and management or ownership. In addition, the government plays a more active role in regulating labour. Unions also have a higher degree of acceptance in Europe than they do in the United States. In Japan, labour relations are also distinct, in that most firms organise and control a union. Japanese unions tend to be very responsible in negotiations, and strikes are very rare.

In cross-cultural contexts, effective leadership becomes a challenge: leaders have a choice of either imposing their own styles on subordinates, or adapting leadership style to the expectations of that culture. Sometimes this is a difficult decision, and where cultural differences are extensive, it may be most effective to use indigenous managers, rather than those from corporate headquarters.

It is important to remember that most leadership theories were developed in the United States, and used American subjects. Therefore follower responsibilities are highlighted as are democratic values. In addition, the theories stress rationality rather than spirituality, religion or superstition. It is incumbent on you as managers to be aware of probable distinctions in leadership style and effectiveness across cultures.

## Current leadership issues

The work environment is now characterised by cross-function teams, the influence of globalisation, telecommuting, home-offices and multi-culturalism, and other emergent changes. How do these issues affect leadership? A number of areas merit attention:

## Emotional intelligence and leadership

Leaders must have enough knowledge and basic intelligence to perform their duties. Yet recent studies indicate that emotional intelligence is more important than any other single factor, and is the best predictor of who will become a leader. Emotional intelligence is made up of capability, non-cognitive skills and competencies that determine one's ability to manage environmental demands and pressures. There are five primary dimensions to emotional intelligence:

1. **Awareness:** this is exhibited by self-confidence, realistic self-assessment, and a self-deprecating sense of humour.
2. **Management:** the ability to manage one's emotions and impulses. This is exhibited by trustworthiness and integrity, a tolerance for ambiguity and willingness to change.
3. **Self-motivation:** the ability to persist through setbacks and barriers. It is exhibited by a strong ambition, optimism and high organisational commitment.
4. **Empathy:** the ability to sense how others are feeling. This is exhibited by expertise in building and retaining talent, cross-cultural sensitivity and service to clients and customers.
5. **Social skills:** the ability to handle the emotions of others. This is exhibited by persuasiveness and expertise in building and leading groups and teams.

Research has shown that emotional intelligence is positively related to job performance at multiple levels throughout the organisation. It is also required in jobs that demand a high degree of social interaction; a significant component of a leader's job. The research provides empirical support for a relationship between leadership effectiveness and emotional intelligence. As such, it might be considered a necessary leadership trait.

## Leading from a distance

Globalisation, virtual organisations, mergers, telecommuting and other changes have necessitated long-distance leading; personal interaction under some circumstances is not possible. It has been argued that physical distance often impairs high quality relationships between managers and employees.

It appears that effective long distance leaders display many of the dimensions that characterise transformational or charismatic leadership: they articulate a compelling vision and communicate the vision in a way that resonates with followers. There are indications that this communication does not need to be done in person, as long as it is done effectively.

## Module summary



### Summary

Leadership is the process of influencing others to facilitate the achievement of organisational goals. The approaches to leadership discussed in this module helps to explain how leaders influence their followers and why, and under what conditions leaders may be effective or ineffective. A trait approach to leadership focuses on identifying the intellectual, emotional, physical or other personal traits of effective leaders. Traits that have been identified included intelligence, knowledge, dominance, self-confidence, high energy, tolerance for stress, integrity and maturity. Possessing these traits does not guarantee that a leader will be effective nor does the failure to have one or more of these traits mean that a leader will be ineffective. Behaviour approaches to leadership focus on the behaviour of the leader. There are three well-documented behavioural leadership theories discussed in this section: the Ohio University studies, the University of Michigan studies; and Blake and Mouton's Managerial Grid. Situational approaches emphasise the importance of considering the nature of the environment (or situation) in which leadership is exercised. Two important situational theories of leadership are Fielder's Contingency Model and Hersey and Blanchard's Situational Theory. You also learned the difference between charismatic, transactional, and transformational leadership approaches in this module. Charismatic leaders are able to attract and influence followers; whereas transformational leaders are able to influence others by using charisma, communication, intellectual capacity and paying attention to followers. The transactional leader is based on leader-member exchanges where subordinates perform their jobs and the leader rewards and recognises their efforts. Psychologists have identified another kind of ability that is less concerned with cognitive or physical capabilities as with emotional capabilities. Studies indicate that emotional intelligence is more important than any other single factor, and is the best predictor of who will become a leader.

