

12

Characteristics of Leaders

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LEARNING OBJECTIVES

After studying this chapter, you should be able to:

1. Summarize the conclusions of trait theories of leadership.
2. Identify the central tenets and main limitations of behavioral theories.
3. Contrast contingency theories of leadership.
4. Describe the contemporary theories of leadership and their relationship to foundational theories.
5. Discuss the roles of leaders in creating ethical organizations.
6. Describe how leaders can have a positive impact on their organizations through building trust and mentoring.
7. Identify the challenges to our understanding of leadership.

★ **Chapter Warm-up**

If your professor has chosen to assign this, go to the Assignments section of **mymanagementlab.com** to complete the chapter warm-up.

★ **WATCH IT**

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TRAIT THEORIES OF LEADERSHIP

We define **leadership** as the ability to influence a group toward the achievement of a vision or set of goals. Surely you've noticed, though, that not all leaders are managers, nor are all managers leaders. Nonsanctioned leadership—the ability to influence that arises outside the formal structure of the organization—is sometimes more important than formal influence. What makes a person a leader? Since strong leaders have been described by their traits throughout history, leadership research has sought to identify the personality, social, physical, or intellectual attributes that differentiate leaders from nonleaders. As we will see in the chapter, there are a number of different approaches toward analyzing leadership. Keep in mind that none of the concepts is mutually exclusive—in fact, research is not clear yet about which variables in combination yield the best leadership. But we're getting there.

To begin, the **trait theories of leadership** focus on personal qualities, including personality traits like those in the Big Five (see Chapter 4), and characteristics that predict two distinct outcomes: leadership emergence and leadership effectiveness. Based on the latest research literature, we offer two conclusions about personality traits and leadership: one, traits can predict leadership; and two, traits do a better job in predicting the emergence of leaders and the appearance of leadership than in distinguishing between effective and ineffective leaders.¹ The fact that an individual exhibits the right traits and others consider that person a leader does not necessarily mean he or she will be effective, successful at getting the group to achieve its goals. That said, there are some strong links between traits and leadership we should consider.

Leadership

The ability to influence a group toward the achievement of a vision or set of goals.

Trait theories of leadership

Theories that consider personal qualities and characteristics that differentiate leaders from nonleaders.

Personality Traits and Leadership

What constitutes a great leader? In general, individuals who like being around people and who are able to assert themselves (extraverted), disciplined and able to keep commitments they make (conscientious), and creative and flexible (open) have an apparent advantage when it comes to leadership. Let's break that down a bit.

BIG FIVE TRAITS In examining personality traits, researchers have consistently found extraversion to be the most predictive trait of effective leadership.² However, extraversion sometimes relates more to the way leaders emerge than to their effectiveness. Sociable and dominant people are more likely to assert themselves in group situations, which can help extraverts be identified as leaders, but effective leaders are not domineering. One study found leaders who scored very high in assertiveness, a facet of extraversion, were less effective than those who were moderately high.³ So although extraversion can predict effective leadership, the relationship may be due to unique facets of the trait.

Unlike agreeableness and emotional stability, which do not seem to predict leadership, conscientiousness and openness to experience may predict leadership, especially leader effectiveness. For example, one study indicated that top management teams that were high in conscientiousness positively influenced organizational performance through their leadership.⁴ Conscientiousness and extraversion are positively related to leaders' self-efficacy (see Chapter 7),⁵ and since people are more likely to follow someone who is confident he or she is going in the right direction, these leaders tend to emerge.



DARK-SIDE TRAITS What about the Dark-Side personality traits of machiavellianism, narcissism, and psychopathy (see Chapter 4)? Research indicates they're not all bad for leadership. A study in Europe and the United States found that normative (mid-range) scores on the Dark-Side personality traits were optimal, and low (and high) scores were associated with ineffective leadership. Furthermore, the study suggested that high emotional stability may actually accentuate ineffective behaviors.⁶ However, higher scores on Dark-Side traits and emotional stability can contribute to leadership emergence. Thankfully, both this study and other international research indicate that building self-awareness and self-regulation skills may be helpful for leaders to control the effects of their Dark-Side traits.⁷

Emotional Intelligence (EI) and Leadership

Another trait that may indicate effective leadership is emotional intelligence (EI). As discussed in Chapter 3, a core component of EI is empathy. Empathetic leaders can sense others' needs, listen to what followers say (and don't say), and read the reactions of others. A leader who effectively displays and manages emotions will find it easier to influence the feelings of followers by expressing genuine sympathy and enthusiasm for good performance, and by showing irritation when employees fail to perform.⁸ The link between EI and leadership effectiveness may be worth investigating in greater detail.⁹ Research has also demonstrated that people high in EI are more likely to emerge as leaders, even after taking cognitive ability and personality into account.¹⁰

BEHAVIORAL THEORIES

Trait theories help us *predict* leadership, but they don't fully help us *explain* leadership. What do successful leaders do that makes them effective? Are different types of leader behaviors equally effective? Behavioral theories, discussed next, help us define the parameters of leadership. Another way to look at this is by examining the utility of these theories. Trait research provides a basis for *selecting* the right people for leadership. **Behavioral theories of leadership**, in contrast, imply we can *train* people to be leaders.

The most comprehensive behavioral theories of leadership resulted from the Ohio State Studies,¹¹ which sought to identify independent dimensions of leader behavior. Beginning with more than a thousand dimensions, the studies narrowed the list to two that substantially accounted for most of the leadership behavior described by employees: *initiating structure* and *consideration*.

Initiating Structure

Initiating structure is the extent to which a leader is likely to define and structure his or her role and those of employees in the search for goal attainment. It includes behavior that attempts to organize work, work relationships, and goals. A leader high in initiating structure is someone who assigns followers particular tasks, sets definite standards of performance, and emphasizes deadlines. According to a review of the leadership literature, initiating structure is more strongly related to higher levels of group and organization productivity, and to more positive performance evaluations.

Behavioral theories of leadership

Theories proposing that specific behaviors differentiate leaders from nonleaders.

Initiating structure

The extent to which a leader is likely to define and structure his or her role and those of subordinates in the search for goal attainment.

Consideration

Consideration is the extent to which a person's job relationships are characterized by mutual trust, respect for employees' ideas, and regard for their feelings. A leader high in consideration helps employees with personal problems, is friendly and approachable, treats all employees as equals, and expresses appreciation and support (people-oriented). Most of us want to work for considerate leaders—when asked to indicate what most motivated them at work, 66 percent of U.S. employees surveyed mentioned appreciation.¹² Indeed, one review found the followers of leaders high in consideration were more satisfied with their jobs, were more motivated, and had more respect for their leaders.

Consideration

The extent to which a leader is likely to have job relationships characterized by mutual trust, respect for subordinates' ideas, and regard for their feelings.

