

# Instructor's Manual to Accompany **Organizational Behavior 7/e** by Steven L. McShane and Mary Ann Von Glinow



## Chapter 12: Leadership in Organizational Settings

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# 12

## Leadership in Organizational Settings

### LEARNING OBJECTIVES

*After reading this chapter, students should be able to:*

1. Define leadership and shared leadership.
2. Describe the four elements of transformational leadership and explain why they are important for organizational change.
3. Compare managerial leadership with transformational leadership, and describe the features of task-oriented, people-oriented, and servant leadership.
4. Discuss the elements of path-goal theory, Fiedler's contingency model, and leadership substitutes.
5. Describe the two components of the implicit leadership perspective.
6. Identify eight competencies associated with effective leaders and describe authentic leadership.
7. Discuss cultural and gender similarities and differences in leadership.



### CHAPTER GLOSSARY

**authentic leadership** -- The view that effective leaders need to be aware of, feel comfortable with, and act consistently with their values, personality, and self-concept.

**Fiedler's contingency model** -- A leadership model stating that leader effectiveness depends on whether the person's natural leadership style is appropriately matched to the situation (the level of situational control).

**implicit leadership theory** -- A theory stating that people evaluate a leader's effectiveness in terms of how well that person fits preconceived beliefs about the features and behaviors of effective leaders (leadership prototypes) and that people tend to inflate the influence of leaders on organizational events.

**leadership** -- Influencing, motivating, and enabling others to contribute toward the effectiveness and success of the organizations of which they are members

**leadership substitutes** -- A theory identifying conditions that either limit a leader's ability to influence subordinates or make a particular leadership style unnecessary.

**managerial leadership** -- A leadership perspective stating that effective leaders help employees improve their performance and well-being toward current objectives and practices.

**path-goal leadership theory** -- A leadership theory stating that effective leaders choose the most appropriate leadership style(s), depending on the employee and situation, to influence employee expectations about desired results and their positive outcomes.

**servant leadership** -- The view that leaders serve followers, rather than vice versa; leaders help employees fulfill their needs and are coaches, stewards, and facilitators of employee development.

shared leadership -- The view that leadership is a role, not a position assigned to one person, such that people within the team and organization lead each other

situational leadership theory -- A commercially popular but poorly supported leadership model stating that effective leaders vary their style (telling, selling, participating, delegating) according to the motivation and ability of followers.

transformational leadership -- A leadership perspective that explains how leaders change teams or organizations by creating, communicating, and modeling a vision for the organization or work unit and inspiring employees to strive for that vision.

## CHAPTER SUMMARY BY LEARNING OBJECTIVE

### 12-1 Define leadership and shared leadership.

Leadership is defined as the ability to influence, motivate, and enable others to contribute to the effectiveness and success of the organizations of which they are members. Leaders use influence to motivate followers and arrange the work environment so they do the job more effectively. Shared leadership views leadership as a role rather than a formal position, so employees throughout the organization act informally as leaders as the occasion arises. These situations include serving as champions for specific ideas or changes, as well as filling leadership roles where it is needed.

### 12-2 Describe the four elements of transformational leadership and explain why they are important for organizational change.

Transformational leadership begins with a strategic vision, which is a positive representation of a future state that energizes and unifies employees. A vision is values-based, a distant goal, abstract, and meaningful to employees. Transformational leaders effectively communicate the vision by framing it around values, showing sincerity and passion toward the vision, and using symbols, metaphors, and other vehicles that create richer meaning for the vision. Transformational leaders model the vision (walk the talk) and encourage employees to experiment with new behaviors and practices that are potentially more consistent with the visionary future state. They also build employee commitment to the vision through the preceding activities, as well as by celebrating milestones to the vision. Some transformational leadership theories view charismatic leadership as an essential ingredient of transformational leadership. However, this view is inconsistent with the meaning of charisma and at odds with research on the dynamics and outcomes of charisma in leader-follower relationships.

### 12-3 Compare managerial leadership with transformational leadership, and describe the features of task-oriented, people-oriented, and servant leadership.

Managerial leadership includes the daily activities that support and guide the performance and well-being of individual employees and the work unit to achieve current objectives and practices. Transformational and managerial leadership are dependent on each other, but they differ in their assumptions of stability versus change and their micro versus macro focus.

Task-oriented behaviors include assigning employees to specific tasks, clarifying their work duties and procedures, ensuring they follow company rules, and pushing them to reach their performance capacity. People-oriented behaviors include showing mutual trust and respect for subordinates, demonstrating a genuine concern for their needs, and having a desire to look out for their welfare.

Servant leadership defines leadership as serving others to support their need fulfillment and personal development and growth. Servant leaders have a natural desire or “calling” to serve others. They maintain a relationship with others that is humble, egalitarian, and accepting. Servant leaders also anchor their decisions and actions in ethical principles and practices.

**12-4 Discuss the elements of path-goal theory, Fiedler's contingency model, and leadership substitutes.**

The path-goal theory of leadership takes the view that effective managerial leadership involves diagnosing the situation and using the most appropriate style for it. The core model identifies four leadership styles – directive, supportive, participative, and achievement-oriented – and several contingencies related to the characteristics of the employee and of the situation.

Two other managerial leadership theories include the situational leadership theory and Fiedler's contingency theory. Research support is quite weak for both theories. However, a lasting element of Fiedler's theory is the idea that leaders have natural styles and, consequently, that companies need to change the leaders' environments to suit their style. Leadership substitutes theory identifies contingencies that either limit the leader's ability to influence subordinates or make a particular leadership style unnecessary.

