

# 4 Micro-level Leadership Theories

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## Key Points

- Understanding leadership theories and models
- Traits and behaviours of the individual leader
- Influencing skills
- Leader-follower relations
- Situational influences
- Linking theories to the paradigms

How do the paradigms relate to the many leadership theories and concepts? Over the next three chapters, major leadership theories and ideas are discussed in relation to the paradigms. This chapter describes the evolution of leadership theories and approaches, particularly as they apply to individual leaders and their relationships with their followers.

Most formal leadership theories were developed in the twentieth century, although many of the underlying ideas about leadership are much older. These theories tend to deal with specific facets of leadership or leadership at particular levels breaking the concept into simpler components for ease of study or in order to develop particular leadership tools. Few writers address leadership in its complexity or try to link their theories to one another. None addresses the full range of leadership ideas and levels, although Bass and Yukl have made major attempts to do so.<sup>1</sup>

Most theorists ignore the fact that national and dynamic corporate cultures, different political contexts and multiple stakeholders affect leadership. A comprehensive view of leadership will not just be internally-focused, but will place leadership in an operating context. This will allow for interactions with the external world, including with competitors, governments and politicians, suppliers and alliance partners.

Thus, the leadership field consists of the writings of groups of relatively isolated scholars. Adopting a broad approach to leadership as advocated in this book requires integrating many theoretical approaches. Any theory or model that encompassed the full range of internal and external leadership issues would be very broad, and so probably not detailed or predictive enough to be useful for empirical researchers. However, writers and practitioners are calling for a multilevel framework that incorporates leadership effects at individual, group and

organizational levels.<sup>2</sup>

The question is, at which organizational levels should leadership be discussed?<sup>3</sup> A common recommendation is to use different management levels: higher levels (executive or upper echelon management), middle management and lower levels (front-line or entry-level). One difficulty with this approach is determining the comparability of levels in various organizations, especially in networked organizations. Yammarino proposes focusing on four 'groups' to understand leadership theories and models, namely the *individual*, *dyad* (two person, one-on-one interactions), *subgroup* and *whole group* levels.<sup>4</sup> However, these levels tend to be focused internally on the organization and need expanding to include the external leadership environment.

Ideally, the many facets of leadership should be integrated and viewed holistically, as part of a dynamic process. However, the linear nature of a book requires this complex set of issues to be split into smaller elements. Therefore the discussion in the following chapters is structured around levels of leadership similar to those defined by Yammarino. The micro-level is covered in this chapter, starting with the individual and proceeding through dyadic to larger group levels. These theories are sometimes referred to as 'supervisory theories'. Chapter 5 bridges the micro- and organizational-levels by discussing emotion-based approaches to leadership that typically emphasize the role of a vision, shared values and other emotional bases underpinning leadership. In Chapter 6, macro-level approaches focused at higher organizational levels and on the broader external environment are introduced. The leadership paradigms relevant to each of the theories are also indicated during the discussion, and each chapter concludes by integrating its content into the paradigms.

## INDIVIDUAL LEVEL

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The belief that individuals are distinguished as leaders by virtue of their birth, traits or behaviours places a strong focus on the leader as a special kind of person. This section considers the characteristics and behaviours associated with these individuals.

### Great men

*Great Men* ideas, based largely on class and birth, were very popular during the nineteenth and early twentieth centuries. Great Men views propose that people from the upper classes inherit desirable leadership qualities and the right to lead.<sup>5</sup> This applied particularly to men (see Box 4.1 for challenges facing *Great Women*).

Under the Great Men view, everyone inherited a place in society and expectations or opportunities rarely change this. Reflecting society at the time, the nineteenth and early twentieth century business world was also divided into classes, with leaders considered born to the role, not made. People tended to accept the world as being divided into leaders and

followers. Max Weber's observations about the civil service, with his ideal bureaucratic ways, reinforced this class division. Those who understood how to manage directed the lesser classes.<sup>6</sup>

Early in the twentieth century, 'the successful executive was generally pictured as possessing intelligence, imagination, initiative, the capacity to make rapid (and generally wise) decisions, and the ability to inspire subordinates.'<sup>7</sup> Even today, children from certain dynasties, family business people and royalty are considered, by some, born to rule.

The belief that birth determines a person's fitness to lead may have diminished over time, but the often-related notion of the heroic leader, with a strong focus on one key person, still pervades leadership theory and practice. Attributing the outcome of events to actions of heroic leaders is common in many cultures, where the fates of organizations, empires, armies or their followers are attributed to these leaders. This attribution can become extreme when people hold unrealistic expectations about a leader's abilities, and leaders can seldom live up to these high hopes.<sup>8</sup>

## BOX 4.1

### Where are the great women leaders?

Compared with 'Great Men', the emergence of the 'Great Woman' leader was traditionally much more difficult unless she was born into a leader role. Alternatively, she could marry into a family from which leaders traditionally come, or take over from her husband, like the Ghandis in India.