Cultural Differences

Mixed results from behavioral theory tests may lie partly in follower preferences, particularly cultural preferences. Research from the GLOBE program—a study of 18,000 leaders from 825 organizations in 62 countries, discussed in Chapter 4—suggested there are international differences in the preference for initiating structure and consideration.¹³ The study found that leaders high in consideration succeeded best in countries where cultural values did not favor unilateral decision making, such as Brazil. As one Brazilian manager noted, “We do not prefer leaders who take self-governing decisions and act alone without engaging the group. That’s part of who we are.” A U.S. manager leading a team in Brazil would therefore need to be high in consideration—team-oriented, participative, and humane—to be effective. In contrast, the French have a more bureaucratic view of leaders and are less likely to expect them to be humane and considerate. A leader high in initiating structure (relatively task-oriented) will do best there and can make decisions in a relatively autocratic manner. A manager who scores high in consideration (people-oriented) may find her style backfires in France. In other cultures, both dimensions may be important—for example, Chinese culture emphasizes being polite, considerate, and unselfish, but it has a high performance orientation. Thus, consideration and initiating structure may both be important for a manager to be effective in China.



CONTINGENCY THEORIES

Some tough-minded leaders seem to gain a lot of admirers when they take over struggling companies and lead them out of crises. However, predicting leadership success is more complex than finding a few hero examples. Also, the leadership style that works in very bad times doesn't necessarily translate into long-term success. When researchers looked at situational influences, it appeared that under condition *a*, leadership style *x* would be appropriate, whereas style *y* was more suitable for condition *b*, and style *z* for condition *c*. But what *were* conditions *a*, *b*, and *c*? We next consider the Fiedler model, one approach to isolating situational variables.



The Fiedler Model

Fred Fiedler developed the first comprehensive contingency model for leadership.¹⁴ The **Fiedler contingency model** proposes that group performance depends on the proper match between the leader's style and the degree to which the situation gives the leader control. With the model, the individual's leadership style is assumed to be permanent.

Fiedler contingency model

The theory that effective groups depend on a proper match between a leader's style of interacting with subordinates and the degree to which the situation gives control and influence to the leader.

Least preferred coworker (LPC) questionnaire

An instrument that measures whether a person is task- or relationship-oriented.

Leader–member relations

The degree of confidence, trust, and respect subordinates have in their leader.

Task structure

The degree to which job assignments are procedurized.

Position power

Influence derived from one’s formal structural position in the organization; includes power to hire, fire, discipline, promote, and give salary increases.

As a first step, the **least preferred coworker (LPC) questionnaire** identifies whether a person is *task-oriented* or *relationship-oriented* by asking respondents to think of all the coworkers they ever had and describe the one they *least enjoyed* working with. If you describe this person in favorable terms (a high LPC score), you are relationship-oriented. If you see your least-preferred coworker in unfavorable terms (a low LPC score), you are primarily interested in productivity and are task-oriented.

After finding a score, a fit must be found between the organizational situation and the leader’s style for leadership effectiveness to be predicted. We can assess the situation in terms of three contingency or situational dimensions:

- 1. **Leader–member relations** is the degree of confidence, trust, and respect members have in their leader.
- 2. **Task structure** is the degree to which the job assignments are procedurized (that is, structured or unstructured).
- 3. **Position power** is the degree of influence a leader has over power variables such as hiring, firing, discipline, promotions, and salary increases.

According to the model, the higher the task structure becomes, the more procedures are added; and the stronger the position power, the more control the leader has. The favorable situations are on the left side of the model in Exhibit 12-1. A very favorable situation (in which the leader has a great deal of control) might include a payroll manager who has the respect and confidence of his or her employees (good leader–member relations); activities that are clear and specific—such as wage computation, check writing,

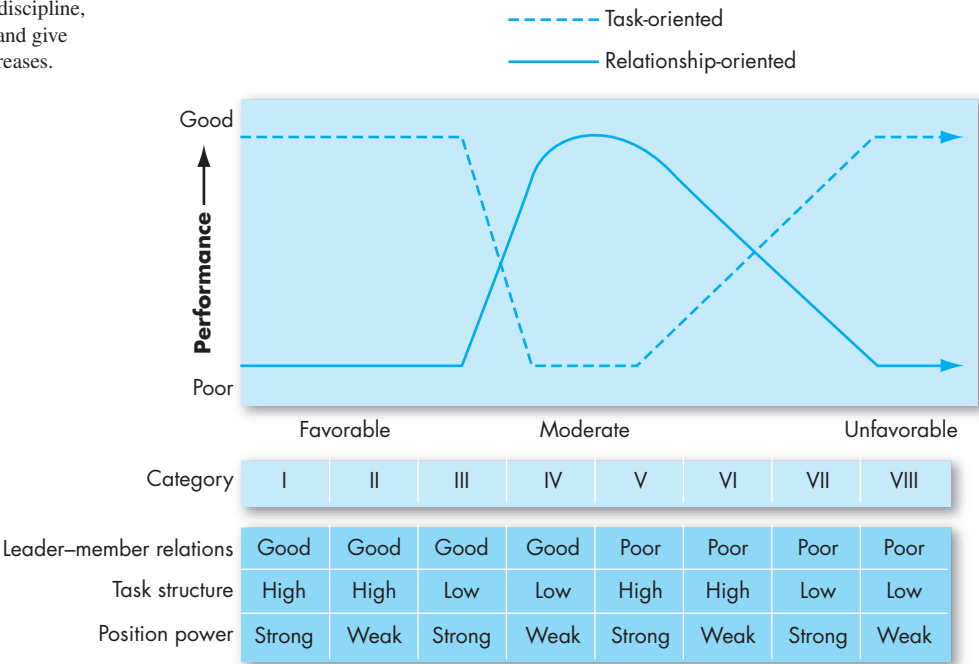


EXHIBIT 12-1
Findings From the Fiedler Model

and report filing (high task structure); and considerable freedom to reward and punish employees (strong position power). An unfavorable situation, to the right in the model, might be that of the disliked chairperson of a volunteer United Way fundraising team (low leader–member relations, low task structure, low position power). In this job, the leader has very little control. When faced with a category I, II, III, VII, or VIII situation, task-oriented leaders perform better. Relationship-oriented leaders, however, perform better in moderately favorable situations—categories IV, V, and VI.

Studies testing the overall validity of the Fiedler model were initially supportive, but the model hasn't been studied much in recent years. Therefore, while it provides some insights we should consider, its strict practical application is problematic.

Situational Leadership Theory

Situational leadership theory (SLT) focuses on the followers. It says successful leadership depends on selecting the right leadership style contingent on the followers' *readiness*, the extent to which followers are willing and able to accomplish a specific task. A leader should choose one of four behaviors depending on follower readiness.

If followers are *unable* and *unwilling* to do a task, the leader needs to give clear and specific directions; if they are *unable* but *willing*, the leader needs to display a high task orientation to compensate for followers' lack of ability, and a high relationship orientation to get them to “buy into” the leader's desires. If followers are *able* but *unwilling*, the leader needs to use a supportive and participative style; if they are both *able* and *willing*, the leader doesn't need to do much.

SLT has intuitive appeal. It acknowledges the importance of followers and builds on the logic that leaders can compensate for followers' limited ability and motivation. Yet research efforts to test and support the theory have generally been disappointing.¹⁵ Why? Possible explanations include internal ambiguities and inconsistencies in the model itself as well as problems with research methodology. So, despite its intuitive appeal and wide popularity, any endorsement must be cautious for now.

