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Introduction: The Nature and Importance of Leadership

No man is a leader until his appointment is ratified in the minds and hearts of his men.

United States Infantry Journal, 1948

Overview

- Leadership has become a 'hot topic' with a burgeoning but fragmented literature in the past few years that draws on both the arts and the sciences. So far there is no agreed paradigm for the study and practice of leadership.
- Nevertheless the importance of leadership has long been recognized as crucial to both achievement and morale. Leadership is discussed in the contexts of politics, the public sector, business, the military and the arts.
- One fruitful approach to understanding leadership is to study followership: what followers expect of leaders and how leaders satisfy these expectations.
- Studies of the impact of leadership justify its vital importance. They include large-scale surveys, interviews and objective measures of leadership effectiveness.
- The concepts of management and leadership are defined, compared and contrasted. We manage things, but we lead people.
- The past emphasis on individual leadership is being superseded by an emphasis on shared and distributed leadership.
- There are similarities and differences in leadership across hierarchical levels in organizations. The collective leadership capacity and characteristics of an organization determine its 'leadership brand'.

We all experience leadership. From our early childhood in our families, through friendships, social, recreational and sports activities, school and higher education, to politics and government, and, of course, in our work, we all recognize leadership in other people and often in ourselves. Leadership has become a key issue in both the private and public sectors – a 'hot topic'. In government, global corporations and small businesses alike, the leadership role is becoming more demanding, more open to scrutiny and more difficult. David Collinson and Keith Grint (2005) point out that, while there is still 'little consensus on what counts as leadership, whether it can be

taught, or even how effective it might be', the recent plethora of publications of all kinds on leadership '[extols] the need for excellence in management and leadership ... in part fuelled by a breakdown in confidence in leadership'.

Yet according to corporate chief and former US presidential candidate Ross Perot, 'The principles of leadership are timeless because, in a rapidly changing world, human nature remains a constant' (Perot, 2000). And Lt-Gen. Edward Flanagan of the US Army said:

Leadership is a timeless subject; it has been described, discussed, dissected and analyzed by management experts (who sometimes confuse management and leadership) for centuries. (Fitton, 1997)

The burgeoning leadership literature ranges from highly cerebral academic research studies and scholarly treatises that few if any actual leaders read to idiosyncratic personal prescriptions of how to be an outstanding leader at the 'popular' end of the spectrum. Some of the contributions to the leadership literature are fictional and speculative:

[divining] the dubious leadership acumen of either long-dead military leaders [e.g. Attila the Hun] of questionable reputation or fictional characters [such as Winnie the Pooh and Captain Picard of *Star Trek*] in order to proffer it to the masses as pearls of wisdom. (Waclawski, 2001)

This is not necessarily to eschew the contribution of fictional literature to our understanding of leadership. Indeed the arts have a distinct contribution to make, as we will see later. And in fact the study of leadership parallels the study of history. Bernard M. Bass, a foremost scholar of leadership at the State University of New York at Binghamton, says:

The study of leadership rivals in age the emergence of civilization, which shaped its leaders as much as it was shaped by them. From its infancy, the study of history has been the study of leaders - what they did and why they did it. (Bass, 1990a: 3)

John Adair, the UK's first professor of leadership studies (at the University of Surrey), endorses the importance of history in leadership studies. 'The story begins,' he says, 'in ancient Athens, among the group that gathered around the philosopher of practical reason - Socrates' (Adair, 1989: 15). Socrates believed that effective leadership is situational (a contemporary theory which we will return to later) and that it depends on professional or technical competence. His pupil, Xenophon, extended the idea of technical competence to include several personal qualities and skills, such as the importance of giving direction, leading by example, sharing hardship and encouraging people.

The development of leadership theory also parallels the development of organizational theory (Gill et al., 1998). The bureaucratic form of organization is characterized by 'laissez-faire leadership' - whereby so-called leaders tend to avoid taking a stand, ignore problems, not follow up, and refrain from intervening - or transactional leadership, in which leaders practise management by exception, focusing only on deviations from what is required, and contingent reward, rewarding people (either materially or psychologically) for achieving what is required. The emergence of the post-bureaucratic form of organization in the late nineteenth century reflects the development of the

concept of transformational leadership. These concepts of leadership are discussed further in Chapter 3.

Morgan McCall and Michael Lombardo (1978) at the Center for Creative Leadership in the United States suggested that students and scholars of leadership, and perhaps leaders themselves, would have discovered three things in their studies of leadership:

- The number of unintegrated models, theories, prescriptions and conceptual schemes of leadership is mind boggling
- Much of the leadership literature is fragmentary, trivial, unrealistic or dull
- Research results are often characterized by contradictions and by the Type III error – solving the wrong problems precisely

In the same year James MacGregor Burns, the political scientist and biographer of several US presidents, concurred, 'Leadership is one of the most observed and least understood phenomena on earth' (Burns, 1978: 2). But his seminal book on leadership that year changed the course of history, at least the history of leadership theory. Burns distinguished between transactional leadership and transforming leadership, and he stimulated a huge amount of future research, by Bernard M. Bass and many others, that would transform not only our understanding of leadership but also the way we recognize and develop effective leaders.

By the early 1980s, before the first major empirical study of leadership based on Burns' ideas was published (by Bass), the field was still confusingly fragmented. According to Robert Quinn (1984: 227):

Despite the immense investment in the enterprise [of the study of leadership], researchers have become increasingly disenchanted with the field. The seemingly endless display of unconnected empirical investigations is bewildering as well as frustrating.

Henry Mintzberg in the early 1980s even said that leadership research was irrelevant to typical leadership practitioners (Mintzberg, 1982: 239–259). Warren Bennis and Bert Nanus (1985) suggested that each theory provides 'a sliver of insight but [remains] an incomplete and wholly inadequate exploration [of leadership]'. By 1993 leadership was still 'one of the most appealing and yet intractable subjects within management', according to Richard Whipp and Andrew Pettigrew (1993: 200) And Gary Yukl (1998: 493–494) described the field of leadership as having been:

in a state of ferment and confusion for decades... . The confused state of the field can be attributed in large to the sheer volume of publications, the disparity of approaches, the proliferation of confusing terms, [and] the narrow focus of most researchers... . As the old adage goes, it is difficult to see the forest for the trees.

Stephen Zaccaro and Richard Klimoski (2001) saw the state of the art in 2001 as still incomplete and confusing:

the various parts of...[the empirical and conceptual leadership] literature still appear disconnected and directionless. In our opinion, a major cause of the state of the field is that many studies of leadership are context free; that is, low consideration is given

to organizational variables that influence the nature and impact of leadership. Such research...tends to focus on interpersonal processes between individuals, nominally leaders and followers.

In Warren Bennis's view there is no agreed paradigm for leadership or framework for studying it:

Researchers have so far failed to come up with a widely accepted framework for thinking about leadership. There is no equivalent of *Competitive Strategy*, Michael Porter's 1980 classic, accorded near-biblical reverence by strategy experts... I don't think [leadership] is yet a 'field' in the pure sense. There are something like 276 definitions of leadership. You can't say that there is a paradigm, any agreed-upon set of factors, that is generally accepted. (London, 2002)

Gary Yukl agrees:

Sometimes different terms have been used to refer to the same type of behaviour. At other times, the same term has been defined differently by various theorists. What is treated as a general behaviour category by one theorist is viewed as two or three distinct categories by another theorist. What is a key concept in one taxonomy is absent from another. Different taxonomies have emerged from different research disciplines, and it is difficult to translate from one set of concepts to another. (Yukl, 2002: 61)

Warren Bennis observes: 'Leadership is what the French call a portmanteau field – a field with many different variables' (London, 2002).

Different scholars have focused on different aspects of leadership according to their personal interests, rather than building on one another's work and creating general theories or models. And while studies have tried to develop generic models of leadership they fail to account for differences throughout organizational levels (Zaccaro and Klimoski, 2001: 4), which we return to later in this chapter.

Bob Hamlin points out the inadequacies of the dominant quantitative methods in studying leadership: they are too narrow and result in behavioural descriptions that are 'sterile' because of the need for generalization (Hamlin, 2004). Hamlin bemoans the lack of use of qualitative methods, particularly for confirming the results from quantitative methods such as survey questionnaires. Ken Parry (1998) and Mats Alvesson (2002) call for more studies of leadership based on social constructionism and grounded theory – a trend that is growing.

Nevertheless, Jerry Hunt points out that the field of leadership research is vibrant and fertile (Hunt, 1999). Two-factor theories (e.g. task versus relationships, transactional versus transformational), which have dominated the field, need to be de-emphasized, he says, as they may conceal important underlying ideas about leadership. However, there has been a renewed interest in the fundamental task/relationship dichotomy (Judge, Piccolo, and Ilies, 2004).

Researchers have approached the study of leadership from different perspectives, namely the 'meta', 'macro' and 'micro' perspectives (Covey, 1992: 295):

- Meta leadership concerns vision and stewardship of what is entrusted to the leader
- Macro leadership concerns strategy, organization and processes
- Micro leadership concerns relationships, legitimate power and followership

The 'micro skills' of leadership, for example, have been the specific focus of the 'Bradford approach' to leadership development pioneered by Gerry Randell and his colleagues at the University of Bradford School of Management (Randell, 1998). Studies from the macro perspective that focus on strategic leadership within the context of the organization's environment do not provide a complete picture. Zaccaro and Klimoski (2001: 3) say they 'ignore the cognitive, interpersonal, and social richness of [the phenomenon of leadership]' and they fail to provide 'strong conceptual frameworks [with] significant empirical support'.