**12-5 Describe the two components of the implicit leadership perspective.**

According to the implicit leadership perspective, people have leadership prototypes, which they use to evaluate the leader's effectiveness. Furthermore, people form a romance of leadership; they want to believe that leaders make a difference, so they engage in fundamental attribution error and other perceptual distortions to support this belief in the leader's impact.

**12-6 Identify eight competencies associated with effective leaders and describe authentic leadership.**

The competency perspective identifies the characteristics of effective leaders. Recent writing suggests that leaders have specific personality characteristics, positive self-concept, drive, integrity, leadership motivation, knowledge of the business, cognitive and practical intelligence, and emotional intelligence. Authentic leadership refers to how well leaders are aware of, feel comfortable with, and act consistently with their self-concept. This concept consists mainly of two parts: self-awareness and engaging in behavior that is consistent with one's self-concept.

**12-7 Discuss cultural and gender similarities and differences in leadership.**

Cultural values influence the leader's personal values, which in turn influence his or her leadership practices. Women generally do not differ from men in the degree of people-oriented or task-oriented leadership. However, female leaders more often adopt a participative style. Research also suggests that people evaluate female leaders on the basis of gender stereotypes, which may result in higher or lower ratings.

# LECTURE OUTLINE (WITH POWERPOINT® SLIDES)



## Leadership in Organizational Settings

Leadership in  
Organizational Settings  
Slide 1



### Telstra CEO, David Thodey

David Thodey has transformed Telstra, the Australian telecommunications giant, through effective leadership practices. In particular, he re-engaged staff through a customer-centric vision and personally symbolized the vision through his own behaviors.

Telstra CEO, David  
Thodey  
Slide 2



### Leadership Defined

The ability to influence, motivate, and enable others to contribute toward the effectiveness of the organizations of which they are members

Leadership Defined  
Slide 3



### Shared Leadership

The view that leadership is a role, not a position assigned to one person, such that people within the team and organization lead each other

- Employees lead each other as the occasion arises.
- e.g., champion new ideas and technologies

Shared leadership flourishes where:

- Formal leaders willing to delegate power
- Collaborative culture – employees support each other, not competitive
- Employees develop skills to influence each other

Shared Leadership  
Slide 4

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## Perspectives of Leadership

Chapter is organized around four main perspectives of leadership:

1. Transformational – views effective leaders as agents of change
  2. Managerial – helping employees improve performance and well-being toward current objectives/practices
  3. Implicit leadership – perceptual perspective of leadership
  4. Competency – effective leaders have specific personal characteristics
- 

Transformational Leadership Model



Transformational Leadership Model  
Slide 5

## Transformational Leadership Model

Four elements:

- Develop and communicate a strategic vision
  - Model the vision
  - Encourage experimentation
  - Build a commitment to the vision
- 

Features of a Strategic Vision

- Definition: Vision is an idealized future state with a higher purpose.
- Features of an effective vision
  - Linked to personal values
  - Fulfills multiple stakeholder needs
  - Challenging objective
  - Abstract future state
    - Future hasn't yet been experienced
    - Enables vision to remain stable over time
  - A unifying ideal

Features of a Strategic Vision  
Slide 6


## Features of a Strategic Vision

Vision is an idealized future state with a higher purpose.

Features of an effective vision

- Linked to personal values
    - ➔ energizes employees so they are motivated even though the objective is abstract, distant, and challenging
  - Fulfills multiple stakeholder needs
  - A challenging objective -- requires substantial transformation (e.g. new work practices, beliefs)
  - An abstract future state:
    - ➔ (a) future hasn't yet been experienced, so can't detail what it looks like
    - ➔ (b) enables vision to remain stable over time, yet sufficiently flexible for external environment changes
  - A unifying ideal
    - ➔ vision is shared -- bonds employees by collectively define themselves by it
    - ➔ a superordinate objective
    - ➔ aligned with personal and organization's values -- supports organizational identification
-

Transformational Leadership Elements



1. Develop/Communicate the vision

- Framing the vision
- Communicate the vision with sincerity and passion
- Use symbols, metaphors, symbols

2. Model the vision

- Enacting the vision ("walking the talk")
- Symbolize and demonstrate the vision through their own behavior
- Builds employee trust in the leader

Transformational Leadership Elements  
Slide 7

## Transformational Leadership Elements


### 1. Develop/Communicate the vision

- Framing the vision-- use words/phrases that evoke desired images of an appealing future
- Communicate the vision with sincerity and passion -- shows personal belief and optimism
- Use symbols, metaphors, symbols
  - ➔ borrows images of other experiences
  - ➔ generates strong emotions about the vision

### 2. Model the vision

- Enacting the vision -- "walking the talk", leading by example
- Symbolize and demonstrate the vision through their own behavior
- Words-action consistency builds employee trust in the leader

Transformational Leadership Elements



3. Encourage experimentation

- Encourage questioning current practices
- Encourage discovering/trying out new practices (learning orientation)

4. Build commitment to the vision

- Strengthened through communicating and modeling the vision
- Increased through experimentation
- Also through rewards, recognition, celebrations

Transformational Leadership Elements  
Slide 8

## Transformational Leadership Elements

### 3. Encourage experimentation -- necessary for change

- Encourage questioning current practices
- Encourage discovering/trying out new practices (learning orientation)

### 4. Build commitment to the vision

- Strengthened through communicating and modeling the vision – builds enthusiasm
- Increased through experimentation -- employee involvement in change
- Higher commitment also through rewards, recognition, celebrations