Path–Goal Theory

Developed by Robert House, **path–goal theory** extracts elements from the research on initiating structure and consideration, and on the expectancy theory of motivation.¹⁶ Path–goal theory suggests it's the leader's job to provide followers with information, support, or other resources necessary to achieve goals (the term *path–goal* implies that effective leaders clarify followers' paths to their work goals and make the journey easier by reducing roadblocks). The theory predicts:

- Directive leadership yields greater employee satisfaction when tasks are ambiguous or stressful than when they are highly structured and well laid out.
- Supportive leadership results in high employee performance and satisfaction when employees are performing structured tasks.
- Directive leadership is likely to be perceived as redundant among employees with high ability or considerable experience.

Of course, this is a simplification. The match between leadership style and situation can be individualistic and mercurial. Some tasks might be both stressful and highly structured, and employees may have high ability or experience in some tasks and not

Situational leadership theory (SLT)

A contingency theory that focuses on followers' readiness.

Path–goal theory

A theory that states that it is the leader's job to assist followers in attaining their goals and to provide the necessary direction and/or support to ensure that their goals are compatible with the overall objectives of the group or organization.

others. Other research has found that goal-focused leadership can lead to higher levels of emotional exhaustion for subordinates who are low in conscientiousness and emotional stability.¹⁷ This suggests that leaders who set goals enable conscientious followers to achieve higher performance but may cause stress for workers who are low in conscientiousness.

Like SLT, path-goal theory has intuitive appeal, especially from a goal attainment perspective. Also like SLT, the theory can be only cautiously adopted for application, but it is a useful framework in examining the important role of leadership.¹⁸

Leader-Participation Model

The final contingency theory we cover argues that *the way* the leader makes decisions is as important as *what* he or she decides. The **leader-participation model** relates leadership behavior to subordinate participation in decision making.¹⁹ Like path-goal theory, it says leader behavior must adjust to reflect the task structure (such as routine, nonroutine, or in between), but it does not cover all leadership behaviors and is limited to recommending what types of decisions might be best made with subordinate participation. It lays the groundwork for the situations and leadership behaviors most likely to elicit acceptance from subordinates.

As one leadership scholar noted, “Leaders do not exist in a vacuum;” leadership is a symbiotic relationship between leaders and followers.²⁰ But the theories we’ve covered to this point assume leaders use a fairly homogeneous style with everyone in their work units. Think about your experiences in groups. Did leaders often act very differently toward different people? It’s common.

CONTEMPORARY THEORIES OF LEADERSHIP

Leaders are important—to organizations and to employees. The understanding of leadership is a constantly evolving science. Contemporary theories have built upon the foundation we’ve just established to discover the unique ways leaders emerge, influence, and guide their employees and organizations. Let’s explore some of the leading current concepts, and look for aspects of the theories we’ve discussed already.

Leader-Member Exchange (LMX) Theory

Think of a leader you know. Does this leader have favorites who make up an ingroup? If you answered “yes,” you’re acknowledging **leader-member exchange (LMX) theory**.²¹ LMX argues that, because of time pressures, leaders establish a special relationship with a small group of their followers. These followers make up the ingroup—they are trusted, get a disproportionate amount of the leader’s attention, and are more likely to receive special privileges. Other followers fall into the outgroup.

LMX theory proposes that early in the history of the interaction between a leader and a given follower, the leader implicitly categorizes the follower as an “in” or an “out;” that relationship becomes relatively stable over time. Leaders induce LMX by rewarding employees with whom they want a closer linkage and punishing those with whom they do not.²² For the LMX relationship to remain intact, the leader and the follower must invest in the relationship.

Leader-participation model

A leadership theory that provides a set of rules to determine the form and amount of participative decision making in different situations.

Leader-member exchange (LMX) theory

A theory that supports leaders’ creation of ingroups and outgroups; subordinates with ingroup status will likely have higher performance ratings, less turnover, and greater job satisfaction.

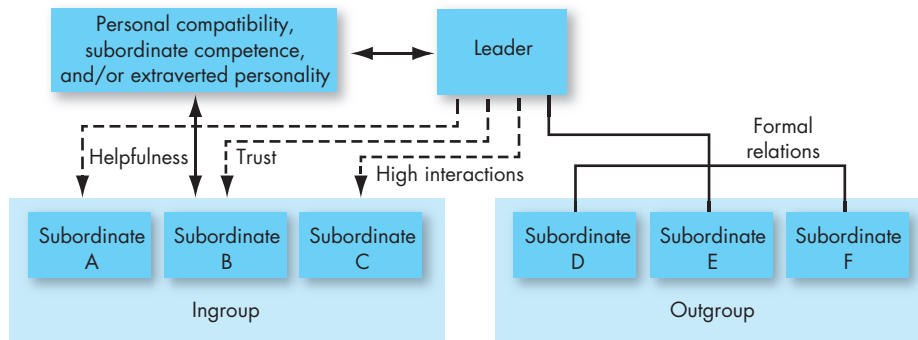


EXHIBIT 12-2
Similarity with
and Interactions
between the
Leader, Ingroup,
and Outgroup

Just how the leader chooses who falls into each category is unclear, but there is evidence ingroup members have demographic, attitude, and personality characteristics similar to those of their leaders or a higher level of competence than outgroup members²³ (see Exhibit 12-2). Leaders and followers of the same gender tend to have closer (higher LMX) relationships than those of different genders.²⁴ Even though the leader does the choosing, the follower's characteristics drive the categorizing decision.

Research to test LMX theory has been generally supportive, with substantive evidence that leaders do differentiate among followers; these disparities are far from random; and followers with ingroup status receive higher performance ratings, engage in more helping or citizenship behaviors at work, and report greater satisfaction with their superiors.²⁵

One study conducted in Portugal and the United States found that LMX was associated strongly with followers' commitment to the organization when leaders were seen as embodying the values and identity of the organization.²⁶ Other research suggested that employees of leaders who provided family support (helping employees achieve work–life balance) in the LMX relationship were more committed and performed better.²⁷ These findings shouldn't be surprising given our knowledge of self-fulfilling prophecy (see Chapter 5). Leaders invest resources in those whom they expect to perform best. Believing ingroup members are the most competent, leaders treat them as such and unwittingly fulfill their prophecy.

For all the positive outcomes the ingroup receives, research indicates that both the ingroup and the outgroup realize negative effects from LMX. For example, a study in Turkey demonstrated that when leaders differentiated strongly among their followers in terms of their relationships (some followers had very positive LMX, others very poor), employees from both groups responded with more negative work attitudes and higher levels of withdrawal behavior.²⁸ One study in China and the United States indicated that differential leadership treatment hurts team trust and perceptions of procedural justice, especially when the team members work closely together.²⁹ Other research indicated that, although ingroup team members showed increased performance, the team as a whole became uncoordinated in the LMX environment and overall performance suffered.³⁰ Close-knit teams may be able to help outgroup members retain their confidence and self-efficacy by offering a supportive environment,³¹ but this is often to the detriment of the relationship between employees and leaders.