Another way of looking at leadership is to classify the theories or models that have emerged. Keith Grint (2000: 2–3) identifies three popular approaches that differ in their emphasis on the individual and the context. The differences in emphasis reflect how knowable and critical the individual and the context are. He labels high emphasis as 'essentialist' and low emphasis as 'non-essentialist'. These three approaches focus on:

- Leadership traits that determine effective leadership universally
- Leadership situations that call for different leadership styles and behaviour
- Contingency – alignment between the situation and the person

Grint also describes a fourth, more recent approach – the constitutive approach. This approach questions any posited objectivity in defining the context and the leadership required and emphasizes the 'interpretive' nature of doing so:

We may never know...the true essence of an identity, a leader, or a situation ... and must often base our actions and beliefs on the accounts of others from whom we can (re)constitute our version of events... . Leadership is an invention...[it] is primarily rooted in, and a product of, the imagination. (Grint, 2000: 10,13)

This, Grint suggests, makes leadership more of an art than a science in four ways:

- A philosophical art – inventing an identity and constructing a community of followers
- A fine art – like painting, drawing or sculpting, for leaders paint, draw or sculpt the future when they construct a strategic vision
- A martial art – using an opponent's strength to defeat him or her or neutralizing his or her efforts
- A performing art – a theatrical performance of rhetoric and negotiation

The study of leadership, however, draws on both the arts and the sciences. But, according to Lord Snow in the late 1950s:

the intellectual life of the whole of western society is increasingly being split into two polar groups... . Literary intellectuals at one pole – at the other scientists... . Between the two is a gulf of mutual incomprehension. (Snow, 1959: 3)

Leadership is a field in which there can be no 'gulf of mutual misunderstanding' between science and the arts if we are to have a truly full and useful understanding of this fascinating aspect of human behaviour. Charles Palus (1999) makes the point that both the arts and science are 'sensorily rich', personal (though replicable by others), based on enquiry, and experimental. Leadership is an art, he says, in terms of the

imitative or imaginative skills needed to 'achieve form, function and meaning'. An example is the skills with which effective leaders create understanding and arouse positive emotions through language and speech, which we discuss in Chapter 8.

Leadership is also a science in terms of the systematic cognitive processes and formulated knowledge that effective leaders use in the 'forming and testing of ideas'. An example is the systematic scanning of the environment, analysis and interpretation of the findings in relation to existing knowledge, and decision making about the strategy to be employed (which we discuss in Chapter 6).

The contribution of the arts to leadership theory is expressed beautifully in the brochure for the Hart Leadership Program, *Leadership in the Arts*, in which Duke University undergraduate students spend a semester in New York City:

From the timeless power of a Shakespeare soliloquy to the timeliness of a dance work about the events of 9/11, the arts have the power to interpret and amplify the world around us. For ethics, plays and operas offer special advantages, illuminating dilemmas of individual responsibility, problems of public choice, conflicts about moral rules, and questions of character – loyalty and betrayal, integrity, honor and vainglory, courage and cowardice.

The spirit of the Edinburgh International Festival in the UK is captured in its slogan: 'Engage the mind, touch the heart, feed the soul.'¹ This could well be our leadership slogan too. The Festival's brochure says: 'Challenging, moving, entertaining, profound – live performance can take you on a journey of discovery.' So too can the study and practice of leadership.

What is leadership?

There are many fewer examples of great leaders from the world of business than there are from the worlds of politics and the military. One reason for this, suggests Donald Krause (1997: xiv), may be that there is more disagreement about what effective leadership is in business organizations. Another reason, he says, may be that the media take much more notice of business leaders who are great 'showmen' – performing artists – rather than effective achievers.

If leadership is an art, it is at least a performing art. Metaphors for leadership come from the worlds of sport and the arts, especially from music. They include the leader as captain of the team striving to win the match, the sports coach, the conductor of an orchestra, and the leader's role rotating among members as in a conductorless orchestra or a jazz ensemble, where members improvise on a theme. Peter Cook (2000) says that the jazz band metaphor alludes to several features of the creative organization that have implications for leadership:

- The ability to learn and adapt to change through signposts which are understood by the whole organization
- Using both logic and intuition to guide the organization's direction
- Balancing structure and chaos according to stakeholders' needs
- Risk taking within a safe environment

- Personality differences overshadowed by 'a consuming mania with a shared purpose'
- Emergent strategy arising from the synthesis of collective capability

Such shared leadership can be a source of creativity and innovation, as Richard Hackman (2001) suggests:

Rather than relying on a charismatic, visionary leader who both calls the shots and engages members' motivation, might it be possible for all members to share responsibility for leadership and for differences and disagreements to be sources of creativity, rather than something that should be suppressed in the interest of uniformity and social harmony?

Leadership, however, is not only a performing art. It is also the practical application of a science, an organized body of knowledge accumulated on the subject. This is what makes leadership so interesting: it straddles Snow's 'two cultures' – the arts and science (Snow, 1959). And this is what makes leadership such a fascinating intellectual, spiritual, emotional and behavioural phenomenon.

Leadership means different things to different people. 'Leadership is a popular concept rather than a scientific one,' says Victor Vroom; 'like many popular terms, it has been used in many different ways' (Sternberg and Vroom, 2002). And Alan Berkeley Thomas (2003: 164) says:

Even in everyday usage the term 'leadership' is ambiguous. It is used to refer to the holders of certain formally defined positions in an organisation, as when speaking of 'the party leadership' or 'the union leadership'. But it is also used to denote a particular type of behaviour; when someone is commended for displaying 'outstanding leadership' it is their actions that are being praised. Such a person may or may not occupy a position of leadership. On the other hand, a formally designated leader need not necessarily behave as a leader and in extreme cases may hardly be said to behave at all. So, for example, it has been claimed that Leonid Brezhnev (1906–1982), a former head of state of the now defunct Soviet Union, was barely alive in the later years of his premiership, let alone an active force capable of exerting decisive influence over events.

According to a 1920s' definition of leadership, leadership is 'the ability to impress the will of the leader on those led and induce obedience, respect, loyalty, and cooperation' (Moore, 1927), a remarkably autocratic viewpoint by today's standards. At about the same time, Henry Ford was putting into practice his own view of organization and systems, with implications for leadership:

Industry is management, and management is leadership, and leadership is perfect when it so simplifies operations that orders are not necessary. (Nevins and Hill, 1954)

Burns (1978) defines leadership as a mobilization process by individuals with certain motives, values and access to resources in a context of competition and conflict in the pursuit of goals. More recently, Nigel Nicholson speaks of leadership as either a position or a process (Bradshaw, 2002). If a process, he says, it is about influencing other people, and this requires knowing oneself, knowing those other people, and knowing how to influence them.

Seeking the answer to the question 'What is leadership?' is like searching for the Holy Grail: Gareth Edwards (2000) counted some 40 theories of leadership. For some this academic debate may be fascinating and now and again even illuminating. But it is an irrelevance to managers who are experiencing the realities of leading in today's demanding, turbulent and often chaotic environment. Joanne Ciulla (1999) says that 'the difference between the definitions rests on a normative question: "How should leaders treat followers?"' So what is *good* leadership? Barbara Kellerman (2004a) observes:

Scholars should remind us that leadership is not a moral concept. Leaders are like the rest of us: trustworthy and deceitful, cowardly and brave, greedy and generous. To assume that all leaders are good people is to be wilfully blind to the reality of the human condition, and it severely limits our scope for becoming more effective at leadership.

Ciulla (1999) makes the point that 'good' has two senses that need to be related: 'good' in the moral sense and 'good' in the sense of being effective (even if 'bad'). Dave Ulrich and colleagues say:

Without...visible results, leadership never endures... . Conversely, leaders who achieve results but lack integrity, character, and values face a different challenge: winning the support necessary for long-term performance. (Ulrich et al., 2000)

Kellerman addresses this issue exclusively in her book *Bad Leadership*, acknowledging the 'dark side' of human nature and how this affects leaders and followers alike (Kellerman, 2004b). She identifies seven major forms of bad leadership: incompetent, rigid, intemperate, callous, corrupt, insular and evil. Her argument is that, if bad leadership is to be avoided, it must be a shared responsibility.

In another insightful psychological analysis, Jean Lipman-Blumen explains how 'toxic' leaders first charm and then manipulate, mistreat, weaken and eventually devastate their followers (Lipman-Blumen, 2005). She explains how we human beings are psychologically susceptible to toxic leadership and how we can reduce our dependency on 'strong' leadership, identify 'reluctant leaders' and nurture leadership within ourselves. Michael Maccoby (2004) believes this dependency is the result of what Sigmund Freud called 'transference' – the tendency to relate to a leader as some important person from the past, such as a father or mother, a brother or sister, or even a nanny.

Leadership carries particular connotations for some eminent people. For example, Paul Keating, former Australian prime minister, said that 'Leadership is not about being nice. It's about being right and being strong.'² And in the UK Tony Blair, as the new Labour Party leader, before he became prime minister in 1997, said that 'the art of leadership is saying no, not yes. It is very easy to say yes.'³

Consulting the etymology of the word is a useful starting point for defining leadership. The word 'lead' comes from the Old English *lædan*, corresponding to the Old Saxon *ledian* and Old High German *leiten*, meaning 'take with one', to 'show the way' (Hoad, 1988). *Ledere* was the term for a person who shows other people the path to take and guides them safely along the journey (Kets de Vries and Florent-Treacy, 1999: 5). The Old Icelandic derivative *leidha* means 'the person in front', referring to

the person who guided ships through the pack-ice in spring. The word 'leader' appeared in the English language in the thirteenth century, but 'leadership' appeared only in the early nineteenth century. Grint (2000: 420) sees leaders as 'in front', 'pulling' followers after them, and 'sharing the way' rather than showing the way.

Several contemporary statesmen such as former US secretary of state Henry Kissinger have suggested that a leader takes people to a place they have not been to before. Indeed we find in the Bible:

I will bring the blind by a way that they knew not; I will lead them in paths that they have not known: I will make darkness light before them, and crooked things straight. These things I will do unto them, and not forsake them.⁴

Leadership has been variously defined in terms of traits, process, skill(s), competency, a relationship and a construct. Bass (1990a) identified over 1,500 different definitions of leadership. Underpinning the leadership development programmes at The Leadership Trust is the concept of leadership as 'using our personal power to win the hearts and minds of people to achieve a common purpose' (Edwards et al., 2002: 15). This concept of leadership implies that there must be a mission or common purpose and a clear strategy for pursuing it. Jim Collins and Jerry Porras (1996a) see the function of a leader as 'to catalyze a clear and shared vision of the organization and to secure commitment to it and vigorous pursuit of that vision'. The Leadership Trust's concept of leadership also brings out the issue of power and its use, which I discuss in Chapter 8. Moreover, this concept abrogates the use of position power (authority) in favour of gaining commitment through using personal power. Gary Hamel (2002) writes of a looming crisis in the use of authority:

More than ever before, senior executives know they cannot command commitment, for the generation now entering the workforce is more authority-averse than any in history.

Leadership, according to Thomas Lenz (1993: 154–156):

involves diagnosing situations, determining what needs to be done and marshalling collective effort sufficient to achieve a desired future or avert significant problems... . It entails the use of power and persuasion to define and determine the changing...problems and opportunities...of an organization, and...the solutions produced and actions taken by individuals and groups both inside and outside an organization to cope with such issues... . The purpose of exercising influence in organizational decision-making processes is to foster learning...and facilitate change.