## Transformational versus Charismatic Leaders

Some leadership models say charismatic leadership is essential for transformational leadership – even suggesting that charismatic leadership is the highest degree of transformational leadership

Emerging view – charisma is distinct from transformational leadership

Charisma is a personal trait that provides referent power over followers – doesn't necessarily change the organization (may even result in greater focus on self-interest)

Transformational leadership is a set of behaviors that engage followers to bring about change – builds follower empowerment



### Evaluating Transformational Leadership

- Transformational leadership is important
  - Higher satisfaction, performance, OCIs, creativity
- Transformational leadership limitations
  1. Circular logic
  2. Mixed models (behavior and competencies)
  3. Universal theory

### Evaluating Transformational Leadership Slide 9

## Evaluating Transformational Leadership

Transformational leaders make a difference

- Employees perform their jobs better, engage in more organizational citizenship behaviors, make better or more creative decisions

Transformational leadership limitations:

### 1. Circular logic

- Shouldn't define and measure transformational leadership by its effects on employees

### 2. Mixed models of transformational leadership

- Some models mix leader behaviors with personal characteristics --  
Problem: cause (characteristics) and effect (behaviors) in same concept

### 3. Universal theory

- Most models assume all elements apply to all situations
- Problem: transformational leadership not always necessary or beneficial
- Need to recognize differences across cultures e.g. specific elements may be more appropriate in North America

### Managerial Leadership

Definition: Daily activities that support and guide the performance and well-being of individual employees and the work unit to support current objectives and practices

- Managerial leadership differs from transformational leadership
  - Assumes environment is stable (vs. dynamic)
  - Micro-focused (vs. macro-focused)
- Transformational and managerial leadership are interdependent



### Managerial Leadership Slide 10

## Managerial Leadership

Managerial leadership defined

- Daily activities that support and guide the performance and well-being of individual employees and the work unit to support current objectives and practices

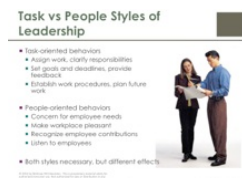
How managerial leadership differs from transformational leadership

- Assumes stable environment (transformational assumes dynamic)
  - ➔ "Doing things right" vs "Doing the right things"
- Micro-focused (transformational is more macro-focused)
  - ➔ focuses on specific performance and well-being; transformational focuses more on unit/collective shift to a new situation

Transformational and managerial leadership are interdependent

- Depend on each other to create effective workplace
- Transformational needs managerial to translate the abstract vision into more specific operational behaviors and practices
- Managerial depends on transformational to set the right direction





Task vs People Leadership Styles  
Slide 11

## Task vs People Leadership Styles

Earliest investigations of managerial leadership identified two distinct styles (clusters of behavior)

Task-oriented behaviors:

- Assign employees to specific tasks, clarify responsibilities
- Set goals and deadlines, provide feedback
- Establish work procedures, plan future work

People-oriented behaviors:

- Concern for employee needs
- Make workplace pleasant
- Recognize employee contributions
- Listen to employees' opinions and ideas

Both styles necessary, but different effects

- Task-oriented: higher job performance
- People-oriented: higher satisfaction with leader, lower turnover



Military Ethos of Servant Leadership  
Slide 12

## Military Ethos of Servant Leadership

"The idea of servant leadership is you put others before yourself," says Lt. Gen. Daniel Allyn of the XVIIIth Airborne Corps. "That implies that we're going to do all we can to ensure that we're always looking after the needs of our Soldiers."



Servant Leadership  
Slide 13

## Servant Leadership

Serving followers toward their need fulfillment, personal development, and growth – leaders serve followers, rather than vice versa

- Selfless, egalitarian, humble, nurturing, empathetic, ethical coaches

Three main features of servant leaders:

1. A natural desire or "calling" to serve others
2. Humble, egalitarian, accepting relations with followers
3. Anchor decisions/actions in ethical principles and practices

#### Path-Goal Leadership

- Effective leaders choose styles that best influence employee expectations about achieving desired performance and perceived satisfaction with outcomes of that performance
- Best leader style depends on employee/situation
- Four main path-goal leadership styles
  - Directive – Task-oriented behaviors provide structure
  - Supportive – People-oriented behaviors provide support
  - Participative – Employee involvement
  - Achievement-oriented – Stretch goals; positive self-fulfilling prophecy

Path-Goal Leadership  
Slide 14

## Path-Goal Leadership

Main contingency model of managerial leadership

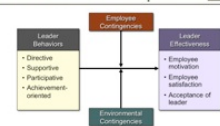
Effective leaders choose styles that best influence employee expectations about achieving desired performance and perceived satisfaction with outcomes of that performance

Based on expectancy theory of motivation (Chap. 5) and subjective expected utility (Chap. 7)

## Path-Goal Leadership Styles

1. Directive – same as task-oriented leadership
  - Clarify performance goals, means to reach goals, performance standards
2. Supportive – same as people-oriented leadership
  - Friendly, approachable, makes work pleasant, shows respect/concern
3. Participative – employee involvement in decisions
  - Leader consults with employees, asks for suggestions, applies ideas
4. Achievement-oriented – encourage peak performance
  - Sets challenging goals, continuous improvement, shows high confidence
  - Applies goal setting, positive self-fulfilling prophecy

#### Path-Goal Leadership Model



Path-Goal Leadership  
Model  
Slide 15

## Path-Goal Leadership Model

Effectiveness of the four styles depends on employee and environmental contingencies