Richard Branson

A charismatic leader, Richard Branson expects employees to follow his unconventional behaviour. He engages in ‘cool’ stunts like jet skiing in a tuxedo and driving a tank down New York’s 5th Avenue, ensuring that his employees have fun at work. Risk taking is encouraged and seen as a sign of thinking out of the box. Though paid lower than industry standards, employees love to be part of the ‘cool’ Virgin family.



Charismatic leadership theory

A leadership theory that states that followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors.

EXHIBIT 12-3 Key Characteristics of a Charismatic Leader

Source: Based on J. A. Conger and R. N. Kanungo, *Charismatic Leadership in Organizations* (Thousand Oaks, CA: Sage, 1998), p. 94.

Charismatic Leadership

Do you think leaders are born not made, or made not born? True, an individual may be literally born into a leadership position (think family heirs with surnames like Ford and Hilton), endowed with a leadership position due to past accomplishments (like CEOs who worked their way up the organizational ranks), or informally acknowledged as a leader (like a Twitter employee who knows everything because he was “there at the start”). But here we are talking not about the inputs into leadership role attainment; rather, we are focused on what makes great leaders extraordinary. Two contemporary leadership theories—charismatic leadership and transformational leadership—share a common theme in the great leader debate: They view leaders as individuals who inspire followers through words, ideas, and behaviors.

WHAT IS CHARISMATIC LEADERSHIP? Sociologist Max Weber defined *charisma* (from the Greek for “gift”) as “a certain quality of an individual personality, by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These are not accessible to the ordinary person and are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader.”³²

The first researcher to consider charismatic leadership in terms of organizational behavior (OB) was Robert House. According to his **charismatic leadership theory**, followers attribute heroic or extraordinary leadership abilities when they observe certain behaviors, and tend to give these leaders power.³³ A number of studies have attempted to identify the characteristics of charismatic leaders: they have a vision, are willing to take personal risks to achieve that vision, are sensitive to follower needs, and exhibit extraordinary behaviors³⁴ (see Exhibit 12-3). Recent research in Greece suggested that charismatic leadership increases follower organizational identification (commitment) by building a shared group identity among followers.³⁵ Other research indicates that charismatic leadership may predict follower job satisfaction.³⁶

ARE CHARISMATIC LEADERS BORN OR MADE? Are charismatic leaders born with their qualities? Or can people actually learn to be charismatic leaders? Yes, and yes.

Individuals *are* born with traits that make them charismatic. In fact, studies of identical twins found they scored similarly on charismatic leadership measures, even if they were raised in different households and never met. Personality is also related to charismatic leadership; charismatic leaders are likely to be extraverted, self-confident, and achievement-oriented.³⁷ Consider the legendary qualities of U.S. presidents Barack Obama, Bill Clinton, and Ronald Reagan, and U.K. Prime Minister Margaret Thatcher, when they were in office: whether you liked them or not, they are often compared because they all exhibited the qualities of charismatic leaders.

1. *Vision and articulation.* Has a vision—expressed as an idealized goal—that proposes a future better than the status quo; and is able to clarify the importance of the vision in terms that are understandable to others.
2. *Personal risk.* Willing to take on high personal risk, incur high costs, and engage in self-sacrifice to achieve the vision.
3. *Sensitivity to follower needs.* Perceptive of others’ abilities and responsive to their needs and feelings.
4. *Unconventional behavior.* Engages in behaviors that are perceived as novel and counter to norms.

Research indicates that charismatic leadership is not only the province of world leaders—all of us can develop, within our own limitations, a more charismatic leadership style. If you stay active and central in your leadership roles, you will naturally communicate your vision for achieving goals to your followers, which increases the likelihood you will be seen as charismatic.³⁸ To further develop an aura of charisma, use your passion as a catalyst for generating enthusiasm. Speak in an animated voice, reinforce your message with eye contact and facial expressions, and gesture for emphasis. Bring out the potential in followers by tapping into their emotions, and create a bond that inspires them. Remember, enthusiasm is contagious!

HOW CHARISMATIC LEADERS INFLUENCE FOLLOWERS How do charismatic leaders actually influence followers? By articulating an appealing **vision**, a long-term strategy for attaining a goal by linking the present with a better future for the organization. Desirable visions fit the times and circumstances, and reflect the uniqueness of the organization. Thus, followers are inspired not only by how passionately the leader communicates, but also to an appealing message.

A vision needs an accompanying **vision statement**, a formal articulation of an organization's vision or mission. Charismatic leaders may use vision statements to imprint on followers an overarching goal and purpose. These leaders also set a tone of cooperation and mutual support. They build followers' self-esteem and confidence with high performance expectations and the belief that followers can attain them. Through words and actions, the leader conveys a new set of values and sets an example for followers to imitate. Finally, the charismatic leader engages in emotion-inducing and often unconventional behavior to demonstrate courage and conviction about the vision.

Research indicates that charismatic leadership works as followers “catch” the emotions their leader is conveying.³⁹ One study found employees had a stronger sense of personal belonging at work when they had charismatic leaders which, in turn, increased their willingness to engage in helping and compliance-oriented behavior.⁴⁰

DOES EFFECTIVE CHARISMATIC LEADERSHIP DEPEND ON THE SITUATION? Charismatic leadership has positive effects across many contexts. There are, however, characteristics of followers, and of the situation, that enhance or somewhat limit its effects.

One factor that enhances charismatic leadership is stress. People are especially receptive to charismatic leadership when they sense a crisis, when they are under stress, or when they fear for their lives. We may be more receptive to charismatic leadership under crises because we think bold leadership is needed. Some of it, however, may be more primal. When people are psychologically aroused, even in laboratory studies, they are more likely to respond to charismatic leaders.⁴¹

Some personalities are especially susceptible to charismatic leadership.⁴² For instance, an individual who lacks self-esteem and questions his or her self-worth is more likely to absorb a leader's direction rather than establish an individual way of leading or thinking. For these people, the situation may matter much less than the desired charismatic qualities of the leader.

THE DARK-SIDE OF CHARISMATIC LEADERSHIP Unfortunately, charismatic leaders who are larger than life don't necessarily act in the best interests of their organizations.⁴³ Commensurate with this research observation, studies have indicated that individuals who are narcissistic are higher in some behaviors associated with charismatic leadership.⁴⁴ Many charismatic—but corrupt—leaders have allowed their personal goals to override the goals of their organizations. For example, leaders at Enron, Tyco, WorldCom, and HealthSouth recklessly used organizational

Vision

A long-term strategy for attaining a goal or goals.

Vision statement

A formal articulation of an organization's vision or mission.

resources for their personal benefit, violated laws and ethics to inflate stock prices, and then cashed in millions of dollars in personal stock options. Some charismatic leaders—Hitler, for example—are all too successful at convincing their followers to pursue a disastrous vision. If charisma is power, then that power can be used for good . . . and for ill.

It's not that charismatic leadership isn't effective; overall, it is. But a charismatic leader isn't always the answer. Success depends, to some extent, on the situation and on the leader's vision, and on the organizational checks and balances in place to monitor the outcomes.