Lenz's last point is key to our understanding of leadership. Warren Bennis and Bob Thomas (2002) suggest that most leadership failures in business are the result of failing to adapt to changing circumstances.

According to Howard Gardner (1996), leaders are those who, 'by word and/or personal example, markedly influence the behaviors, thoughts, and/or feelings of a significant number of their fellow human beings'. In discussing leadership in the public sector, JoBrosnahan (1999) describes it as 'that special mix of gifts that include integrity, vision, the ability to inspire others, a deep awareness of self, courage to innovate, and instant and impeccable sense of judgment'.

Managers may be good at *managing* and nominally regarded as leaders, but the most effective managers exercise *effective leadership*. John Nicholls (1994) says:

When we say that an organisation lacks leadership we mean that its managers are neglecting their leadership responsibility. It is leadership that is missing, not leaders. If every manager understood and fulfilled his or her leadership responsibilities, there would be no shortage of leadership. It is attention to their managerial leadership responsibilities that converts competent administrators into effective managers.

And Bass (1985: xiii) says:

Management is not only leadership, nor is leadership only management; however, those appointed to a position of responsibility as managers need to appreciate what leadership is expected of them.

The importance of leadership is recognized in the well-known Excellence Model promoted by the European Foundation for Quality Management (EFQM) and the British Quality Foundation (BQF). The EFQM/BQF Excellence Model includes 'leadership' as an underpinning enabler in attaining key performance results. Leadership is defined as:

How leaders develop and facilitate the achievement of the mission and vision, develop values required for long term success and implement these via appropriate actions and behaviours, and are personally involved in ensuring that the organisation's management system is developed and implemented. (EFQM, 2000)

Sub-criteria by which leadership is evaluated are:

- Leaders develop the mission, vision and values and are role models of a culture of excellence
- Leaders are personally involved in ensuring the organization's management system is developed, implemented and continuously improved
- Leaders are involved with customers, partners and representatives of society
- Leaders motivate, support and recognize the organization's people

Leadership also includes:

- Stimulating and encouraging empowerment, innovation and creativity
- Aligning organizational structure to support delivery of policy and strategy
- Supporting and engaging in activities that aim to improve the environment and the organization's contribution to society
- Personally communicating the organization's mission, vision, values, policy and strategy, plans, objectives and targets to people

Effective leadership results in a high degree of satisfaction that we are doing or achieving something worthwhile, to ourselves, to the organization we work for, and to the society we live in: in this way leadership has a spiritual dimension. Leadership is both extrinsic and intrinsic. Extrinsic leadership is leadership provided by another person,

while intrinsic leadership comes from within ourselves – it is ‘self-leadership’. People who have a vision, know what to do, are self-aware and are self-driven are displaying self-leadership. Leadership, whether extrinsic or intrinsic, creates a sense of direction, empowerment and the motivation we feel when we are doing or achieving something worthwhile.

Leadership and followership

The desire to follow is a basic human (indeed animal) instinct, Robert Ardrey (1970) suggests. While most theories of leadership focus on leaders, Stephen Covey (1992: 101) suggests that a ‘more fruitful approach is to look at followers, rather than leaders, and to assess leadership by asking why followers follow’. This question can be addressed by looking at the needs and aspirations that people have and how leaders use power in helping people to satisfy them.

While sheep may naturally follow, human beings do not, for we make intelligent judgements for ourselves. When we follow, we do so either eagerly or reluctantly. As Stephen Fineman (2003: 76) says, we talk a lot about our leaders – our bosses and politicians – and we criticize them freely. But our desire to follow has deep emotional roots. And interestingly the Bible emphasizes followership more than leadership.

Many writers have identified a crisis in leadership, but there is perhaps also a crisis in followership. Robert Kelley (1992) reports a study indicating dissatisfaction among followers with their leaders: 40% questioned their ability to lead, a minority (14%) of leaders were regarded as role models, fewer than half were trusted, and 40% were regarded as having ego problems, were threatened by talented subordinates, needed to act in a ‘superior’ way, and did not share recognition. Burns (1978: 116) points out that:

One talent all leaders must possess [is] the capacity to perceive needs of followers in relationship to their own, to help followers move toward fuller self-realization and self-actualization along with the leaders themselves.

This is about empowerment. Followership, according to one leadership development practitioner, results from being empowered – through delegation, creating team values, coaching and mentoring, and building a high-performance team (White, 2000a).

In the political world, leaders appear to have fewer and fewer followers. In democratic nations they are elected, but by whom? The 2001 general election in the UK was an example of a growing crisis in followership, where the lowest turnout for 80 years gave a large majority to the ruling Labour Party. Even so, only a small minority of the electorate actively supported the nation’s political leadership, in effect were ‘followers’, as was the case again in the 2005 general election. And even within the Labour Party itself, there was dissension from the policies the government was following and in particular the prime minister’s actions concerning Iraq. Nor was the Conservative Party immune from dissension, part of its downfall from government in 1997 and its several subsequent leadership crises. And what proportion of the US electorate ‘follows’ president George W. Bush? Fifty-one per cent, according to the 2004 election results.

The British government's 2001 report on *Strengthening Leadership* includes an interesting analysis of followership:

the most successful organisations appear to be those where the errors which the leaders inevitably make are compensated for by their followers: responsible followers prevent irresponsible leaders. But where followers are unable or unwilling to constrain their leaders the organisation itself may well suffer. This 'compensatory followership' operates right across the organisational and political spectrum such that, for example, the obsequious behaviour of most of Hitler's entourage (fortunately) failed to prevent him from making catastrophic strategic errors in the latter half of the Second World War. (PIU, 2001: D11)

The report also gives a more contemporary example. In many hospitals, consultants are 'treated as "gods" and junior staff [are] afraid of "telling tales"'. Examples of tragic mistakes as a result of this culture appear all too frequently. Institutionalizing the role of devil's advocate is one way of preventing leaders from making mistakes (Kelley, 1992; Chaleff, 1995). Followers take turns to dissent from the group's decisions to focus the attention of the group and the leader on potential problems. According to the respondents in Kelley's study of followership, the best followers are those who think for themselves, give constructive criticism, are 'their own person', and are innovative and creative (Kelley, 1992). Kelley's review of follower characteristics revealed an additional dimension, namely active engagement in the task: the best followers take the initiative, participate actively, are self-starters, and do more than what is required.

The importance of leadership

Good leaders help people to make their dreams come true. Donald Krause (1997: 8) says 'the main goal of ... leadership is to accomplish useful and desirable things that benefit the people being led'. The importance of leadership in determining what we achieve has been long recognized.

The rulers of ancient China studied leadership at great length. They were preoccupied with change and the associated chaos and uncertainty, as indeed we still are today. The writings on leadership of the general Sun Tzu in *The Art of War* and the philosopher Confucius in *The Analects* have endured over some two and a half millennia and are quoted far and wide today. One lesson from Sun Tzu is that even the most brilliant strategy requires effective leadership to be successful.⁵ This is a lesson that receives scant attention from strategy theorists and eludes many business school texts on business strategy or at best is treated *en passant*. The importance of strategy to leadership is discussed in Chapter 6.

Leadership is the crucial issue, Rosabeth Moss Kanter (1993a,b) says, when a company is failing and survival is at stake. It matters most in respect of openness and honesty in dialogue, mutual respect, collaborative problem solving, and encouragement of initiative. She says that withholding information from employees and the public compounds a financial or strategic mess: the cover-up can be worse than the mistake.

Mutual respect is not gained by punishing those responsible for mistakes. It is gained through recognizing what people have to offer and involving them in problem solving

and decision making, for example in strategy formulation. And problem solving and commitment to solutions in turnaround situations require collaboration across organizational boundaries. Kanter quotes as an example how Greg Dyke, on taking over as director-general of the BBC in 1999, used this approach in his 'One BBC: Making It Happen' strategy in rehabilitating a demoralized organization. Initiative can be encouraged by empowering employees to take action, again something that had been missing at the BBC and which Dyke introduced. Creating such a culture is the key for leaders in turnaround situations. In the words of Kanter: 'this is the true test of leadership: whether those being led out of the defeatism of decline gain the confidence that produces victories'.

The Industrial Revolution in the nineteenth century, starting in the UK, shifted the emphasis from political and military leadership to business and economic leadership – building industrial enterprises, opening up markets and innovation (METO, 2000: 27). Such leadership, however, was ascribed to the relatively few ('born' leaders?), who usually were autocrats. Said Douglas McGregor (1960) in his seminal book *The Human Side of Enterprise*:

Traditionally, leadership has tended to be equated with autocratic command and there are still many who see leadership mainly in terms of the issuing of orders which are eagerly obeyed by followers whose loyalty is largely determined by the charisma of the leader.

Nearly half a century later, this is still true today.

Popular interest in leadership has grown rapidly in the past 20 years, though only more recently in the UK (Sadler, 1997: 11). Research by the Council for Excellence in Management and Leadership, set up by the British government in April 2000, revealed a need to 'increase the commitment of organisations of all sizes, in both the private and public sector, to develop better managers and leaders' (Cleaver, 2001). The Council acknowledges the 'direct link between leadership capability and sustained high performance' (CEML, 2001: 15). Its research findings included the following:

- There are still shortages in the quality and quantity of people with leadership skills. Yet the need for those with leadership skills is increasing all the time. There need to be some 400,000 new entrants to management and leadership positions each year.
- Larger organizations prefer customized leadership development programmes.
- Few professional associations require any management learning prior to membership and continuing professional development (CPD) requirements, despite recognition by professionals of the importance of leadership development.
- There is a lack of data on leadership development for benchmarking purposes.

The CEML research was the basis for proposals and an agenda for action on leadership development. These are described in the section on leadership development in Chapter 7.

Leadership in politics

In his discussion of political leadership Dennis Kavanagh (1990: 63–65) contrasts *reconcilers* with *mobilizers*. He cites, as British examples of mobilizers, Lloyd George,

Joseph Chamberlain and Tony Benn, who were primarily concerned with achieving policy goals rather than reconciling different interests, usually through radical change. Mobilizers therefore may be transformational leaders who emerge in conditions of dissatisfaction or crisis, like Lloyd George in 1916 and Winston Churchill in 1940. But in British politics, leaders who start out as mobilizers – as prime ministers Harold Wilson and Edward Heath did – usually do not last long as such and eventually become reconcilers as a result of the pressures of the consensus culture of political parties and government.