## Case study 7.1



### Case study

#### Progressive

Peter Lewis's Progressive, a USD4.6 billion revenue car insurance maverick is built around speed, service, and software. He is pushing for claim inspections in nine hours or less and settlements within seven days. With this goal, he has not only built an increasingly prosperous and fast-growing company, but may also transform the struggling, slow-moving auto insurance industry. All this is done with rapid, on-the-spot claims inspections (and sometimes settlements), 24 hours a day, seven days a week, using two-way radios, laptop computers with custom-designed intelligent software, rapid-moving omnipresent sports utility vehicle, and the power to make on-the-spot-decisions. Indeed, Progressive prides itself on settling claims before other companies even know an accident has occurred. All these activities take place with a maze of terminals operated by informally dressed claims representatives who interview customers involved in accidents, enter data into the mainframe computer and initiate an immediate response – all in just minutes. Progressive also uses unconventional approaches in selling its insurance, where it shares with customers information about exact pricing not only on its policies, but on the identical policy from competitors.

Progressive employees describe both the firm and Peter Lewis as “intense”, “aggressive”, and “unconventional”. He also has been described as 65 going on 24 and has been Progressive's CEO for the past 33 years. Says Lewis: “We're not in the business of auto insurance. We're in the business of reducing the human trauma and economic costs of automobile accidents – in effective and profitable ways that delight customers.”

Some people argue that leadership skills are of paramount importance in an organisation; leaders help to establish vision, shape effective strategy, and motivate employees to fulfil corporate goals. Others argue that leadership does not play as critical a role, given the parameters and constraints within which leaders must lead.

#### Case Study Questions

After reading the above case, think of two leaders whom you had occasion to observe or read about. If you have not observed a leader in a work setting, choose leaders from clubs, teams, neighbourhoods, and so on.



Leader 1 (Initials) \_\_\_\_\_

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Leader 2 (Initials) \_\_\_\_\_

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Now write down the ways these leaders behave differently from each other. Be specific. For example, if one leader strikes you as being a better communicator than the other, don't stop with 'M.G. communicates well; B.D. communicates poorly,' Write down the specific behaviour that is different. For example; 'M.G. makes expectations clear; B.D. doesn't explain what she wants us to do.'

Return to the list of behaviours or characteristics you generated for Leader 2. Rank these characteristics according to how important they are in terms of a leader's effectiveness. The most important characteristics should be number one, the second most important should be number two and so on.

**Questions**

1. What are your own strengths as a leader?
2. How would you rate yourself on the characteristics you previously identified?
3. Is there anything you could improve that would make you a better leader?

Source: Adapted from Osland, Kolb & Rubin (2001).

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## Case study 7.2



### Case study

#### **Incident on the USS Whitney (Optional Submission)**

Please read case study 7.2, 'Incident on the USS Whitney' given in the case study handbook of your study material and analyse it, using the written case format provided in the handbook. Your paper should be no longer than eight pages.



## Self-assessment



### Assessment

#### Are you a charismatic leader?

*Instructions:* The following statements refer to the possible ways you might behave toward others when you are in a leadership role. Please read each statement carefully and decide to what extent it applies to you. Then circle the appropriate number.