Transactional and Transformational Leadership

Charismatic leadership theory relies on leaders' ability to inspire followers to believe in them. In contrast, Fiedler's model, situational leadership theory, and path-goal theory describe **transactional leaders**, leaders who guide their followers toward established goals by clarifying role and task requirements. A stream of research has focused on differentiating transactional from **transformational leaders**,⁴⁵ who inspire followers to transcend their self-interests for the good of the organization. Transformational leaders can have an extraordinary effect on their followers, who respond with increased levels of commitment.⁴⁶ Richard Branson of the Virgin Group is a good example of a transformational leader. He pays attention to the concerns and needs of individual followers, changes followers' awareness of issues by helping them look at old problems in new ways, and excites and inspires followers to put forth extra effort to achieve group goals. Research suggests that transformational leaders are most effective when their followers are able to see the positive impact of their work through direct interaction with customers or other beneficiaries.⁴⁷ Exhibit 12-4 briefly identifies and defines characteristics that differentiate transactional from transformational leaders.

Transactional leaders

Leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements.

Transformational leaders

Leaders who inspire followers to transcend their own self-interests and who are capable of having a profound and extraordinary effect on followers.

Transactional Leader

Contingent Reward: Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments.

Management by Exception (active): Watches and searches for deviations from rules and standards, takes corrective action.

Management by Exception (passive): Intervenes only if standards are not met.

Laissez-Faire: Abdicates responsibilities, avoids making decisions.

Transformational Leader

Idealized Influence: Provides vision and sense of mission, instills pride, gains respect and trust.

Inspirational Motivation: Communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways.

Intellectual Stimulation: Promotes intelligence, rationality, and careful problem solving.

Individualized Consideration: Gives personal attention, treats each employee individually, coaches, advises.

EXHIBIT 12-4

Characteristics of Transactional and Transformational Leaders

Source: Based on A. H. Eagly, M. C. Johannesen-Schmidt, and M. L. Van Engen, "Transformational, Transactional, and Laissez-faire Leadership Styles: A Meta-Analysis Comparing Women and Men," *Psychological Bulletin* 129, no. 4 (2003), 569–591; and T. A. Judge and J. E. Bono, "Five Factor Model of Personality and Transformational Leadership," *Journal of Applied Psychology* 85, no. 5 (2000), 751–765."

Transactional and transformational leadership complement each other; they aren't opposing approaches to getting things done.⁴⁸ The best leaders are transactional *and* transformational. Transformational leadership *builds on* transactional leadership and produces levels of follower effort and performance beyond what transactional leadership alone can do. But the reverse isn't true. If you are a good transactional leader but do not have transformational qualities, you'll likely only be a mediocre leader.

FULL RANGE OF LEADERSHIP MODEL Exhibit 12-5 shows the **full range of leadership model**. Laissez-faire, which literally means “let it be” (do nothing), is the most passive and therefore least effective of leader behaviors.⁴⁹ Management by exception, in which leaders primarily “put out fires” when there are crisis exceptions to normal operating procedures, means leaders are often too late to be effective. Contingent reward leadership, which gives predetermined rewards for employee efforts, can be an effective style of leadership but will not get employees to go above and beyond the call of duty.

Only with the four remaining styles—all aspects of transformational leadership—are leaders able to motivate followers to perform above expectations and transcend their self-interest for the sake of the organization. Individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence (known as the “four I’s”) all result in extra effort from workers, higher productivity, higher morale and satisfaction, higher organizational effectiveness, lower turnover, lower absenteeism, and greater

Full range of leadership model
A model that depicts seven management styles on a continuum: laissez-faire, management by exception, contingent reward leadership, individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence.

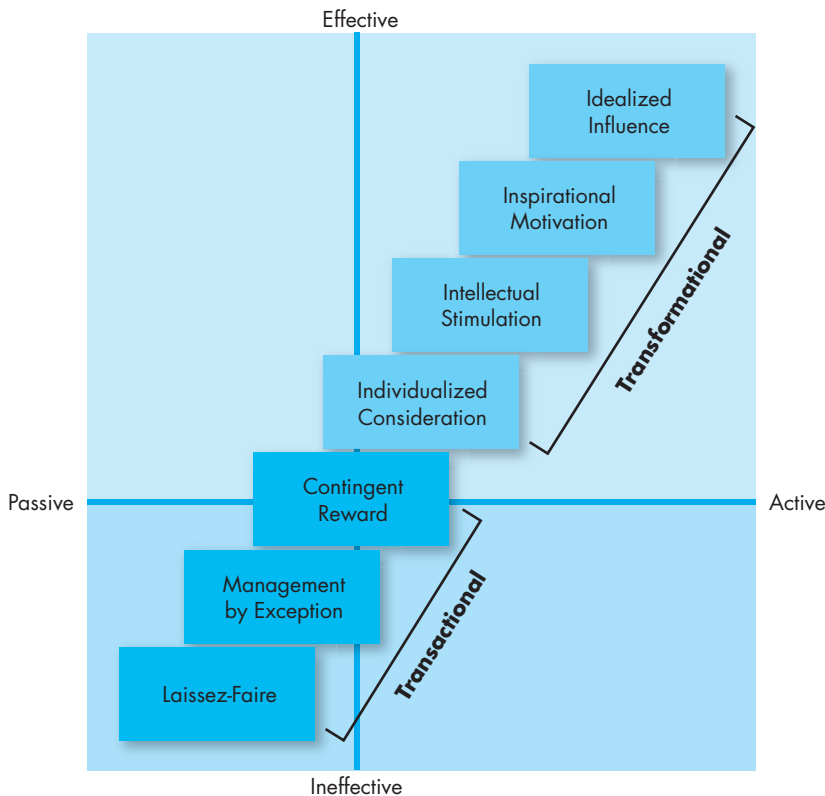


EXHIBIT 12-5
Full Range of Leadership Model

organizational adaptability. Based on this model, leaders are most effective when they regularly use the four I's.



HOW TRANSFORMATIONAL LEADERSHIP WORKS Organizations with transformational leaders generally have greater decentralization of responsibility, managers with a higher propensity to take risks, and compensation plans geared toward long-term results—all of which facilitate corporate entrepreneurship.⁵⁰ There are other ways transformational leadership works, as well. One study of information technology workers in China found empowering leadership behavior led to feelings of positive personal control among workers, which increased their creativity at work.⁵¹ Other research in Germany found that transformational leadership positively influenced workers' creativity, but suggested leaders need to guard against dependent leader relationships, which lower employee creativity.⁵²



Companies with transformational leaders often show greater agreement among top managers about the organization's goals, which yields superior organizational performance.⁵³ The Israeli military has seen similar results, showing that transformational leaders improve performance by building consensus among group members.⁵⁴



EVALUATION OF TRANSFORMATIONAL LEADERSHIP Transformational leadership has been supported at diverse job levels and occupations (including school principals, teachers, marine commanders, ministers, presidents of MBA associations, military cadets, union shop stewards, sales reps). In general, organizations perform better when they have transformational leaders. For example, one study of research and development (R&D) firms found teams whose project leaders scored high on transformational leadership produced better-quality products as judged one year later and higher profits five years later.⁵⁵ A review of 117 studies testing transformational leadership found it was related to higher levels of individual follower performance, team performance, and organizational performance.⁵⁶