On the other hand, while the ‘Iron Lady’, prime minister Margaret Thatcher, transformed British society in the 1980s, she was eventually rejected because of her unwavering authoritarian leadership style. Her successor, John Major, lacked the ‘essential attributes of a leader’: the ability to define an agenda, mobilize support for that agenda, and then inspire followers with a vision of the destination, according to Anthony Seldon (1997). Similarly, Kevin Theakston (2003: 108–109) says of him:

No one would or could look to Major for visionary or innovative leadership. His skills were primarily those of a political manager – his approach was reactive, tactical and problem solving...a details man... . But he was not good on policy or on medium- and long-term strategy and objectives. He did not project a clear ideological position or a strong sense of policy direction.

Following a good start as leader of the opposition and his party’s election in 1997, prime minister Tony Blair began to appear in a shaky position from 2003 onwards, with declining ratings on ‘trust’ as a result of joining the dubious war in Iraq, increasing scepticism over his policies at home, and a much reduced Labour Party majority in the 2005 general election. He was perceived as committed to goals and values, and, Peter Riddell (2001: 35, 38) says, he preferred the ‘big picture’, strategy, values and images over policy detail. His ‘Third Way’, however, was unclear and pragmatic, and his ‘modernization’ mantra lacked direction and application. The Conservative Party elected and subsequently rejected two leaders in quick succession, William Hague and Iain Duncan Smith, who was succeeded in November 2003 by Michael Howard, a barrister and a consummate ‘actor’ (Sands, 2003) – one might say a ‘performing artist’.

Political parties may from time to time lose their way, as evidenced by the disastrous performances of the British Labour Party in the 1982 general election and the Conservative Party in the 1997 and 2001 general elections. Such events have to do with leadership: failure is usually to do with vision, values and strategies that lack intellectual or emotional appeal. Robert Elgie (1995), in a discussion of political leadership, suggests that any differences in traits and styles of leaders are exercised through – and limited by – the institutional culture in which they operate. This is a point we will return to in our discussion of leadership, strategy and culture.

Former US president Richard Nixon is said to have used bargaining rather than display ‘leadership’, and he suffered a fatal credibility crisis over the Watergate affair (Cloud, 1996). The charismatic president Bill Clinton was castigated for lying about his sexual misconduct. His successor, George W. Bush, whose venture into Iraq to topple its president, Saddam Hussein, ostensibly on the grounds of his (illusory) possession of weapons of mass destruction, divided the American nation, won a second term in the 2004 presidential election with a 2% margin in the popular vote.

Doris Kearns Goodwin (1998), the Pulitzer Prize winner, historian and biographer, contrasts the leadership styles of three US presidents whose legacies have loomed large over several decades after they left office. Lyndon B. Johnson's great strength, she says, was his understanding of the legislative process, his brilliance both one-to-one and in small groups, his ability to create team spirit and his sense of timing. John F. Kennedy was the opposite in all of these respects. But he understood the power of language and the importance of symbolism, humour and image in mobilizing people towards a goal. Among modern US presidents, however, Franklin D. Roosevelt offers perhaps the best case study in leadership, Goodwin says. His greatest gift as a leader was his absolute confidence in himself and, even more important, in the American people. All three knew how to channel people's best impulses into positive outcomes. Their strengths lay in their extraordinary ability to reach out and move others, despite their weaknesses that were simply those of any human being. Their stories offer useful lessons for today's leaders in any kind of organization.

According to research by clinical psychologists Steven J. Rubenzer and Tom Faschingbauer (2004), however, US presidents who are rated most highly by historians tend not only to be intelligent (open to experience) but also to have ambitious goals and to be willing to 'bend' the truth. Rubenzer says that 'being a better liar than the others ... seems to increase their chances of putting their policies in place' (Dingfelder, 2004). But perhaps it is also one reason why electorates are so cynical about their political leaders.

The decline and eventual collapse of the Soviet Union and the introduction of perestroika and glasnost brought the heroic leadership of Mikhail Gorbachev into prominence. The French president, Jacques Chirac, was accused of financial corruption, though in 2003 he displayed strong leadership in standing firm against the US Iraq campaign. The German chancellor, Helmut Kohl, was accused of improper fund raising for his party. And the Spanish government was unexpectedly defeated in elections in 2004, partly owing to Spain's participation in a coalition with the United States and the UK in post-war Iraq but also as a result of a perceived dishonest misrepresentation, for political purposes, of the identity of the perpetrators of a terrorist bombing in Madrid. In Northern Ireland the Ulster Unionists led by Nobel Peace Prize co-winner David Trimble were overtaken by the more hard-line Democratic Unionist Party led by the Reverend Ian Paisley, putting the peace process in jeopardy. Indeed Trimble lost his parliamentary seat in the 2005 elections.

Asia too has witnessed a series of political leadership crises. The Philippines president, Joseph Estrada, was accused of corruption and resigned. The Japanese prime minister Mori was criticized for his inability or unwillingness to define his vision for Japan as an IT leader and support it with tangible strategies, and he eventually resigned. Thailand's prime minister Thaksin Shinawatra promulgated 'new action, new thought' but took an antagonistic stance towards new civic reformist institutions and became regarded by some as an autocrat. Indonesia has had a succession of presidents since the fall of its dictator Suharto in 1998, as it gradually engages democracy. And new political systems in Afghanistan and Iraq after bloody wars have also been introducing democratic leadership.

Democracies, in which leaders are elected, are, however, beginning to meet with signs of disillusion, says Anthony Giddens (2000). Fewer people are voting, and more people are eschewing politics, believing the worst of politicians and political leaders.

Broadcaster and writer Jeremy Paxman (2002: 282–290) believes that this disillusionment with politics and political leaders is due to the remoteness of governments from the people and their increasing inability to make changes and get things done.

Ironically this may be due to government ministers behaving more like managers than leaders. Mark Goyder (2001) of the Centre for Tomorrow's Company points out that government ministers are drenched in statistics on progress, are questioned about specific cases in their functional domain, and are always expected to 'know':

New plans, new initiatives, new targets are thrown out to feed critics... . Ministers are drawn into managing when their job should be leadership. We want a minister for health, not a minister running the health service. Perhaps our political leaders could get back to being leaders, and let the people appointed to manage...[manage].

Leadership in the public sector

The public sector in democratic nations is the instrument of elected politicians for pursuing their visions and missions. 'In public services,' Paul Joyce (2003) says, 'it is important to recognize the primacy of politicians in creating strategic visions.' Public sector managers are expected to articulate and sell the vision to employees at all levels.

In the report *Strengthening Leadership in the Public Sector*, the British government has identified leadership as key to meeting the challenges of the twenty-first century in the public services (PIU, 2001). The needs for modernization, meeting higher expectations from the public, partnerships and collaboration, and harnessing new technology all present leadership challenges. The government's report suggests that public services are failing to attract and retain the best leaders, recent leadership development initiatives are as yet unproven, with insufficient attention to leadership across organizational boundaries, and public service leaders' effectiveness is marred by a lack of freedom, support systems and challenges. Risk aversion and a blame culture are barriers to effectiveness. A lack of common understanding about what is required for effective leadership is also an issue.

The public sector is not comparable to the private sector. Politicians are responsible for regulating markets. And they – not public service leaders – establish values and remain ultimately accountable for public service delivery. Moreover, the public services are constrained by taxpayer funding, specifically three-year fixed funding in the UK, whereas private sector organizations can more often release funds where this increases revenue. Freedom to act is also constrained by legitimate public concern and clearly justified good practice. These constraints point to the differences between political and executive leadership. The government report says:

Many leaders...[see] their relationships with politicians as one-way: one [describes] it as a 'master-servant' relationship. Greater clarity in the respective roles of politicians and managers [is] recognised as one of the keys to better service delivery. (PIU, 2001: 4.14)

This need also applies to the relationship between political leaders (elected councillors) and managerial leaders (chief executives and senior managers) in local government. One way forward in enhancing leadership relationships is joint training and development

for political and executive leaders as adopted in local government, for example, in the UK, by Birmingham City Council (PIU, 2001: 4.19).

Comparative research in the British public sector (local government and the National Health Service) and the private sector shows two main differences in images of leadership: integrity and customer/stakeholder orientation (Alimo-Metcalf and Alban-Metcalf, 2002a). Integrity is valued more among public sector managers. And there is a more complex situation for them in addressing the needs of customers and other stakeholders, both internal and external. Gerald Gabris et al. (1998) describe leadership in the public sector as enigmatic. They say:

[Public sector leadership] involves the tension between the political and administrative spheres of responsibility. On the one hand, public administrators are expected to advocate innovative and creative solutions to complex problems. Yet, by acting as advocates, public administrators increase the risk that they will step on political toes or at some point appear overly brash. Administrators within the private sector do not often operate within such constraints. This often puts public administrators in the awkward position of being damned if they do and damned if they do not. The solution, for most of them, is to play it safe, adhering to the dictum that discretion is the better part of valor.

Research by the Chartered Management Institute in the UK, covering local and central government, education, health and the armed services, found that public sector managers are looking for vision, integrity and sound judgement in their leaders (Charlesworth et al., 2003).⁶ They also have a higher regard for their immediate bosses than for those more senior. The key leadership skills expected of leaders are communication, engaging employees with the vision, and creating an enabling culture.

Leadership in business

Business leaders too have not escaped criticism – usually over incompetence, corruption or ‘fat cat’ greed. Public confidence in business leaders has deteriorated in recent years, with disillusionment focusing largely on issues of ethics and values (Offermann et al., 2001).

In the business world, ‘There’s a greed in the air which is just mind-blowing ... corporations have been captured by one insatiable group – the greediest of all – the shareholders’, Henry Mintzberg says (Cunningham, 2001). The huge salaries and bonuses for CEOs that focus their attention on short-term share price rather than building the company are both dysfunctional and irresponsible. Roger Eglin (2001a) says:

Business has never been tougher. Stock markets demand constant improvements in performance, and chief executives’ heads roll with unnerving frequency. Nothing can be taken for granted. The steady flow of mergers leaves victorious executives battling to justify the prices they have paid.

Lord Taylor of Warwick (2001) expresses the pressure with a Caribbean proverb: ‘The higher up the mountain you go, the more the wind blows.’ And journalist Alison Eadie (2001a) says, ‘The chief executives of our largest companies are sacked with increasing

frequency.' Despite a 'publishing blizzard' on leadership and the array of available leadership development programmes, she says, we are still 'turning out duds'.