- To little or no extent            1  
 To a slight extent                2  
 To a moderate extent            3  
 To a considerable extent        4  
 To a very great extent          5

#### You.....

1	Pay close attention to what others say when they are talking	1	2	3	4	5
2	Communicate clearly	1	2	3	4	5
3	Are trustworthy	1	2	3	4	5
4	Care about other people	1	2	3	4	5
5	Do not put excessive energy in avoiding failure	1	2	3	4	5
6	Make the work of others more meaningful	1	2	3	4	5
7	Seem to focus on the key issues in a situation	1	2	3	4	5
8	Get across your meaning effectively, often in unusual ways	1	2	3	4	5
9	Can be relied upon to follow through on commitments	1	2	3	4	5
10	Have a great deal of self-respect	1	2	3	4	5
11	Enjoy taking carefully calculated risks	1	2	3	4	5
12	Help others feel more competent in what they do	1	2	3	4	5
13	Have a clear set of priorities	1	2	3	4	5
14	Are in touch with how others feel	1	2	3	4	5
15	Rarely change once you have taken a clear position	1	2	3	4	5
16	Focus on strengths, of yourself and others	1	2	3	4	5
17	Seem most alive when deeply involved in some project	1	2	3	4	5
18	Show others that they are all part of the same group	1	2	3	4	5
19	Get others to focus on the issues you see as important	1	2	3	4	5
20	Communicate feelings as well as ideas	1	2	3	4	5



21	Let others know where you stand	1	2	3	4	5
22	Seem to know just how you 'fit' into a group	1	2	3	4	5
23	Learn from mistakes, do not treat errors as disasters, but as learning	1	2	3	4	5
24	Are fun to be around	1	2	3	4	5

Source: Sashkin & Morris (1987)

**Scoring:** The questionnaire measures each of the six basic behaviour leader patterns, as well as a set of emotional responses. Each question is stated as a measure of the extent to which you engage in the behaviour, or elicit the feelings. The higher your overall score, the more you demonstrate charismatic leader behaviours. The indices outline a variety of traits associated with charismatic behaviour. For each index, add up the scores you gave to the relevant questions. Your score on each index can range from four to 20.

<b>Index 1:</b>	<b>Management of Attention</b> (1, 7, 13, 19). Your score _____. You pay especially close attention to people with whom you are communicating. You are also 'focused in' on the key issues under discussion and help others to see clearly these key points. They have clear ideas about the relative importance or priorities of different issues under discussion.
<b>Index 2:</b>	<b>Management of Meaning</b> (2, 8, 14, 20). Your score _____. This set of items centres on your communication skills, specifically your ability to get the meaning of a message across, even if this means devising some quite innovative approach.
<b>Index 3:</b>	<b>Management of Trust</b> (3, 9, 15, 21). Your score _____. The key factor is your perceived trustworthiness as shown by your willingness to follow through on promises, avoidance of 'flip-flop' shifts in position, and willingness to take a clear position.
<b>Index 4:</b>	<b>Management of Self</b> (4, 10, 16, 22). Your score _____. This index concerns your general attitudes toward yourself and others, that is, your overall concern for others and their feelings, as well as for 'taking care of feelings about yourself in a positive sense (e.g., self-regard).
<b>Index 5:</b>	<b>Management of Risk</b> (5, 11, 17, 23). Your score _____. Effective charismatic leaders are deeply involved in what they do, and do not spend excessive amounts of time or energy on plans to 'protect' themselves against failure. These leaders are willing to take risks, not on a hit-or-miss basis, but after careful estimation of the odds of success or failure.
<b>Index 6:</b>	<b>Management of Feelings</b> (6, 12, 18, 24). Your score _____. Charismatic leaders seem to consistently generate a set of feelings in others. Others feel that their work becomes more meaningful and that they are the 'masters' of the own behaviour; that is, they feel competent. They feel a sense of community, a 'we-ness' with their colleagues and their co-workers.

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## Assessment



### Assessment

1. Why does leadership play such an important role in organisations?
2. Distinguish between transactional and transformational leadership.
3. Do you believe that leadership skills can be learned, or are they innate? Why?
4. How would you distinguish managers and leaders?
5. Discuss the role of situational contingency approaches in leadership
6. How do you think today's new leadership compares with traditional leadership?

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