The effect of transformational leadership on performance can vary by the situation. In general, transformational leadership has a greater impact on the bottom line in smaller, privately held firms than in more complex organizations.⁵⁷ Transformational leadership can also vary depending on whether work is evaluated at the team or the individual level.⁵⁸ Individual-focused transformational leadership empowers individual followers to develop ideas, enhance their abilities, and increase their self-efficacy. Team-focused transformational leaders emphasize group goals, shared values and beliefs, and unified efforts. Transformational leadership is not foolproof, though. For example, research in China suggested that, in team situations, the members' identification with the group could override the effects of transformational leadership.⁵⁹

TRANSFORMATIONAL VERSUS TRANSACTIONAL LEADERSHIP We have seen that transformational leadership yields many desirable organizational outcomes. When comparing transformational leadership with transactional leadership, research indicates transformational leadership is more strongly correlated than transactional leadership with lower turnover rates, higher productivity, lower employee stress and burnout, and higher employee satisfaction.⁶⁰ However, transformational leadership theory is not perfect; the full range of leadership model shows a clear division between transactional

and transformational leadership that may not fully exist in effective leadership. And contrary to the full range of leadership model, the four I's of transformational leadership are not always superior in effectiveness to transactional leadership; contingent reward leadership—in which leaders dole out rewards as certain goals are reached by employees—sometimes works as well as transformational leadership. More research is needed, but the general supportable conclusion is that transformational leadership is desirable and effective, given the right application.

TRANSFORMATIONAL VERSUS CHARISMATIC LEADERSHIP In considering transformational and charismatic leadership, you surely noticed some commonalities. There are differences, too. Charismatic leadership places somewhat more emphasis on the way leaders communicate (are they passionate and dynamic?), while transformational leadership focuses more on what they are communicating (is it a compelling vision?). Still, the theories are more alike than different. At their heart, both focus on the leader's ability to inspire followers, and sometimes they do so in the same way. Because of this, some researchers believe the concepts are somewhat interchangeable.

RESPONSIBLE LEADERSHIP

Although theories have increased our understanding of effective leadership, they do not explicitly deal with the roles of ethics and trust, which some argue are essential to complete the picture. Here, we consider contemporary concepts that explicitly address the role of leaders in creating ethical organizations. These and the theories we discussed earlier are not mutually exclusive ideas (a transformational leader may also be a responsible one), but we could argue that most leaders generally appear to be stronger in one category than another.

Authentic Leadership

Authentic leadership focuses on the moral aspects of being a leader. **Authentic leaders** know who they are, know what they believe in, and act on those values and beliefs openly and candidly. Their followers consider them ethical people. The primary quality produced by authentic leadership is trust. Authentic leaders share information, encourage open communication, and stick to their ideals. The result: People come to have faith in them. Related to this behavior is the concept of humility, another characteristic of being authentic. Research indicates that leaders who model humility help followers to understand the growth process for their own development.⁶¹

Authentic leadership, especially when shared among top management team members, can create a positive energizing effect that heightens firm performance.⁶² Transformational or charismatic leaders can have a vision and communicate it persuasively, but sometimes the vision is wrong (as in the case of Hitler), or the leader is more concerned with his or her own needs or pleasures, as were Dennis Kozlowski (ex-CEO of Tyco), Jeff Skilling (ex-CEO of Enron), and Raj Rajaratnam (founder of the Galleon Group).⁶³ Authentic leaders do not exhibit these behaviors. They may also be more likely to promote corporate social responsibility (CSR; see Chapter 2).

Authentic leaders
Leaders who know who they are, know what they believe in and value, and act on those values and beliefs openly and candidly. Their followers consider them to be ethical people.

Ethical Leadership

Leadership is not value-free. In assessing its effectiveness, we need to address the *means* a leader uses to achieve goals as well as the content of those goals. The role of the leader in creating the ethical expectations for all members is crucial.⁶⁴ Ethical top leadership influences not only direct followers, but all the way down the command structure as well, because top leaders create an ethical culture and expect lower-level leaders to behave along ethical guidelines.⁶⁵ Leaders rated as highly ethical tend to have followers who engage in more organizational citizenship behaviors (OCBs; see Chapter 1) and who are more willing to bring problems to the leaders' attention.⁶⁶ Research also found that ethical leadership reduced interpersonal conflicts.⁶⁷

Ethical and authentic leadership intersect at a number of junctures. Leaders who treat their followers ethically and authentically—with fairness, especially by providing honest, frequent, and accurate information—are seen as more effective.⁶⁸ Transformational leadership has ethical implications since these leaders change the way followers think. Charisma, too, has an ethical component. Unethical leaders use their charisma to enhance power over followers, directed toward self-serving ends. To integrate ethical and charismatic leadership, scholars have advanced the idea of **socialized charismatic leadership**—conveying other-centered (not self-centered) values through leaders who model ethical conduct.⁶⁹ These leaders are able to bring employee values in line with their own values through their words and actions.⁷⁰

Although every member of an organization is responsible for ethical behavior, many initiatives aimed at increasing organizational ethical behavior are focused on the leaders. Because top executives set the moral tone for an organization, they need to set high ethical standards, demonstrate them through their own behavior, and encourage and reward integrity in others while avoiding abuses of power. One research review found that role modeling by top leaders positively influenced managers throughout their organizations to behave ethically and fostered a climate that reinforced group-level ethical conduct. The findings suggest that organizations should invest in ethical leadership training programs, especially in industries with few ethical regulations. Leadership training programs that incorporate cultural values should be especially mandated for leaders who take foreign assignments or manage multicultural work teams.⁷¹

Servant Leadership

Scholars have recently considered ethical leadership from a new angle by examining **servant leadership**.⁷² Servant leaders go beyond their self-interest and focus on opportunities to help followers grow and develop. Characteristic behaviors include listening, empathizing, persuading, accepting stewardship, and actively developing followers' potential. Because servant leadership is based on the value of serving the needs of others, research has focused on its outcomes for the well-being of followers. Perhaps not surprisingly, a study of 126 CEOs found that servant leadership was negatively correlated with the trait of narcissism.⁷³

What are the effects of servant leadership? One study of 123 supervisors found it resulted in higher levels of commitment to the supervisor, self-efficacy, and perceptions of justice, which all were related to OCB.⁷⁴ This relationship between servant leadership and follower OCB appears to be stronger when followers are encouraged to focus on being dutiful and responsible.⁷⁵ Second, servant leadership increases team potency (a belief

Socialized charismatic leadership

A leadership concept that states that leaders convey values that are other-centered versus self-centered and who role-model ethical conduct.

Servant leadership

A leadership style marked by going beyond the leader's own self-interest and instead focusing on opportunities to help followers grow and develop.

that your team has above-average skills and abilities), which in turn leads to higher levels of group performance.⁷⁶ Third, a study with a nationally representative sample found higher levels of citizenship were associated with a focus on growth and advancement, which in turn was associated with higher levels of creative performance.⁷⁷ Other research found that servant leadership and a resulting culture of service increased employee job performance and creativity while reducing turnover intentions.⁷⁸

Servant leadership may be more prevalent and effective in certain cultures.⁷⁹ When asked to draw images of leaders, for example, U.S. subjects tended to draw them in front of the group, giving orders to followers. Participants from Singapore tended to draw leaders at the back of the group, acting more to gather a group's opinions together and then unify the group from the rear. This suggests the East Asian prototype is more like a servant leader, which might mean servant leadership is more effective in these cultures.