Warren Bennis and James O'Toole (2000) also point out that the job of the CEO in itself in the United States has become much more demanding in recent years, added to which are the pressures of recession, flatter organizations with more direct reports, increased travel due to globalization, the need for greater IT literacy and 'merger mania'. This has led to shorter and shorter tenures, known as 'CEO churning'. A report by *The Economist* (2003) suggests:

Swamped with e-mails (which some of them answer themselves), voicemails and demands for appearances on breakfast television and at grand dinners, many corporate leaders find it harder and harder to make time to think.

According to Michael Goldstein (1992), 10% of all CEOs are removed from office for performing below expectations, with some 5% leaving within the first three years. He says of the remaining 90%, 'many that escape dismissal may still be plain vanilla or mediocre'. One may of course expect dismissals and resignations because of poor performance. A Korn/Ferry survey of 'Cause for removal of CEOs' for the Accenture Institute of Strategic Change in the United States revealed that 'ineffective leadership' accounted for 73% of the cases, exceeded only by financial or ethical malpractice and mental or physical incapacity (Bennis, 1998).

Management consultants Booz Allen & Hamilton calculated that, in 1995, the average tenure of those heading the world's 2,500 most valuable firms was 9.5 years; by 2001 it had dropped to 7.3 years (*The Economist*, 2002a). British figures are even more worrying. According to research at Cranfield School of Management, the average tenure for CEOs in the UK's top 100 companies in 1999 was four years (Coles, 1999). And the HayGroup reported that turnover of CEOs between 1999 and 2001 increased five-fold (HayGroup, 2001).

Institutional investors no longer tolerate poor shareholder value. John Kotter says, 'The pressure people are feeling at the top of organisations is unbelievable' (*The Economist*, 2003). He says that, if earnings growth drops by 3%, the share price may fall by 30%. An Ernst & Young study of institutional fund managers showed that there is a direct relationship between the effectiveness of the top team and valuation of the company (Mavrincac and Siesfeld, 1998). The top two non-financial criteria of effectiveness were 'execution of corporate strategy' and 'management credibility'.

CEOs now have less time in which to deliver results and, if they fail to do so, they are likely to be replaced by those who are tougher and more short-term focused and task oriented but leave a company in a financial mess. This short-term focus can be detrimental to the long-term sustainability of a company and thus poses a dilemma for CEOs. The short-term demands of shareholders may be the cause of this problem. On the other hand it may have to do with inappropriate leadership: obsession with growth and large personal rewards is another explanation for such failures.

Despite their CEOs' explanations of factors beyond their control – which occasionally are correct – companies usually fail because of leadership errors. Ram Charan and Jerry Useem (2002) say, 'What undoes them is the familiar stuff of human folly: denial, hubris, ego, wishful thinking, poor communication, lax oversight, greed [and] deceit.' Sometimes CEOs threaten to 'shoot the messenger': they do not welcome bad

news. Then they make bad decisions without the necessary information, which is available but not communicated. Winston Churchill was aware of this risk during the Second World War. He set up a feedback process which bypassed his generals so that he would receive true information, however unwelcome. Lee Kuan Yew, as prime minister of Singapore, did likewise in the 1980s.

In his investigation of why CEOs fail, Sydney Finkelstein (2003a,b) discovered 'surprisingly few causes':

- They ignore the need for change
- They have the wrong vision: the logical and practical limitations of the 'one big idea' are not considered
- They 'get too close' to their companies: they treat their companies as extensions of themselves
- Arrogant attitudes
- Reverting to old formulae that once worked but no longer do so

John Baldoni (2004) suggests that many CEOs failed because they became 'intoxicated with their own image':

the pages of American business magazines were packed with laudatory profiles of men and women in charge, those who rule with power as well as impunity...corporate scandals were stoked in part by those at the top believing in their own invincibility as well as their own lack of accountability.

CEOs in New Zealand appear to be much more optimistic than leaders at lower levels in their organizations, according to research by Ken Parry and Sarah Proctor-Thomson (2002). They found that CEOs see leadership in their organizations as much more transformational and much less transactional than the other leaders do. And hierarchical level appears to be related to such optimism, with supervisors (first-level managers) 'quite scornful of the leadership cultures of their organisations'. Their conclusion is that CEOs face a credibility gap that risks damaging the performance of their organizations. According to a public relations consultant, Lesley Gaines-Ross, CEOs' reputations used to be based on 'brand-name status, a track record and visibility'; now it is based on 'credibility' (*The Economist*, 2002a), a key requirement for effective leadership (Kouzes and Posner, 1993), to which we will return later.

Strategy is a key area of weakness. For example, Kmart, Tyco and AT&T followed the 'strategy *du jour*'; Tyco, WorldCom and AT&T were beset by 'acquisition lust'; and Cisco Systems failed in strategic thinking – the company omitted to test its basic assumption of growth and ignored indicative data (Charan and Useem, 2002). GEC, after its long-serving chairman Lord Weinstock's retirement in 1996, followed divestment and investment strategies that virtually destroyed the company (Aris, 2002).

Culture and corporate values are another key area of weakness. Charan and Useem (2002) quote 'dangerous' cultures that encourage profit taking without disclosure and conflicts of interest without safeguards: 'rotten cultures produce rotten deeds'.

Brian Baxter, senior partner at Kiddy and Partners, sees a shift from 'nurturing', people-oriented leadership to a 'tough, driving' style, which is 'not liked or admired but [is] widely respected' (Eglin, 2001a). The consequences of this shift, which can be

explained by one major theory of leadership, unfortunately are the opposite of what is actually needed. These consequences are resentment, alienation and psychological withdrawal from work.

Bennis and O'Toole (2000) suggest that boards often do not understand what defines real leadership today. Finding it hard to 'measure' vision, inspiration and conviction, boards focus on 'hard' facts like shareholder value, market share, merger experience and technical skills as evidence of effective 'leadership'. Yet, Bennis and O'Toole say, when they do focus on their CEOs' visions:

Boards are often seduced by articulate, glamorous – dare we say it – charismatic dreamers who send multiple frissons down their collective spines. William Agee seduced many boards with his 'chasing rainbows' number, creating rhapsodic scenarios for a vision-starved board and proceeding to 'fail upwards' because his glossy pitch always fell short of the directors' expectations.

Leaders have a 'shelf life' that expires through burnout, diminishing energy and inflexibility. James Champy and Nitin Nohria (2000) describe this, and the drive, persistence and optimism that leaders need to be effective, as the 'arc of ambition'. Of 're-engineering' fame, Champy believes that re-engineering must be combined with leadership, in particular ambition. For him, ambition includes an 'appetite for change'. The paradox is the need eventually to bow out gracefully and avoid the humiliation, rows, firings and sense of failure associated with the downward arc – difficult for ambitious leaders to do – for example as did Andrew Carnegie, the US steel baron, but Margaret Thatcher did not.

Changes in working methods associated with globalization and the digital economy – decentralization of operations and increased teamworking – are influencing the nature of leadership that is required: global virtual teams are becoming more widespread (Cascio and Shurygailo, 2003). Global virtual teams contain individuals who are culturally diverse, geographically or organizationally distributed worldwide, and interact in carrying out interdependent tasks guided by a common purpose and using computer-mediated communication technologies.

Leadership in the military

Military leaders like Hannibal, Rommel, Patton and Nelson are legends. The armed forces are often regarded as a paragon of virtue in respect of leadership. For example, journalist Godfrey Smith (2000) claims that, in the Battle of Britain in the Second World War:

We won not because our pilots were better but because they were much better led. [Keith] Park [AOC, 11 Group, Fighter Command] has been compared to Wellington, but whereas Wellington had to concentrate for five hours at Waterloo, Park had to do it for five months.

Yet leadership in the British Army came under criticism in the 1970s in a seminal analysis by Norman Dixon (1976). He pinpointed, among generals, their fundamental conservatism and outmoded traditions; their tendencies to reject or dismiss information

that challenged their preconceptions, to underestimate the enemy, to persist in pursuing an obviously doomed task, to prefer frontal assaults and brute force to proper reconnaissance and surprise, and to suppress or distort news from the front in the interest of morale; as well as their 'unnatural attachment' to mystical forces such as fate and luck.

The US Army's vision statement states: 'We are about leadership; it is our stock in trade, and it is what makes us different.'⁷ When abuse of war prisoners occurs, as happened in Iraq after the 2003 war and during the subsequent occupation by coalition forces, it is worthwhile remembering the US Army mantra: 'The commander is responsible for everything the unit does or fails to do' (US Army, 1990: para. 2.6). In parallel with the rise in corporate scandals in the world of business, the military faces ethical criticism for its tactics and behaviour. Leonard Wong et al. (2003) say:

For military leaders at the systems [strategic] level, new issues in ethics are...being confronted... . American military leaders are accustomed to waging war guided by moral obligations based on Western values, allegiance to the Constitution, and adherence to the laws of war. With the attacks of September 11th and the global war on terrorism, the U.S. military now finds itself in a situation of ethical asymmetry – fighting an enemy that does not follow the same moral guidelines [e.g. targeting civilians, using suicide bombers, etc.].

The military is not a monolithic organization but, they say, a 'diverse collection of organizations – army, navy and air force – roles, cultures and people'. Individual leaders, in a traditional hierarchy in which authority is distributed accordingly, therefore command relatively large numbers of subordinates and therefore have significant impact on people. The military's role has become much more varied since the end of the Cold War, with a lesser emphasis on conventional warfare and a greater involvement in anti-terrorist combat and peace-keeping operations in a wide variety of situations, many with considerable ambiguity and uncertainty, and often with extraordinarily far-reaching consequences. Leadership is required at strategic, operational and tactical levels, reflecting respectively national (or, in the case of UN forces, global) interests, policy and resource usage; major campaigns; and battles, engagement and close combat.

An underrated ability for strategic leadership is 'cognitive capacity' (which is discussed in Chapter 3). Wong et al. (2003) report research that stresses the importance of an independent perspective of the strategic environment and the use of abstract conceptual models in senior military leaders.

Leadership in the arts

The arts and cultural sector in the UK 'lacks good leaders', according to Sue Hoyle (2004), deputy director of the Clore Leadership Programme for the arts. She stresses the importance of personal qualities in leadership, especially passion for what one does. Howard Raynor (2004) comments, tongue in cheek:

Christopher Columbus would have made the perfect arts administrator. After all, he set off with no clear idea where he was going; when he arrived he didn't know where he was; and when he returned he didn't know where he'd been – what's more, he did it all on someone else's money.