Leadership effectiveness:

- Employee motivation and satisfaction
- Acceptance of the leader

#### Path-Goal Contingencies

- Skill and experience
  - Low: directive and supportive leadership
- Locus of control
  - Internal: participative and achievement leadership
  - External: directive and supportive leadership
- Task structure
  - Nonroutine: directive and/or participative leadership
- Team dynamics
  - Low cohesion: supportive leadership
  - Dysfunctional norms: directive leadership

Path-Goal  
Contingencies  
Slide 16

## Path-Goal Contingencies

### 1. Skill and experience

- Low skills and experience – use directive and supportive
- Skilled/experienced – avoid directive leadership

### 2. Locus of control

- Internal – prefer participative and achievement-oriented leadership
- External – more satisfied with directive and supportive leadership

### 3. Task structure

- Nonroutine – directive style to minimize ambiguity; participative style to allow more discretion
- Routine – avoid directive style; supportive leadership if work is tedious and has lack of control

### 4. Team dynamics

- Low cohesion – use supportive style
- Dysfunctional norms – use directive style to counteract
- High cohesion with performance-oriented norms substitute for most leader interventions

## Evaluating Path-Goal Leadership Model

- Received more research support than other contingency leadership models
- Some contingencies e.g. task structure have limited research support
- The model may become too complex for practical use

Other Managerial Leadership Theories

- Situational Leadership Model
  - Four styles: telling, selling, participating, delegating
  - Best style depends on follower ability/motivation
  - Popular model, but lacks research support
- Fiedler's Contingency Model
  - Leadership style is stable – based on personality
  - Best style depends on situational control
  - Theory has problems, but uniquely points out that leaders have a preferred style, not very flexible

Other Managerial Leadership Theories  
Slide 17

## Other Managerial Leadership Theories

### Situational Leadership Model (SLT)

- Four styles: Telling, Selling, Participating, Delegating – distinguished by the amount of directive and supportive behavior provided
- Best style depends on follower ability and motivation (readiness)
- Developed by Hersey and Blanchard – popular theory among practitioners, however the model lacks empirical support

### Fiedler's Contingency Model of Leadership

- Earliest contingency-oriented managerial leadership theory
- Leader effectiveness depends on whether the person's natural leadership style is appropriately matched to the situation
- Best leadership style depends on the level of situational control i.e. degree of power and influence the leader has in a particular position
- Limited empirical support but uniquely points out that leaders have a preferred style; leaders not very flexible

Leadership Substitutes

- Contingencies that limit a leader's influence or make a particular leadership style unnecessary
  - Examples: Training and experience replace task-oriented leadership
  - Example: Cohesive team replaces supportive leadership
- Research evidence
  - Substitutes help, but don't completely substitute for real leadership

Leadership Substitutes  
Slide 18

## Leadership Substitutes

Contingencies that limit a leader's influence or make a particular leadership style unnecessary

### Examples:

- Training and experience replaces task-oriented leadership
- Cohesive team replaces supportive leadership
- Self-leadership replaces task-oriented and achievement-oriented leadership

### Research evidence:

- A few substitutes replace the need for task or people-oriented leadership, but others do not
- Leadership substitutes do not completely replace leaders in these situations

**Implicit Leadership Perspective**

Followers' perceptions of characteristics of effective leaders

1. Leadership prototypes
  - Preconceived beliefs about the features and behaviors of effective leaders
  - Favorable evaluation to leaders who fit the prototype
2. Romance of leadership effect
  - Amplify leader's perceived effect on firm's success
  - Due to need to simplify explanations
  - Due to need for situational control

Implicit Leadership Perspective  
Slide 19

## Implicit Leadership Perspective

Leadership also involves followers' perceptions of the characteristics and attributions of people in formal leadership positions

### 1. Leadership prototypes

- Prototypes: preconceived beliefs about characteristics of effective leaders
- Positive evaluation to leaders with features and behaviors close to the prototypes of effective leaders
- Reason: leader effectiveness emerges over long time, but people need to quickly trust person's qualities as a leader

### 2. Romance of leadership effect

- Followers tend to distort perception of leader's influence
- Reason 1: Simpler explanation -- leader ability vs many complex reasons
- Reason 2: Need for situational control – employees feel better believing that leaders make a difference so they look for this evidence

**Eight Leadership Competencies**

Personality	• Extroversion, conscientiousness (and other personality dimensions)
Self-concept	• Complex, consistent, clear self-view • Positive self-evaluation
Leadership motivation	• Motivation to lead others • High need for socialized power
Drive	• Inner motivation to pursue goals • Inquisitiveness, action-oriented, boldness

Eight Leadership Competencies  
Slide 20

## Competency Perspective of Leadership

Specific skills, knowledge, aptitudes, and other personal characteristics that contribute to person's effectiveness or potential as a leader

### Eight Leadership Competencies

#### 1. Personality

- All Big Five predict effective leadership, but strongest are:
- High extroversion – comfortable having an influential role
- Conscientiousness – set higher goals for themselves (and others) and are more motivated to pursue those goals

#### 2. Self-concept

- Complex, internally consistent, clear self-view as a leader, positive self-evaluation:
- High self-esteem
- Self-efficacy
- Internal locus of control

#### 3. Leadership motivation

- Motivated to lead others
- Strong need for socialized power – they want power as a means to accomplish organizational objectives

#### 4. Drive

- Related to high conscientiousness and positive self-concept
- Inner motivation, high need for achievement
- Inquisitiveness, action-oriented, boldness