Mary Kay Ash was an exception. Disappointed at how she was treated by a previous employer, she resolved to build an organization that provides women with opportunities to excel. In doing so, she created the largest direct seller of skin care products and the best-selling brand of colour cosmetics in the US.<sup>9</sup> Mary Kay Inc. employs more than 500 000 independent beauty consultants in 29 markets world-wide, and has been featured among the *100 Best Companies to Work for in America* three times since the list began in 1984 (see URL: <http://www.marykay.com/>).

Ash is obviously not alone in her success, but even today relatively few women are in senior leadership positions in business. Various explanations have been advanced for this, including that men have an advantage over women in leadership positions because the business context is male-oriented. 'Concepts of leadership ... are gendered, embedded inside assumptions, practices, norms, belief systems that make men normal.'<sup>10</sup> Men define leadership and organizations in terms that are appropriate to men, so that when women enter the leadership arena, they do so within men's cultural norms.<sup>11</sup> In this context, some people are bemused at Mary Kay Ash's extravagant and emotional award ceremonies, at which her top sales-women receive pink Cadillacs or pink fur coats, where she calls her saleswomen 'daughter', and where women's business suits are colour-coded to indicate rank.

Research into the scarcity of women in leadership roles shows that being a leader makes men feel masculine, whereas for women being a leader does not make them feel feminine. Instead, women leaders often try to deny their sexuality and gender.<sup>12</sup> These strategies tend to be self-defeating, especially when women are accused of ‘trying too hard to be one of the boys’. This constant attempt at concealment deprives women of an important part of their identity and feeling of self, which men derive from traditional styles of leadership. Thus, given the male culture in many organizations, and the potential conflict between a woman’s identity and leadership, it is not surprising that relatively few women are in leadership positions. Nor is it surprising that Mary Kay Ash ‘feminized’ her organization.

It will become evident that the notion of the heroic leader continues to permeate many leadership theories and approaches. In terms of the leadership paradigms, the ‘Great Man’ approach fits well with the Classical, Transactional and Visionary leadership ideas, but not with the distributed leadership behind the Organic paradigm.

## Traits

Some researchers argue that regardless of whether leaders are born or made, they are different from other people.<sup>13</sup> Leaders need to have the ‘right stuff, which not everyone has. Identifying this ‘stuff could help in the search for individuals with leadership potential.

Early attempts to find the essence of leadership were disappointing, as Stogdill’s famous review of trait studies showed.<sup>14</sup> Only two characteristics seemed to help distinguish leaders from non-leaders with any degree of consistency: leaders were slightly taller and slightly more intelligent than non-leaders. Of course, Hitler and Napoleon provide examples of men of short stature who acquired considerable power, as do the Prime Ministers John Howard (Australia) and Silvio Berlusconi (Italy).

Nearly half a century later, researchers resumed the search for leader traits using improved measures and looking for traits linked more closely to leadership activities than height.<sup>15</sup> While exceptions can always be found, the six traits described in [Table 4.1](#) have been found to distinguish leaders from non-leaders, at least under the US business model:

Table 4.1

### Six leader traits

#### Drive

Leaders exhibit achievement, motivation,

#### Desire to lead

Leaders want to lead, and are willing to exercise some power over, and to discipline,

|                                                                                                                                                                         |                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ambition, energy, initiative and tenacity.                                                                                                                              | others                                                                                                                                                                                                        |
| <b>Being honest/having integrity</b><br><br>This characteristic enables leaders to form trusting relationships with followers, and not violate promises or confidences. | <b>Self-confidence</b><br><br>Others' perceptions of the leader's self-confidence are important, as is displaying emotional stability, being even-tempered and able to deal with stress.                      |
| <b>Knowing the business</b><br><br>Knowledge of the business enables informed decisions to be made and promotes understanding of the implications of those decisions.   | <b>High-level intelligence</b><br><br>Leaders need to be able to gather and process considerable information, formulate strategies, and solve problems. A high 'g' (general intelligence) level is important. |
| Source: Adapted from Kirkpatrick and Locke <sup>16</sup>                                                                                                                |                                                                                                                                                                                                               |

- drive,
- honesty and integrity,
- knowing the business,
- wanting to lead,
- having self-confidence, and
- being intelligent.<sup>17</sup>

A more complex approach to understanding and measuring leader traits comes from the competency movement begun by David McClelland.<sup>18</sup> The *competency approach* searches for the underlying characteristic(s) of an individual related to effective or superior performance.<sup>19</sup> Clearly, what constitutes superior performance can be difficult to define, especially for senior executives, but researchers are attempting to develop appropriate measures.<sup>20</sup>

Many organizations are seeking leaders able to function globally. Increasingly, senior managers are agreeing that tomorrow's leaders will operate in a global context, and that different capabilities will be required of global leaders.<sup>21</sup> In research into effective global leaders, Gregersen and his colleagues identified the necessary characteristics as being partly specific to the global context, and partly generic to leaders generally.<sup>22</sup> They concluded that about one-third of a global leader's success comes from having the knowledge and skills for specific contexts, such as industry knowledge and understanding the corporate culture. The remaining characteristics apply to leaders generally, including:

- being able to affect others emotionally
- being ethical and inquisitive
- managing uncertainty, and

- developing ‘savvy’.