POSITIVE LEADERSHIP

In each of the theories we've discussed, you can see opportunities for the practice of good, bad, or mediocre leadership. Now let's think about the intentional development of positive leadership environments.

Trust

Trust is a psychological state that exists when you agree to make yourself vulnerable to another person because you have positive expectations about how things are going to turn out.⁸⁰ Although you aren't completely in control of the situation, you are willing to take a chance that the other person will come through for you. Followers who trust a leader are confident their rights and interests will not be abused.⁸¹ As you might expect, transformational leaders generate a higher level of trust from their followers, which in turn is related to higher levels of team confidence and, ultimately, higher levels of team performance.⁸² Trust is a primary attribute associated with leadership; breaking it can have serious adverse effects on a group's performance.⁸³

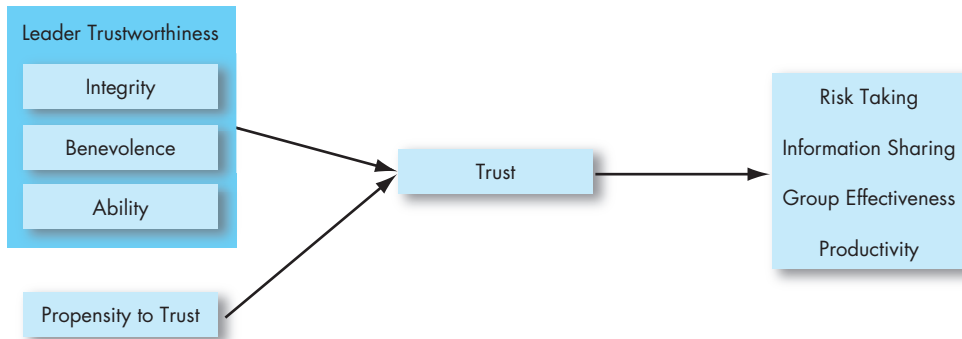
Trust

A positive expectation that another person will not act opportunistically.

THE OUTCOMES OF TRUST Trust between supervisors and employees has a number of specific advantages. Here are just a few from research:

- **Trust encourages taking risks.** Whenever employees decide to deviate from the usual way of doing things, or to take their supervisor's word on a new direction, they are taking a risk. In both cases, a trusting relationship can facilitate that leap.
- **Trust facilitates information sharing.** When managers demonstrate they will give employees' ideas a fair hearing and actively make changes, employees are more willing to speak out.⁸⁴
- **Trusting groups are more effective.** When a leader sets a trusting tone in a group, members are more willing to help each other and exert extra effort, which increases trust.
- **Trust enhances productivity.** Employees who trust their supervisors tend to receive higher performance ratings, indicating higher productivity.⁸⁵

TRUST DEVELOPMENT What key characteristics lead us to believe a leader is trustworthy? Evidence has identified three: *integrity*, *benevolence*, and *ability* (see Exhibit 12-6).⁸⁶

**EXHIBIT 12-6****Model of Trust in Organizations**

Integrity refers to honesty and truthfulness. When 570 white-collar employees were given a list of 28 attributes related to leadership, they rated honesty the most important by far.⁸⁷ Integrity also means maintaining consistency between what you do and say.

Benevolence means the trusted person has your interests at heart, even if your interests aren't necessarily in line with theirs. Caring and supportive behavior is part of the emotional bond between leaders and followers.

Ability encompasses an individual's technical and interpersonal knowledge and skills. You're unlikely to depend on someone whose abilities you don't believe in even if the person is highly principled and has the best intentions.

Trust propensity

How likely an employee is to trust a leader.

TRUST PROPENSITY Trust propensity refers to how likely a particular employee is to trust a leader. Some people are simply more likely to believe others can be trusted.⁸⁸ Trust propensity is closely linked to the personality trait of agreeableness and people with lower self-esteem are less likely to trust others.⁸⁹



TRUST AND CULTURE Does trust look the same in every culture? Using the basic definition of trust, it certainly does. However, in the work context, trust in an employment relationship may be built on very different perceptions from culture to culture. For example, a recent study in Taiwan indicated that employees responded to paternalistic leadership, when it was benevolent and ethical, with increased trust.⁹⁰ This positive response to paternalism may be unique to the collectivistic context of Taiwan, where the Confucian values of hierarchy and relationship predominate. In individualistic societies (see Chapter 3), we might expect that paternalistic leadership will rankle many employees who prefer not to see themselves as part of a hierarchical family work group. Employees in individualistic cultures may build trust according to the degree of leadership support and consistency instead.



THE ROLE OF TIME We come to trust people by observing their behavior over a period of time.⁹¹ To help, leaders need to demonstrate integrity, benevolence, and ability in situations where trust is important—say, where they could behave opportunistically or let employees down. Second, trust can be won in the ability domain by demonstrating competence. Third, research with 100 companies around the world suggested that leaders can build trust by shifting their communication style from top-down commands to ongoing organizational dialogue. Lastly, when leaders regularly create interpersonal conversations

with their employees that are intimate, interactive, inclusive, and that intentionally follow an agenda, followers demonstrate trust with high levels of engagement.⁹²

REGAINING TRUST Managers who break the psychological contract with workers, demonstrating they aren't trustworthy leaders, will find employees are less satisfied and less committed, have a higher intent toward turnover, engage in less OCB, and have lower levels of task performance.⁹³ Leaders who betray trust are especially likely to be evaluated negatively by followers if there is already a low level of LMX.⁹⁴

Once it has been violated, trust can be regained, but only in certain situations and depending on the type of violation.⁹⁵ If the cause is lack of ability, it's usually best to apologize and recognize you should have done better. When lack of integrity is the problem, apologies don't do much good. Regardless of the violation, saying nothing or refusing to confirm or deny guilt is never an effective strategy for regaining trust. Trust can be restored when we observe a consistent pattern of trustworthy behavior by the transgressor. However, if the transgressor used deception, trust never fully returns, not even after apologies, promises, or a consistent pattern of trustworthy actions.⁹⁶

Mentoring

Leaders often take responsibility for developing future leaders. A **mentor** is a senior employee who sponsors and supports a less-experienced employee, a protégé. Successful mentors are good teachers. They present ideas clearly, listen well, and empathize with protégés' problems. Mentoring relationships serve career and psychosocial functions.⁹⁷

Are all employees in an organization likely to participate in a mentoring relationship? Unfortunately, no. However, research continues to indicate that employers should establish mentoring programs because they benefit both mentors and protégés. For example, one study in Korea found that mentors achieved higher levels of transformational leadership as a result of the mentoring process, while organizational commitment and well-being increased for both mentors and protégés.⁹⁸

You might assume mentoring is valuable for objective outcomes like compensation and job performance, but research suggests the gains are primarily psychological. Thus, while mentoring can have an impact on career success, it is not as much of a contributing factor as ability and personality. It may *feel* nice to have a mentor, but it doesn't appear that having a good mentor, or any mentor, is critical to your career. Rather, mentorship is a boost to your confidence.