Eight Leadership Competencies (con't)  
Slide 21

## Eight Leadership Competencies (con't)

### 5. Integrity

- Truthfulness and consistency of words and actions
- Judge dilemmas using sound values
- Related to honesty and ethical conduct

### 6. Knowledge of the business

- Possess tacit and explicit knowledge of the organization's environment in which they operate

### 7. Cognitive and Practical Intelligence

- Above average cognitive ability
- Superior ability to analyze complex alternatives and opportunities
- Able to use business knowledge to solve real-world problems

### 8. Emotional Intelligence

- Able to recognize and regulate emotions in themselves and in other people



Authentic Leadership  
Slide 22

## Authentic Leadership

Effective leaders are aware of, feel comfortable with, and act consistently with their values, personality, and self-concept

- Know yourself (self-awareness)
  - ➔ engage in self-reflection
  - ➔ receive feedback from trusted sources
  - ➔ understand inner purpose that emerges from a life story (critical life event)
- Be yourself (don't pretend to be someone else)
  - ➔ great leaders develop their own style
  - ➔ self-discipline by applying and remaining anchored to their values
  - ➔ maintain a strong, positive core self-evaluation

Leader Competency  
Perspective Limitations

1. Universal approach
2. Views leadership within person, but leading is relational
3. Competencies refer to leadership potential, not performance

Competency  
Perspective Limitations  
Slide 23

## Competency Perspective Limitations

### 1. Universal approach

- Assumes all effective leaders have the same personal characteristics and are equally important in all situations
- Leadership too complex for a universal list
- Different combinations might be equally good

### 2. Views leadership as within the person

- But leadership is relational -- people are effective leaders because of their favorable relationships with followers

### 3. Competencies indicate only leadership potential, not leadership performance

Cultural Issues in Leadership

- Societal cultural values and practices:
  - Shape leader's values/norms
  - Influence leader's decisions and actions
  - Shape follower prototype of effective leaders
- Some leadership styles are universal, others differ across cultures
  - "Charismatic visionary" seems to be universal
  - Participative leadership works better in some cultures than others

Cultural Issues in  
Leadership  
Slide 24

## Cultural Issues in Leadership

### Societal cultural values and practices:

- Shape leader's values/norms – also shapes expectations of followers
- Influence decisions and actions – an executive who acts inconsistently with cultural expectations is more likely to be perceived as ineffective
- Shape follower prototype of effective leaders

### Some leadership styles are universal, others differ across cultures:

- "Charismatic visionary" is universally recognized
- Participative leadership is perceived as characteristic of effective leadership in low power distance cultures but less so in high power distance cultures



Gender Issues in Leadership

- Male/female leaders have similar task- and people-oriented leadership
- Female leaders use more participative leadership
- Women rated higher on emerging leadership styles



Gender Issues in Leadership  
Slide 25

## Gender Issues in Leadership

Male and female leaders have similar task- and people-oriented leadership

- Explanation is that real-world jobs require similar behavior from male and female job incumbents

Women adopt a participative leadership more readily than male leaders

Evaluating Female Leaders

- Women are evaluated negatively when they try to apply the full range of leadership styles e.g. directive and autocratic
  - ➔ face limitations of leadership through gender stereotypes and prototypes of leaders that are held by followers
- Women rated more favorably than men on emerging leadership qualities of coaching and teamwork



Leadership in Organizational Settings  
Slide 26

## Leadership in Organizational Settings



## SOLUTIONS TO CRITICAL THINKING QUESTIONS

**1. Why is it important for top executives to value and support shared leadership?**

Emerging views of leadership support the idea that leadership needs to be developed at all levels of an organization. In a recent study, only 8 percent of executives in large firms indicated their organizations had enough leadership. Effective leaders are responsible and their success may be determined, by their ability to teach and empower employees to take leadership roles. In increasingly dynamic, team-based organizations, an organization's competitive success may be determined by employees' ability to understand the business environment and take action consistent with organizational goals. Characteristics associated with leadership such as self-confidence, emotional intelligence, integrity are increasingly being used by organizations to select employees for positions at all levels within an organization (not just management and executive positions).

**2. Transformational leadership is the most popular perspective of leadership. However, it is far from perfect. Discuss the limitations of transformational leadership.**

Circular definition of effective leadership. One problem with the transformational leadership perspective is that some researchers define this concept in terms of the leader's success. They suggest that leaders are transformational when they successfully bring about change, rather than whether they engage in certain behaviors we call transformational. This is circular logic, because it means that all successful leaders use the transformational style.

Universal approach to leadership. The transformational leadership model still implies a universal rather than contingency approach to leadership. Only very recently have writers begun to explore the idea that transformational leadership is more appropriate or effective in some situations than others. For example, it may be less effective in some cultures.

Cross-cultural differences. Implicit in the discussion about the universal nature of transformational leadership is the notion that it applies across cultures. Yet we know that leadership includes behaviors and communication styles that might be inconsistent with some cultures. However, preliminary evidence suggests that transformational leadership is applicable across cultures.

**3. This chapter distinguished charismatic leadership from transformational leadership. Yet charisma is identified by most employees and managers as a characteristic of effective leaders. Why is charisma commonly related to leadership? In your opinion, are the best leaders charismatic? Why or why not?**

This is an open-ended question that will encourage students to question their notions of leadership. Instructors may find it useful to begin the discussion by having students brainstorm to define what is meant by the term charisma. The next question would be: Is a leader who is viewed as charismatic to some also viewed as charismatic to others as well?