Lord Stevenson of Coddendam, chairman of the Pearson Group, believes that leadership in the arts is much more difficult than leadership in the business world (Stevenson, 2004). He says there is no bottom line by which to measure performance, no profit-and-loss account; leadership involves dealing with 'that very fragile thing called artistic judgement, artistic taste', and the arts world is generally 'exposed to much more scrutiny from far more audiences than a business is'. Leaders in the arts, he says, need 'a clear set of beliefs for what [they] are trying to achieve, and the confidence in [themselves] when [they] are in front of a shower of criticism'. Sir Peter Hall, a visionary, founder of the Royal Shakespeare Company, and one of the greatest drivers of British theatre, is an example. So is Tony Hall, the impresario at the Royal Opera House.⁸

Bruce Payne, director of the Hart Leadership Program in New York, *Leadership in the Arts*, believes that the people who succeed in the arts understand how to lead effectively: 'They know how to coach, they know how to encourage, they know how to praise, and they know how to love. Above all, they know how to express a vision that inspires rather than intimidates.'⁹

Studies of the impact of leadership

While there is considerable evidence for the positive effect of leadership on organizational effectiveness and employee satisfaction, the performance measures used in studies have usually been subjective evaluations (Koene et al., 2002). This has led to evidence for the importance of leadership that is less than compelling to sceptics.

A Conference Board study of some 400 *Fortune 1000* companies in the United States in the late 1990s found that 47% of executives and managers rated their companies' overall leadership capacity as poor or fair, while only 8% rated it as excellent (Csoka, 1998). And a survey by Development Dimensions International in 1999 found that only 36% of employees, including senior management, said they had confidence in their leaders (MacDonald, 1999). Employees identified weaknesses in 13 of 14 leadership skills, including strategic decision making, coaching and facilitating change. Only 49% of employees perceived empowering leadership in senior management, only 30% believed that their leaders had a vision, and 25% criticized strategic decision making.

Robert McHenry, chairman of OPP, suggests that:

- Managers do not think strategically or long-term
- People are expected to lead and manage without training
- Too many leaders are choosing entrepreneurship over strategic focus
- Managers often lack communication skills

(Eglin, 2002a)

A Chartered Management Institute (CMI) survey of leadership in the UK from the perspective of followers revealed that many leaders are failing to inspire the next generation and are struggling to meet today's business challenges, though organizations with leadership development programmes in place are doing significantly better

(Institute of Management, 2001; Hayhurst, 2002).¹⁰ Similar to the Conference Board findings, more than one-third of all executives and nearly one-half of junior managers perceive the quality of leadership in their organizations as very poor. The chair of the project's advisory panel, Sir John Egan, commented:

Today's senior people have a new accountability to the people they lead. Good leadership is not elusive to describe nor to develop, but many companies have yet to rise to the challenge of creating programmes of leadership for all their managers.

While 55% of managers identified inspiration as one of the three most important leadership characteristics, only 11% said their leaders provide it. They were more likely to see their leaders as knowledgeable (39%) and ambitious (38%) – characteristics perceived as important to their leaders' promotion but not as important to leadership per se. The other most important leadership attributes were the ability to provide a vision, look to the future and handle change, all of which were perceived as often lacking. The majority of executives favoured a role for leaders where they create a sense of purpose and a central vision or set of goals and then develop others around them to achieve the goals. Commenting on the survey results, Mary Chapman, director-general of the CMI, says there is a 'mismatch between what people want from their leaders and what they are experiencing': what they want is vision and inspiration, but what they get is ambition and technical knowledge (Simms, 2002).

The survey also revealed that leadership development is still a low priority. Almost half of respondents' organizations had no specific leadership development budget. However, where their organizations address leadership development, 57% of respondents rated quality of leadership highly in comparison with 21% of those in other organizations.

An interview survey of 1,000 employees in British companies with more than 500 staff by DDI in early 2004 revealed many as bored at work, lacking commitment, alienated and ready to quit (Eglin, 2004). The managing director of the firm conducting the survey, Steve Newhall, says:

Our research shows that organisations that fail to create a sense of meaning through their activities simply don't earn people's loyalty... . We all have hard jobs; we want to be sure they are worth the effort and help us grow.

The 'inspiration gap' the CMI survey identified in the UK in no way applies to the top companies in the 2004 survey by *The Sunday Times* of the 100 best companies to work for and their 20,000 employees. Says Adèle Collins (2004: 8), 'The energy and inspirational qualities of a company's leader emerge this year as the major factors in making a company one of the best to work for.'

Another Conference Board leadership survey revealed a decline in the perceived strength of leadership in American companies. In 1997 about one-half of respondents rated their company's leadership strength as good or excellent; in 2001 only about one-third did so (Conference Board, 2002). And a survey by OPP (Eglin, 2002a) also revealed a significant dissatisfaction with leadership:

- Only 40% of respondents were satisfied with the leadership of their organizations
- The main cause of dissatisfaction was lack of trust

- 69% felt that the most important leadership quality is trustworthiness, but only 22% believed it was their boss's best attribute
- Almost 40% believed that the quality of leadership had declined in the past 10 years
- The greatest dissatisfaction was associated with taking risks or being entrepreneurial: 'People want leaders they can trust and with whom they feel confident about their future rather than those offering disruption' (Robert McHenry of OPP quoted by Eglin, 2002a)

In another survey – by the Manufacturing Foundation in 2003 of successful middle-market manufacturing firms in the UK – leadership style was ranked second, after strategic planning, in respect of its impact on company performance in more than half of the firms.

Annual surveys by *Fortune* magazine in the United States and *The Sunday Times* in the UK track 'the world's most admired companies' and the '1000 best companies to work for' respectively. They consistently identify leadership as a key factor contributing to high (and low) rankings. For example, Scott Spreier and Dawn Sherman (2003) of management consultants HayGroup, who conducted the 2002 *Fortune* survey, point out that the most admired companies are more focused on strategic issues, more successful at maintaining employee morale and commitment, and better led, with a greater emphasis on teams rather than individuals. Warren Bennis (1998) quotes a *Fortune* magazine comment:

The truth is that no one factor makes a company admirable, but if you were forced to pick the one that makes the most difference, you'd pick leadership ... people are voting for the artist, not the painting.

In *The Sunday Times* 2002 survey of the *100 Best Companies to Work for*, W.L. Gore & Associates, the GoreTex manufacturer, was ranked 16th overall, top for 'the most approachable management' and sixth for both 'the best work/life balance' and the 'most trusting managers'.¹¹ Mike Cox, technical director of the industrial products division, said:

Teamwork is everything. Gore is structured entirely differently from a classical organisation, to encourage everyone to contribute and to be inventive and creative. There is no positional power: you are only a leader if teams decide to respect and follow you, and we assess each other, which is rare but generates feedback and a sense of meritocracy.¹²

By 2004, W.L. Gore was ranked as the best company to work for in the UK, with the top score also for putting into practice strong values and principles and indeed in eight categories; between 80 and 90% of Gore's staff believed they could make a difference to the company, felt they made a valuable contribution to business success and felt the company was 'principled'.¹³ And the majority of staff thought that Gore's corporate values did not reflect only one person's leadership. The 2004 survey supported the relationship between leadership and corporate values. Commenting on this, Collins (2004) says:

where staff perceive the values and principles within their company to be strong they are more likely to have a strong leadership and are more likely to view their company as a better place to work overall.

And Alastair McCall (2004: 4) says:

Giving workers a sense of ownership is one of the key ingredients in creating the best companies to work for. Most often, the lead for achieving this comes from the top, making quality of leadership – and the ability of the boss to inspire the workforce – the single biggest influence on a company's ranking.

The top ranking company for leadership in 2004 was Beaverbrooks, the jewellers. Beaverbrooks also ranked as the second best company to work for overall. McCall (2004) reports one employee as saying, 'The more senior people are a real inspiration. They have taught me so much about myself and continually support me. I feel a true sense of belonging here.' In *The Sunday Times* 2005 survey, W.L. Gore was the first company to rank first in two successive years, also leading the leadership category.¹⁴

Collins and Porras (1996a) claim that the research evidence shows that sustained success of companies is clearly associated with leadership. However, David Day and Robert Lord (1988) say that the effects of strategic (top-level) leadership cannot be assessed in less than two years. Lenz (1993: 171) explains:

Literature on corporate decline and failure indicates that such measures are 'lagging indicators'...[whereas] use of behavioral referents affords a means to evaluate leadership with 'leading indicators...[which] may open the way for more rapid corrective action, if deficiencies are present.

The best companies to work for in 2002 on average outperformed the rest of the FTSE-listed companies, with investment returns over the previous five years of 25.4% compared with -2%, 6.3% and 21.2% over the previous three years.¹⁵ Apart from benefits to employees, being 'a good company to work for' makes a company an attractive investment. Numerous other studies show a relationship between leadership and financial performance, market share, organizational and workgroup climate, and employee job satisfaction, commitment and productivity.

A survey by the Accenture Institute of Strategic Change in the United States found that the stock prices of companies perceived to be 'well led' – creating cultures of adaptation – grew 900% over a 10-year period versus 74% for companies perceived to lack good leadership in this respect (Bennis, 1998). In research with Harvard Business School, executive search consultants Odgers, Ray & Berndtson (Gill, 2001a) found that the quality of leadership accounts for some 15–20% of the total variance in companies' performance, using a methodology that measures ROL ('Return On Leadership').

The importance of leadership has been recognized by the UK's Council for Excellence in Management and Leadership (CEML) in a radical recommendation of the voluntary reporting of leadership by public and private sector organizations in their annual reports, using evidence-based statements (CEML, 2002). Sue Law (2002) makes the point that the reporting of leadership is an 'inevitable next step' in the increasing emphasis on business accountability, including business ethics, the environment and social responsibility as a whole. The CEML has established several areas of leadership capability that might be included: morale (including employee job satisfaction), motivation (including surveys of employees' understanding of their companies' vision and strategy) and long-term development, including reviews of potential for leadership capability.

Leadership versus management

There is a continuing confusion between 'management' and 'leadership'. For example, Marcus Buckingham (2005), writing in *Harvard Business Review*, says:

[Great managers] discover what is unique about each person and then capitalize on it... . This is the exact opposite of what great leaders do. Great leaders discover what is universal and capitalize on it.

This view is highly questionable: what Buckingham says is management is in fact a key aspect of effective leadership, posited specifically in one particular theory of transformational leadership that we discuss in the next chapter. Robert House and Ram Aditya (1997) suggest that:

Scholars of the traditional management and leadership literatures seldom take advantage of each other's contributions and, consequently, these two literatures are not adequately integrated.