Mentor

A senior employee who sponsors and supports a less-experienced employee, called a protégé.



CHALLENGES TO OUR UNDERSTANDING OF LEADERSHIP

Management expert Jim Collins said, "In the 1500s, people ascribed all events they didn't understand to God. Why did the crops fail? God. Why did someone die? God. Now our all-purpose explanation is leadership." This may be an astute observation from management consulting, but of course much of an organization's success or failure is due to factors outside the influence of leadership. Sometimes it's a matter of being in the right or wrong place at a given time. In this section, we present challenges to the accepted beliefs about the value of leadership.

Leadership as an Attribution

As you may remember from Chapter 5, attribution theory examines how people try to make sense of cause-and-effect relationships. The **attribution theory of leadership** says leadership

Attribution theory of leadership

A leadership theory that says that leadership is merely an attribution that people make about other individuals.



is merely an attribution people make about other individuals.⁹⁹ We attribute the following to leaders: intelligence, outgoing personality, strong verbal skills, aggressiveness, understanding, and industriousness.¹⁰⁰ At the organizational level, we tend, rightly or wrongly, to see leaders as responsible for both extremely negative and extremely positive performance.¹⁰¹

Perceptions of leaders by their followers strongly affect leaders' ability to be effective. First, one study of 128 major U.S. corporations found that whereas perceptions of CEO charisma did not lead to objectively better company performance, company performance did lead to perceptions of charisma.¹⁰² Second, perceptions of leaders' behaviors are significant predictors of whether employees blame their leaders for failure, regardless of how the leaders assess themselves.¹⁰³ Third, a study of more than 3,000 employees from western Europe, the United States, and the Middle East found that people who tended to "romanticize" leadership in general were more likely to believe their own leaders were transformational.¹⁰⁴

Attribution theory suggests what's important is projecting the *appearance* of being a leader rather than focusing on *actual accomplishments*. Leader-wannabes who can shape the perception that they're smart, personable, verbally adept, aggressive, hardworking, and consistent in their style can increase the probability their bosses, colleagues, and employees will view them as effective leaders.

Substitutes for and Neutralizers of Leadership

One theory of leadership suggests that in many situations, leaders' actions are irrelevant.¹⁰⁵ Experience and training are among the **substitutes** that can replace the need for a leader's support or ability to create structure. Organizations such as video game producer Valve Corporation, Gore-Tex maker W. L. Gore, and collaboration-software firm GitHub have experimented with eliminating leaders and management. Governance in the "bossless" work environment is achieved through accountability to coworkers, who determine team composition and sometimes even pay.¹⁰⁶ Organizational characteristics such as explicit formalized goals, rigid rules and procedures, and cohesive workgroups can replace formal leadership, while indifference to organizational rewards can neutralize its effects. **Neutralizers** make it impossible for leader behavior to make any difference to follower outcomes (see Exhibit 12-7).

Substitutes

Attributes, such as experience and training, that can replace the need for a leader's support or ability to create structure.

Neutralizers

Attributes that make it impossible for leader behavior to make any difference to follower outcomes.

Defining Characteristics	Relationship-Oriented Leadership	Task-Oriented Leadership
Individual		
Experience/training	No effect on	Substitutes for
Professionalism	Substitutes for	Substitutes for
Indifference to rewards	Neutralizes	Neutralizes
Job		
Highly structured task	No effect on	Substitutes for
Provides its own feedback	No effect on	Substitutes for
Intrinsically satisfying	Substitutes for	No effect on
Organization		
Explicit formalized goals	No effect on	Substitutes for
Rigid rules and procedures	No effect on	Substitutes for
Cohesive work groups	Substitutes for	Substitutes for

EXHIBIT 12-7

Substitutes for and Neutralizers of Leadership

Source: Based on S. Kerr and J. M. Jermier, "Substitutes for Leadership: Their Meaning and Measurement," *Organizational Behavior and Human Performance* (1978), p. 378."

Sometimes the difference between substitutes and neutralizers is fuzzy. If I'm working on a task that's intrinsically enjoyable, theory predicts leadership will be less important because the task provides motivation. But does that mean intrinsically enjoyable tasks neutralize leadership effects, or substitute for them, or both? Another problem is that while substitutes for leadership (such as employee characteristics and the nature of the task) matter to performance, that doesn't necessarily mean leadership is irrelevant.¹⁰⁷ It's simplistic to think employees are guided to goal accomplishments solely by the actions of their leaders. We've introduced a number of variables—such as attitudes, personality, ability, and group norms; that affect employee performance and satisfaction. Leadership is simply another independent variable in our overall OB model.

Online Leadership

How do you lead people who are physically separated from you when you primarily communicate electronically? This question needs attention from OB researchers.¹⁰⁸ Today's managers and employees are increasingly linked by networks rather than geographic proximity.

We propose that online leaders have to think carefully about what actions they want their digital messages to initiate. These leaders confront unique challenges, the greatest of which appears to be developing and maintaining trust. **Identification-based trust**, based on a mutual understanding of each other's intentions and appreciation of the other's wants and desires, is particularly difficult to achieve without face-to-face interaction.¹⁰⁹ Online negotiations can also be hindered because parties tend to express lower levels of trust.¹¹⁰

We believe good leadership skills will soon include the ability to communicate support, trust, and inspiration through electronic communication and to accurately read emotions in others' messages. In electronic communication, writing skills are likely to become an extension of interpersonal skills in ways that are not yet defined.

Identification-based trust

Trust based on a mutual understanding of each other's intentions and appreciation of each other's wants and desires.

SUMMARY

Leadership plays a central part in understanding group behavior because it's the leader who usually directs us toward our goals. Knowing what makes a good leader should thus be valuable toward improving group performance. The Big Five personality framework shows strong and consistent relationships between personality and leadership. The behavioral approach's major contribution was narrowing leadership into task-oriented (initiating structure) and people-oriented (consideration) styles. By evaluating the situation in which a leader operates, contingency theories promised to improve on the behavioral approach. Contemporary theories have made major contributions to our understanding of leadership effectiveness, and studies of ethics and positive leadership offer exciting promise.

IMPLICATIONS FOR MANAGERS

- For maximum leadership effectiveness, ensure that your preferences on the initiating structure and consideration dimensions are a match for your work dynamics and culture.
- Hire candidates who exhibit transformational leadership qualities and who have demonstrated success in working through others to meet a long-term vision.

Personality tests can reveal candidates higher in extraversion, conscientiousness, and openness, which may indicate leadership readiness.

- Hire candidates whom you believe are ethical and trustworthy for management roles and train current managers in your organization's ethical standards in order to increase leadership effectiveness.
- Seek to develop trusting relationships with followers because, as organizations have become less stable and predictable, strong bonds of trust are replacing bureaucratic rules in defining expectations and relationships.
- Consider investing in leadership training such as formal courses, workshops, and mentoring.

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- 12-1.** Describe the qualities of your ideal leader in terms of the concepts in this chapter.
- 12-2. Pearson MyLab Management Only**—comprehensive writing assignment for this chapter.