One does not have to be charismatic to be a successful leader. Nonetheless, being viewed as charismatic is an advantage in securing the support of followers. There have been suggestions made that charismatic leaders produce dependent followers, whereas transformational leaders produce followers who are more empowered and therefore less dependent on the leader.

**4. Consider your favorite teacher. What people-oriented and task-oriented leadership behaviors did he or she use effectively? In general, do you think students prefer an instructor who is more people-oriented or task-oriented? Explain your preference.**

NOTE: This question relates directly to a study that looked into the preferred leadership style of university students. See V. V. Baba, "Serendipity in Leadership: Initiating Structure and Consideration in the Classroom," *Human Relations* 42 (1989), pp. 509-25.

For this discussion, it may be useful for students to work in groups and write down critical events that characterized effective and ineffective leadership from teachers. Then, the class can compare these critical events to the features of people-oriented and task-oriented leadership.

In general, instructors will probably find that students value both people-oriented and task-oriented leadership in teachers. Particularly important is the idea that each style is probably more or less important in different situations. For example, people-oriented leadership would be more valuable in stressful situations (just before the exam!). Notice that it is difficult to discuss these two styles of leadership without moving into path-goal theory and its contingency approach.

Another observation is that, given a forced choice, students will prefer a task-oriented leader. As noted in the textbook, research has found that college students apparently value task-oriented instructors because they want clear course objectives and well-prepared lectures that abide by the course objectives.

5. **Your employees are skilled and experienced customer service representatives who perform nonroutine tasks, such as solving unique customer problems or meeting special needs with the company's equipment. Use path-goal theory to identify the most appropriate leadership style(s) you should use in this situation. Be sure to fully explain your answer, and discuss why other styles are inappropriate.**

According to path-goal theory, the most appropriate leadership styles in this situation are participative and achievement-oriented. Employees have the skill and experience to provide meaningful ideas, and the non-routine task structure gives employees discretion over their work activities. This discretion is necessary for the participative leadership style because it gives employees more freedom to implement their ideas. Achievement-oriented leadership is appropriate here because employees have the skills and experience necessary to attempt challenging goals.

Directive leadership is inappropriate here because it introduces too much supervisory control for skilled and experienced employees. Supportive leadership is probably unnecessary in this situation. The work isn't too challenging (employees have the necessary skills and experience) nor is it too boring (employees have non-routine tasks).

6. **Identify a current political leader (e.g., president, governor, mayor) and his or her recent accomplishments. Now, using the implicit leadership perspective, think of ways that these accomplishments of the leader may be overstated. In other words, explain why they may be due to factors other than the leader.**

Generally, students should be able to take a successful political leader and use the three elements of the romance perspective to explain how this leader may be less responsible for success than we imagine. The three perceptual processes that affect the way that people view leaders and the effects of leaders on their environments are as follows:

**Attributing leadership.** When observing others, we tend to attribute events more to the person than the situation because we are less sensitive to situational influences. Leaders reinforce this perceptual bias by taking more credit than they deserve for favorable events.

**Stereotyping leadership.** Employee expectations and stereotypes regarding characteristics of effective leaders influence their evaluation of leaders. It's usually difficult to objectively evaluate a leader's long-term effectiveness, so people tend to evaluate leaders by whether they act like leaders, that is, whether their behaviors conform to the leadership stereotype.

**Romance of leadership.** In Western society, people want to believe that leaders make a difference because it simplifies their explanation of organizational events. It also maintains their illusion of control because they want to believe that life events are generated from people rather than from uncontrollable natural forces.

- 7. Find two newspaper ads for management or executive positions. What leadership competencies are mentioned in these ads? If you were on the selection panel, what methods would you use to identify these competencies in job applicants?**

This is an open-ended exercise which could be used as an activity with subsequent class discussion. The main objective is to help students identify the competencies organizations are looking for when hiring managers and/or executives. The competency perspective of leadership should be self-evident. Encourage students to compare the competencies identified in the newspaper ads with the leadership competencies identified below:

Personality -- Higher levels of extroversion (outgoing, talkative, sociable, and assertive) and conscientiousness (careful, dependable, and self-disciplined)

Self-concept -- The leader's self-beliefs and positive self-evaluation about his/her own leadership skills and ability to achieve objectives.

Drive--The leader's inner motivation to pursue goals.

Integrity--The leader's truthfulness and tendency to translate words into deeds.

Leadership motivation--The leader's need for socialized power to accomplish team or organizational goals.

Knowledge of the business--The leader's tacit and explicit knowledge about the company's environment, enabling the leader to make more intuitive decisions.

Cognitive and practical Intelligence--The leader's above average cognitive ability to process information (cognitive intelligence) and ability to solve real-world problems by adapting to, shaping, or selecting appropriate environments (practical intelligence).

Emotional intelligence--The leader's ability to monitor his or her own and others' emotions, discriminate among them, and use the information to guide his or her thoughts and actions.

- 8. How do you think emotional intelligence, cognitive and practical intelligence influence authentic leadership?**

Leadership is about influencing, motivating and enabling others to contribute towards effectiveness of organizations, while authentic leadership refers to how well leaders are aware of, feel comfortable with, and act consistently with their self-concept. Emotional intelligence helps leaders to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion and regulate emotion in themselves and others. Since emotions influence human decision making, the ability to understand and express emotions is likely to allow the leader to be herself / himself and also to allow others to see the leader as being authentic. Cognitive and practical intelligence project the competence and combined with emotional intelligence will demonstrate authentic leadership.