The term 'management' derives from *manus*, the Latin word for 'hand'. The term had to do with handling things, and it gained currency in its modern sense during the Industrial Revolution in the nineteenth century. The archaic French *ménager* meant 'use sparingly'.

In the oft-quoted words of Bennis and Nanus (1985: 21), 'Managers are people who do things right; leaders are people who do the right things.' For example, leaders ask the right questions about strategy and make sure the right answers are implemented (Bottger, 2000). Says David Wills, training manager for the Motherwell Bridge Group in Scotland:

Leadership is...about vision and having the courage to do the right thing - different from management, which is all about doing the thing right - even if there is a risk. (Abrahams, 2001)

But this distinction is epistemologically unsound, according to Peter Gronn (2003):

it is an attempt to resurrect the traditional distinction between facts and values. Thus, 'things right' reduces to a competence or technical mastery, whereas 'the right thing' implies desirable ends, purposes or values.

The Work Foundation (formerly The Industrial Society) in the UK defines the differences between management and leadership simply. Managers plan, allocate resources, administer and control, whereas leaders innovate, communicate and motivate.¹⁶ Vision is one of the key differences between a manager and a leader, according to Stanley Deetz et al. (2000: 49). General Sir William Slim, the inspiring Second World War leader, saw the difference in the same way. In a speech in Adelaide as governor-general of Australia in 1957, he said:

we do not in the Army talk of 'management' but of leadership'. This is significant. There is a difference between leaders and management. [Leadership represents] one of the oldest, most natural and most effective of all human relationships. [Management is]

a later product, with neither so romantic nor so inspiring a history. Leadership is of the spirit, compounded of personality and vision; its practice is an art. Management is of the mind, more a matter of accurate calculation of statistics, of methods, time tables, and routine; its practice is a science. Managers are necessary; leaders are essential. (Adair, 1989: 217-220)

Bennis (1989: 45) suggests that the differences between leadership and management can be summed up as 'the differences between those who master the context and those who surrender to it'. These differences are detailed in Table 1.1

Amin Rajan (2000a) contrasts management and leadership thus:

- Management is about path following; leadership is path finding
- Management is about doing things right; leadership is about doing the right things
- Management is about planning and budgeting; leadership is about establishing direction
- Management is about controlling and problem solving; leadership is about motivating and inspiring

John Kotter (1990a,b) says that management produces orderly results that keep something working efficiently, whereas leadership creates useful change; neither is necessarily better or a replacement for the other; both are needed if organizations and nations are to prosper.

Warner Burke (1986: 68) also agrees that both management and leadership are needed: 'For clarity of goals and direction, managers need leaders. For indispensable help in reaching goals, leaders need managers.' We 'manage from the left, lead from the right', Covey (1992: 248) says. In terms of brain dominance theory, the manager's role is mainly left-brain dominated, whereas the leader's role is right-brain based. The left hemisphere of the brain deals more with words, specific elements, logic, analysis, sequential thinking and time. The right hemisphere deals more with emotions, aesthetics, pictures, relationships among elements and the gestalt, synthesis and intuitive, simultaneous, holistic thinking, free of time constraints. An Eastern view is that leading involves the *yin* and managing involves the *yang*.

Table 1.1 *Differences between managers and leaders*

The manager	The leader
Administers	Innovates
Is a 'copy'	Is an 'original'
Maintains	Develops
Focuses on systems and structure	Focuses on people
Focuses on control	Inspires trust
Takes a short-range view	Has a long-range perspective
Asks how and when	Asks what and why
Imitates	Originates
Accepts the status quo	Challenges the status quo
Is a classic 'good soldier'	Is his or her own person
Does things right	Does the right thing

United Technologies, the aerospace and defence company, published an arresting notice in the *Wall Street Journal* and several other newspapers and magazines in 1984. Captioned 'Let's get rid of management', it read:

People don't want to be managed. They want to be led. Whoever heard of a 'world manager'? World leader, yes. Educational leader. Political leader. Religious leader. Scout leader. Community leader. Business leader. They lead. They don't manage. The carrot always wins over the stick. Ask your horse. You can lead your horse to water, but you can't manage him to drink. If you want to manage somebody, manage yourself. Do that well and you'll be ready to stop managing. And start leading. (Bennis and Nanus, 1985: 22)

In 2002 United Technologies was ranked the world's most admired company in the aerospace and defence sector (Hjelt, 2003). The company's philosophy evidently has paid off, perhaps because we manage *things* but we *lead* people.

Individual, shared or distributed leadership?

Most texts on leadership assume that leadership is 'a solo act – a one-person undertaking – regardless of whether the organization being led is a nation, a global corporation or a scout troop' (O'Toole et al., 2002). The conventional view of leadership is that individual leaders make a significant and even crucial impact of the performance of their organizations. For example, Thomas argued, based on a study of large retail firms in the UK, that individual CEOs *do* make a difference (Thomas, 1988). Executive education and leadership development programmes even emphasize the individual leader:

The parsing of leadership styles has become de rigeur in American business schools. Professors teach students to adopt the right leadership style for themselves, using '360-degree feedback' to make them aware of how they are perceived by others – and how to manage those perceptions. A growth industry called executive coaching caters to the leadership-impaired. (Pasternack et al., 2001)

Solo leadership is not necessary, not desirable, and probably impossible in today's organizations, according to James O'Toole (2001) and Bruce Pasternack et al. (2001). The latter claim there is little correlation between CEO leadership behaviour and organizational performance. And Richard Wellins and Patterson Weaver Jr (2003) quote a study of 83 leadership successions in 1997 and 1998 by Margaret Wiersma that showed little relationship between the loss of a CEO and the company's performance.

The new view of leadership is that the traditional role of a single leader who 'leads' by command and control no longer works because the challenges and problems facing organizations today are too complex and difficult for one person or even a small group of executives to handle alone (Drath, 2001a,b). 'Contextualists' argue that many situational factors constrain solo leaders (Thomas, 1988). What is needed, Wilfred H. Drath (2001a,b) says, is 'relational dialogue ... people making sense and meaning of their work together ... [creating] a world in which it makes sense to have shared goals or shared knowledge'.

The 'heroic' model of leadership, attributing greatness and infallibility to individual leaders, according to Grint, is 'both dangerous and dangerously naïve' (Eglin, 2003). Business leadership that depends on one all-powerful leader, Pasternack et al. (2001) say, is 'unstable in the long run'. Examples they give are the crumbling of ITT Corporation after the CEO Harold Geneen's retirement and how General Motors after Alfred Sloan, Polaroid after Edwin Land and Coca-Cola after Roberto Goizueta seemed to lose their way. There are also many examples of once-lauded heroes falling out of favour: *The Economist* (2002b) quotes Bernie Ebbers of WorldCom, Diana Brooks of Sotheby's, Jean-Marie Messier of Vivendi Universal, Percy Barnevik of ABB, Kenneth Lay and Jeffrey Skilling of Enron, and even the iconic Jack Welch of General Electric. One problem is the celebrity status that is accorded solo leaders and feeds their egos. The result is that:

Nearly all CEOs think of themselves as the sort of all-knowing, tough, take-charge leader whose photo appears on the cover of *Forbes*, and they find irresistible the temptation to centralize authority in their offices, making all important...decisions themselves. (Pasternack et al., 2001)

This phenomenon is not limited to 'heroes' in the business world of capitalism. It is apparent in communist culture too. For example, personality cults developed around communist leaders like Jiang Zemin and Zhu Ronji in the People's Republic of China. Said Susan V. Lawrence (2002) of the Beijing Bureau of the *Far Eastern Economic Review*, 'China's state media [are] increasingly given over to paeans to Jiang', and he has engaged in adorning public buildings with his calligraphic inscription 'with enthusiasm'.

Individual leadership nevertheless still has a place. It is necessary in small and start-up companies and in organizations where inspiration is needed to bring about transformational change (Pasternack et al., 2001). But Pasternack et al. also say:

CEOs of large companies should...see that it is more productive and satisfying to become a leader of leaders than to go it alone.

Various references in the literature have been made to leadership that is shared, distributed, distributive, dispersed, collective or institutional. House and Aditya (1997) say:

The process of leadership cannot be described simply in terms of the behavior of an individual: rather, leadership involves collaborative relationships that lead to collective action grounded in the shared values of people who work together to effect positive change.

To add to the terminology, they distinguish among delegated leadership, co-leadership and peer leadership. And co-leadership itself is interpreted in different ways. For example, David Heenan and Warren Bennis (1999) describe co-leadership in terms of one co-leader as 'playing second fiddle' to another, whereas Peter Troiano (1999) defines co-leadership as two leaders working side by side with equal managerial responsibility. Others use the term to mean the same as leadership shared among many individuals.

The survey by the Manufacturing Foundation in 2003 found that leadership in successful middle-market manufacturing firms in the UK tended not to reside in one

person at the top but to be a shared role among the top management team. Shared leadership reflects shared ownership of problems, an emphasis on learning and development (empowerment) to enable sharing, understanding and contribution, and a culture of openness, mutual respect and trust. Michael Useem found that 'The best projects [by MBA students] come from the teams that learn to act together and exercise shared leadership' (Shinn, 2003). Shared leadership is characterized by:

- The quality of interactions among people rather than position in a hierarchy
- The effectiveness with which people work together in solving a problem rather than a solo performance by one leader
- Conversation rather than instructions
- Shared values and beliefs
- Honesty and a desire for the common good rather than self-interest, secrecy and spin

In 2001 Pasternack et al. (2001) in collaboration with the World Economic Forum and the University of Southern California surveyed over 4,000 people in leadership roles in 12 large organizations on three continents and interviewed 20 to 40 in each one. They found that many successful companies – such as Intel Corporation, Motorola and Hyundai Electronics Industries Company in South Korea – are developing an institutional leadership capacity rather than depending on a charismatic CEO: 'Rather than an aria, leadership can be a chorus of diverse voices singing in unison.' The measure they developed is known as the Leadership Quotient (LQ). Leadership, O'Toole (2001) says, is an 'organizational trait'. However, O'Toole et al. (2002) report the indifferent reception these findings had at the 2000 World Economic Forum in Davos, Switzerland, despite evidence of enough cases of shared leadership that attest to its success:

this resistance to the notion of shared leadership stems from thousands of years of cultural conditioning [starting perhaps with Plato's views]. We are dealing with a near-universal myth: in the popular mind, leadership is always singular.