- 9. You hear two people debating the merits of women as leaders. One person claims that women make better leaders than do men because women are more sensitive to their employees' needs and involve them in organizational decisions. The other person counters that though these leadership styles may be increasingly important, most women have trouble gaining acceptance as leaders when they face tough situations in which a more autocratic style is required. Discuss the accuracy of the comments made in this discussion.**

The first statement -- that women are more sensitive to employee needs -- represents a traditional gender stereotypic view of women in these roles. It may be true to the extent that women generally tend to be more sensitive than men to nonverbal cues and the ability to empathize. However, research suggests that women are generally no more or less likely to apply the people-oriented leadership style. In this respect, the statement is false.

The second statement -- that most women have trouble gaining acceptance as leaders when they face tough situations where a more autocratic style is required -- is generally true. Women may be as skilled as men at applying the autocratic style, but they receive more resistance and unfavorable responses from followers. This reflects the tendency of followers to stereotype leaders, and to give unfavorable evaluations to those who violate the stereotype.



## CASE STUDY: A WINDOW ON LIFE

### Case Synopsis

LaCrosse Industries in Eau Claire, Wisconsin manufactures wood-framed windows. Gilbert LaCrosse, the company founder, continually reinforced the need to make quality windows because they provided “a window on life” for so many families. He consistently repeated this point by talking with all employees at every convenience. He began taking pictures of people looking through LaCrosse windows and this led to the company’s popular marketing campaign. LaCrosse also actively involved employees in organizational decisions. Eventually, the company’s continued success depended on expansion to other parts of the country, so a majority share was sold to Build-All Products, a conglomerate with international marketing expertise in building products. Build-All brought in Jan Vlodoski to oversee production while LaCrosse met with developers around North America. Vlodoski was a less participative and more directive manager who tried to shift the emphasis from product quality to inventory cost efficiency. Inventory costs were reduced, but product rejects increased markedly during the first year. Employee morale dropped significantly and some people quit in spite of the poor labor market. After 18 months, LaCrosse realized that Build-All’s actions were inconsistent with his vision of the company, while Build-All was not sufficiently pleased with the company’s return on equity (not quite the 18 percent required by Build-All).

This company does not exist as described. It is a composite of a few situations that the author knows about, both in terms of the company’s growth, experience following acquisition, and leadership of the founder.

### Suggested Answers to Case Questions

**1. Identify the symptoms indicating that problems exist at LaCrosse Industries, Inc.**

The main symptoms of this case were that employee morale dropped significantly, product quality was lower, and some valued employees quit.

**2. Use one or more leadership theories to analyze the underlying causes of the current problems at LaCrosse Industries. What other organizational behavior theories might also help to explain some of the problems?**

**2A. Ineffective Managerial Leadership**

From a path-goal leadership perspective, LaCrosse was clearly more effective than Vlodoski. The employees seem to have high ability and experience due to their long tenure (low turnover) with the organization. The task is structured and employees receive training to perform their tasks well. They also seem to have an internal locus of control to the extent that they actively help the organization and take initiatives on their own.

Under these conditions, participative and achievement oriented leadership styles are most appropriate and directive leadership is least effective. LaCrosse applies participative leadership because he involves employees in decisions affecting them (e.g. selecting raw materials and deciding whether to sell the business).

Vlodoski applies a highly directive leadership style by sending task requirements to supervisors and staff members and by requiring more precise accounting of employee actions (especially the use of raw materials). He announced new procedures for purchasing production supplies which eliminated the participation of production leaders and limited the autonomy of the company’s purchasing experts.

We know from path-goal theory that directive leadership is ineffective when employees have high ability and experience in the job. In fact, this style might reduce job satisfaction and motivation under these conditions. This is apparent here as employees are dissatisfied with Vlodoski’s actions.

## **2B. Transformational Leadership and Org. Culture**

LaCrosse's effective transformational leadership style built a strong organizational culture around the dominant value of maintaining the highest product quality. The company also has a somewhat egalitarian and employee involvement value system.

Over the years, LaCrosse has created a vision for his company that employees should try to produce the highest quality windows. LaCrosse has communicated this vision effectively around the social values of life and family. Specifically, he has created a meaningful metaphor called "a window on life" and has pictured families looking through LaCrosse Industries windows.

LaCrosse effectively models his vision. He "walks the talk" through his actions on the production floor and in his dealings with clients. He gets out of his office to demonstrate his commitment to the quality vision. It is also apparent that he "positions" himself by being consistent with the quality theme. That is, LaCrosse does not seem to deviate from this overarching goal.

LaCrosse is also a transformational leader because he has been able to effectively build commitment toward the "window on life" vision. He demonstrates his enthusiasm for quality windows and communicates the company's successes to his employees. The "window on life" metaphor and LaCrosse's effective modeling of the vision also builds commitment.

The strength of LaCrosse Industries' culture clashed with the goals and priorities of Build-All Products. This case therefore demonstrates how an acquisition can undermine organizational culture.

## **2C. Employee Involvement**

The employee involvement model (see Chapter 7) may be applied here to evaluate the effectiveness of Vlodoski's decision process, particularly his decisions regarding inventory controls.

We do not know whether Vlodoski has much knowledge of this industry, but he is new to LaCrosse Industries and has not attempted to understand the existing process. Although Vlodoski used Build-All procedures, the decision to apply these procedures versus continue with the company's existing practices is actually unstructured.