Marianne Döös and Lena Wilhelmson (2003) report a study showing that two-thirds of Swedish managers have a positive attitude towards shared leadership (or co-leadership). They studied four pairs of leaders in four Swedish organizations concerned with product development, management consulting, communications and soccer. Their common characteristics included shared values, mutual confidence, shared approaches to planning and visualizing, capitalizing on differences and receptivity to new ideas, and joint recognition of setbacks and successes.

Amana Corporation's CEO Paul Staman says:

[Shared leadership] allows more time for leaders to spend in the field; it creates an internal dynamic in which the leaders constantly challenge each other to higher levels of performance; it encourages a shared leadership mindset at all levels of the company; it prevents the trauma of transition that occurs in organizations when a strong CEO suddenly leaves. [What makes this work is] a shared set of guiding principles, and a team in which each member is able to set aside ego and 'what's in it for me' thinking.¹⁷

The idea of institutional leadership was first described by Philip Selznick in 1957 (Selznick, 1957). The concept has gained currency only in recent years. Jeff Gold and Alma Harris (2003) describe a study of distributed leadership in two schools and how it occurs through 'mediation in the form of [dialogue] and representational symbols' with the aim of identifying actions for improvement and monitoring subsequent progress.

Gronn (2002), in his meta-analysis of empirical studies in 20 organizations with distributed leadership, observes that it often begins spontaneously but eventually becomes institutionalized. He identifies two features of distributed leadership: interdependence and coordination. Interdependence is characterized by overlapping of leaders' responsibilities and complementarity of responsibilities. Coordination and alignment among co-leaders are key to success, but not only at the top.

O'Toole (2001) has found that 'many of the key tasks and responsibilities of leadership [are] institutionalized in the systems, practices, and cultures of the organization'. Institutionalized leadership is characterized by empowerment to act like owners and entrepreneurs rather than 'hired hands', to take the initiative, accept accountability, and to create and adhere to agreed systems and procedures. O'Toole et al. (2002) suggest that the reason for the continued success of companies under the successive tenure of several CEOs – and for the failure of previously successful CEOs in new companies – is to do with organizational variables like systems, structures and policies, 'factors that are not included in research based on a solo leadership model'.

Flexible distributive leadership is required to cope with the increasing volatility, complexity and variety of organizations' external environments, according to Michael Brown and Dennis Goia (2002). Distributive leadership, Gronn (2002) says, has emerged as a result of the development of new organizational forms – such as flatter structures that are more organic and virtual organization – that require greater interdependence and coordination. The current interest in institutional leadership reflects a post-industrial division of labour characterized by distributed workplaces, such as 'hot-desking' and working from home. Such distributed working has been made possible by developments in IT.

Pasternack et al. (2001) suggest that whether and how the CEO builds institutional leadership, as did Jack Welch at General Electric and Yotaro 'Tony' Kobayashi at Fuji Xerox, make a difference to organizational performance. Pasternack says:

Too much is being written about the CEO as the great leader and not enough about organizations that demonstrate leadership capacity throughout the organization... . Really good leaders take their skill and abilities and build into their organizations the capacity for leadership all the way down the line. (O'Shea, 2000)

Hierarchical level and leadership

If institutional leadership is important, then it would be useful to explore similarities and differences in leadership behaviour and effectiveness across the different levels of an organization's hierarchy. Most empirical research studies of leadership have focused on first-line or middle-level managers owing to the availability of access and large enough sample sizes (Sadler, 1997: 12). However, in line with the growing acceptance of qualitative research, we now see many more studies of CEOs based on interviews with them.

Organizational hierarchy is associated with 'command and control' leadership. Robert Fuller (2001) says that authority and hierarchy are associated with inflexibility, slow decision making and lack of responsiveness to customers. Frances Hesselbein says 'when people move into a circular system, enormous energy is released' (Shinn, 2003). But many organizations will probably always have hierarchies, and leadership in relation to organizational level is therefore worthwhile considering.

Likely hierarchical differences in leadership behaviour were pointed out long ago by Selznick (1957). According to Robert Lord and Karen Maher (1991: 97), 'the perceptual processes that operate with respect to leaders are very likely to involve quite different considerations at upper versus lower hierarchical levels'. Top-level leaders are responsible for the vision and mission of the organization – where it is heading, the development of appropriate strategies and strategic goals, and creating and promoting shared values throughout the organization. Lower-level leaders are responsible for formulating plans to implement strategies, accomplishing routine tasks and encouraging individual involvement and team working. Amitai Etzioni (1961) sees top management as concerned with ends rather than means, middle management with means rather than ends, and first-level management with daily operations. In common, however, are the need to empower people – to enable people to be *able* to do what needs to be done – and the need to influence, motivate and inspire them – to get them to *want* to do what needs to be done.

Bruce Avolio and Bernard Bass (1995) suggest that transformational leadership should be observed at all levels in an organization. Deanne Den Hartog et al. (1999) found that charismatic/transformational leadership behaviour is valued almost equally at top and lower levels of management. A study of commonalities and differences in leadership behaviour and effectiveness at different hierarchical levels in manufacturing organizations using a 360-degree leadership assessment instrument, Bass and Avolio's Multifactor Leadership Questionnaire (MLQ, see Chapter 2), revealed the following:

- Transformational leadership is displayed more at higher levels than at lower levels but its effectiveness is the same at all levels
- The use of both transactional leadership and laissez-faire leadership was found not to vary across the hierarchy
- The effectiveness of transactional leadership was found to decrease above middle-management level

(Edwards and Gill, 2003a,b)

These findings, for the use of transformational and transactional leadership, were replicated in another study. A separate study of leadership and organizational hierarchy, by Titus Oshagbemi and myself (Oshagbemi and Gill, 2004), also showed that, overall, transformational leadership is displayed more at higher levels than at lower levels while transactional leadership does not vary (except specifically for contingent reward, which differs between middle and first-level managers). The particular dimensions of transformational leadership that varied were intellectual stimulation and inspirational motivation. This study also showed that senior managers are less directive and more participative in their leadership style than first-level managers. There were also significant differences between senior, middle and first-level managers in

their use of the delegative style, which was positively associated with hierarchical level: senior managers use this style most.

Hierarchical position therefore appears to be a moderator of the use of transformational leadership (a positive relationship) but not its effectiveness, which is constant throughout organizations. It is also a moderator of the effectiveness of transactional leadership (a negative relationship) but not its use, which in general is also constant across the hierarchy. Zaccaro and Klimoski (2001: 13) suggest that organizational context, of which hierarchical position is one feature, is often understated as a moderator: it is a boundary condition for theory building and model specification. More empirical research on the commonalities and differences in leadership across organizational hierarchies is needed.

The collective leadership capacity of an organization – institutional leadership – is the sum total of leadership behaviour at all hierarchical levels. When this is strong, we may say the organization has a strong leadership ‘brand’. Barry Gibbons, former CEO of Burger King, says that ‘leadership and ... branding have almost seamlessly merged into one’ (Creelman, 2003a). Leadership brand is a characteristic of organizations rather than individuals. Cunningham (2002) says that ‘a brand is a promise’: the highest expression of who the organization is and a statement of its business philosophy and strategic intentions – it is about being distinct. Brands are a way to distinguish and market a product or service. For example, the Virgin brand, Gibbons says, is about fun, innovation and great value (Creelman, 2003a). Brands are a way to build customer commitment to the company, not just to its individual products. Leadership brand therefore is a way to build employee commitment to the company. Brand loyalty, in the case of leadership, is employee commitment and perhaps stakeholder commitment. Ulrich et al. (2000) say:

Leadership brand occurs when leaders at every level are clear about which results are most important, develop a consistent approach to delivering these results, and build attributes that support [their] achievement.

Dave Ulrich and Norm Smallwood (2000) suggest that leadership brand is characterized by leadership attributes – the knowledge and skills that reflect how leaders behave – and results. Attributes such as innovating quickly are related to results such as being first in the market. Leadership becomes a brand because of the distinctive link between attributes and results in a given firm: leadership brand = leadership attributes × results (Ulrich et al., 2000).

Leadership brand is not merely the result of ‘cascading’ leadership, in which strong leaders empower other leaders throughout the organization. This is dependent, Pasternack et al. (2001) say, on the personality and support of whoever the top leader is at any particular time. Leaders throughout the organization behave more like owners and entrepreneurs, assuming responsibility and taking the initiative.

The nature of enquiry in this book

This book aims to show how both individual and institutional leadership can be enhanced through a model that integrates the different approaches to studying and developing

effective leadership. The approach to developing this integrative model is triangulation, whereby leadership is addressed from many different perspectives – psychology and sociology, traditionally its most common knowledge base, but also ancient and modern philosophy, anthropology, military and business strategy, political science, history, theology, sport and the arts – literature, poetry, biography, journalism and reportage, the performing arts (music, dance and theatre) and even mythology and the visual arts. The study of leadership is truly eclectic.

The rationale for this approach is that the basic axioms of quantitative and qualitative enquiry are arbitrary: it should be the fit of the methodology with the phenomenon to be studied that should decide which one to use (Guba and Lincoln, 1982; Salmon, 2003). Leadership draws on both science and the arts. Triangulation is arguably a good fit with leadership as a phenomenon because of its eclectic nature and the diverse range of methodologies that have been used to study it. Moreover, one might claim, as do David Rennie (2000) and Daniel Robinson (2000), that pushing back the frontiers of knowledge results not merely from deduction and induction but also from applying imagination, creativity and common sense.

Recognizing the adage that ‘there is nothing more practical than a good theory’, this book presents a new integrative and holistic model of leadership. The model aims to make a useful new contribution by integrating the several hitherto disparate strands of leadership thinking and research: the intellectual, spiritual, emotional and behavioural aspects of leadership. This model aims to be useful in practice to three groups of people: those who serve in – or aspire to – leadership roles in organizations, those who work as specialists and consultants in leadership development, and scholars and students who study or research leadership. As Donald Krause (1997: ix) says, ‘Understanding the nature of leadership and developing strong leadership skills is probably the single most important task for society today.’

Further Reading

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Discussion Questions

- 1 Why is there no agreed paradigm for leadership?
- 2 How does the nature of leadership differ between business, politics, the public sector, the military and the third sector?
- 3 'Leaders are people who do the right thing; managers are people who do things right' (Warren Bennis). Discuss.
- 4 'And when we think we lead, we are most led' (Lord Byron). Discuss.
- 5 Is the day of the individual, 'heroic' leader giving way to the age of collective leadership?
- 6 How does the nature of leadership differ across hierarchical levels in organizations?