It is evident that employees were not committed to Vlodoski's decisions. It is probable that subordinates' goals are congruent with the goals of LaCrosse Industries but not necessarily with Build-All. They value product quality over inventory cost control, but were also motivated by profit sharing. Due to the strong organizational culture and long tenure of most employees, it is reasonable to infer that they would have little conflict over this issue. Finally, we know that employees have high ability and many years of experience.

Based on this analysis, Vlodoski should have at least consulted with employees about the possible shift from product quality to cost efficiency. If the issue pertains to goal congruence with the organizational effectiveness of LaCrosse Industries rather than Build-All, then the decision might even be given to employees to decide.

## **2D. Managing Organizational Change (Relates to Chapter 15)**

Vlodoski's actions of shifting organizational priorities (and organizational culture) from product quality to inventory cost efficiency was ineffectively handled. Aside from the unknown wisdom of this change, he increased the driving forces by introducing new procedures, new directives, and management controls (goals, reports) without sufficiently destabilizing the restraining forces.

The restraining forces include direct costs (employees may have feared losing their profit share if product rejects increased), breaking routines (employee long-time actions of choosing raw materials), and team inertia (breaking norms and expectations regarding product quality). Resistance mainly took the form of employee turnover and compliance without commitment to the change.



**3. What should Gilbert LaCrosse do in this situation?**

Build-All is not satisfied with its investment and LaCrosse wants the company to have its original cultural values. Moreover, the company seems to operate better with LaCrosse's values and with him as its corporate leader. Consequently, LaCrosse should buy back the company, perhaps with employee ownership, if a reasonable price can be arranged with Build-All.

LaCrosse should spend more time at headquarters to rebuild the organization's culture. He also needs to hire and train leaders who will reinforce these cultural values. LaCrosse also needs to prepare for his succession. This is a very difficult process, because founders do not give up ownership easily, and because LaCrosse has been the source of the company's value system.

LaCrosse needs to arrange a distribution system, perhaps signing an agreement with a distribution company, so that products can be sold to a larger market area. The company also needs to introduce some financial controls, but do so in a way that will not undermine the cultural values of quality and employee involvement that have made LaCrosse Industries successful in the past.





## TEAM EXERCISE: LEADERSHIP DIAGNOSTIC ANALYSIS

### Purpose

This exercise is designed to help students learn about the different path-goal leadership styles and when to apply each style.

### Instructions

The exercise begins with students individually writing down two incidents in which someone had been an effective manager or leader over them. The leader and situation might be from work, a sports team, a student work group, or any other setting where leadership might emerge. For example, students might describe how their supervisor in a summer job pushed them to reach higher performance goals than they would have done otherwise.

Each incident should state the actual behaviors that the leader used, not just general statements (e.g., “My boss sat down with me and we agreed on specific targets and deadlines, then said several times over the next few weeks that I was capable of reaching those goals.”) Each incident only requires two or three sentences.

After everyone has written their two incidents, the instructor will form small groups (typically between 4 or 5 students). Each team will answer the following questions for each incident presented in that team:

- 1. Which path-goal theory leadership style(s) --directive, supportive, participative, or achievement-oriented -- did the leader apply in this incident?**
- 2. Ask the person who wrote the incident about the conditions that made this leadership style (or these styles, if more than one was used) appropriate in this situation? The team should list these contingency factors clearly and, where possible, connect them to the contingencies described in path-goal theory. (Note: the team might identify path-goal leadership contingencies that are not described in the book. These, too, should be noted and discussed.)**

After the teams have diagnosed the incidents, each team will describe to the entire class its most interesting incident as well as its diagnosis of that incident. Other teams will critique the diagnosis. Any leadership contingencies not mentioned in the textbook should also be presented and discussed.

### Comments for Instructors

This experiential exercise may sound rather mundane, but some teams can develop interesting examples regarding the value of different leadership styles. The exercise is an excellent diagnostic tool, because students must fit their reality-based examples with the path-goal leadership module.

There is also a possibility that an incident identifies a contingency for a leadership style that has not yet been discussed in the path-goal literature. Moreover, some teams may have difficulty fitting a particular leader behavior into one of the four path-goal leadership styles. This is because the four styles are not exhaustive.

The instructor can make the exercise more competitive by having other teams listen to an incident, then attempt to evaluate it. After some discussion, the team from which the example originated can present its analysis of the incident.



## SELF-ASSESSMENT: DO LEADERS MAKE A DIFFERENCE?

### Purpose

This assessment is designed to help students assess their beliefs about the influence of leaders.

### Overview and Instructions

Students are asked to read each statement in this self-assessment and check the box that best indicates their personal belief about that statement. After completing this assessment, the class can discuss the relevance and level of implicit leadership theory.

### Feedback for the Romance of Leadership Self-Assessment

Romance of leadership is a phenomenon in which followers (and possibly other stakeholders) want to believe that leaders make a difference in the organization's success. People with a high romance of leadership score attribute the causes of organizational events much more to its leaders and much less to the economy, competition, and other factors beyond the leader's short-term control.

### Romance of Leadership Scale Norms

the romance of leadership scale ranges from 10 to 50, with higher scores indicating that the person has a higher belief that leaders make a difference in the organization's success. The following norms are derived from a large sample of European employees with an average age in the mid 30s and work experience averaging about 15 years. However, these norms should be viewed with caution because the romance of leadership scale is a recent development and norms for any instrument can vary from one group to the next.

Romance of leadership score	Interpretation
38 to 50	Above average romance of leadership
27 to 37	Average romance of leadership
10 to 26	Below average romance of leadership