Being inquisitive, adventuresome, curious and open-minded were considered particularly important in successful global leaders.

However, even if currently-known traits and competencies were accepted as those necessary for leadership, especially for the single leader-based Classical, Transactional and Visionary paradigms, it is still not clear how much of each trait is needed in particular leadership situations. It is also hard to accept that possessing special traits propels so many people into leadership roles in organizations where leadership is widely distributed.

Further, merely possessing certain traits is probably not sufficient to distinguish leaders from non-leaders. Leaders also need to display evidence of their traits by behaving ‘appropriately’, as discussed below.

## Leader behaviour

Focusing on leader behaviours broadens the concept of leadership beyond birth or personality. Leadership becomes increasingly democratic, being seen as a more general capability that many people could potentially achieve. If leaders can be identified by their actions, then more people could be trained to act like leaders.

Researchers, disappointed in the results of the search for leader traits, began to look at the behaviours leaders display. Their observations resulted in two broad categories of leader behaviours: *task-related* behaviours (concerned with the job to be done), and *relationship* behaviours (people-oriented behaviours, such as being supportive and providing feedback).

Studying relationship behaviours was an important development in leadership theory, because until this time, most of the focus in organizations had been on making tasks as efficient as possible, with individual workers being considered rather irrelevant. For instance, Taylor’s scientific management and engineering model had looked at ways of making work more efficient through his famous time-and-motion studies.<sup>23</sup> Although Taylor’s approach started to focus a little more on workers and followers, as well as the context in which people were operating, the emphasis was primarily on improving processes and systems. It has long been known that a focus on people enhances productivity.<sup>24</sup> Henry Ford was one of the earliest industrialists to recognize this, when he stemmed the tide of worker attrition by introducing the then generous \$5 per day minimum wage, profit sharing, and reducing the working day from nine to eight hours.<sup>25</sup>

In more recent research, a leader’s focus on relationships has been found to be effective in the workplace.<sup>26</sup> Good relationships result in more satisfied workers.<sup>27</sup> Increasingly, social science research indicated that leaders should also consider human relations among the members of workgroups, and the image of an effective leader began to change from that of an *autoaat* to someone who was more *demoaat*.

Identifying appropriate leader behaviours led to the production of management guidelines. Yukl, for example, provides guidelines for a range of managerial practices significant to

effective leadership.<sup>28</sup> These practices include familiar management actions with an emphasis on getting the job done, such as planning, organizing, problem solving, monitoring and setting objectives.

Other guidelines cover behaviours often associated with managing relationships, such as motivating, inspiring, consulting, delegating, supporting, developing and mentoring staff, rewarding, managing conflict, networking and team building. Behavioural guidelines like these can be of great assistance to Transactional leaders seeking to enhance their interpersonal and influence skills. See [Box 4.2](#) for some guidelines on influencing.

Yukl proposes that modern leader behaviours should encompass a third category in addition to task and relationship behaviours, namely behaviours related to *change*.<sup>29</sup> Change-oriented behaviour includes activities such as improving decisions, innovating, adapting strategy to suit the environment and making major transformations.

Clearly, the appropriate blend of task, relationship and change-oriented behaviours will depend on environmental factors, such as how stable or dynamic the organization's marketplace, industry and operating environment are. In stable environments, change can be incremental, with most emphasis on managing the task and relationships. In times of turbulence, more radical change-oriented behaviour is often needed, accompanied by a shift to more Visionary leadership.<sup>30</sup>

## BOX 4.2

### Guidelines for influencing

The following tactics for influencing others are based on Yukl's recommendations.<sup>31</sup>

- **Rational persuasion:** use logical arguments and factual evidence to persuade the target person to your position.
- **Inspiration:** make a request or proposal that excites the target person by appealing to that person's values, ideals or aspirations, or by increasing the target's self-confidence.
- **Consultation:** seek the target person's participation, for example, in planning a strategy, activity or change, or be willing to modify your proposal to address the other person's suggestions and concerns.
- **Ingratiation:** use praise, flattery, friendly or helpful behaviour to put the target person in a good mood or think favourably about you before asking for something. For example, compliment them on past achievements, or be sympathetic about problems your request may cause.
- **Personal appeals:** appeal to the target's feelings of loyalty and friendship toward you when asking for something, for example, by appealing to friendship, explaining why the request is important to you, beginning the requests with 'I need a favour...' before stating what it is.

- **Exchange:** offer an exchange of favours, indicate your willingness to reciprocate later, or promise a share of benefits if the target person helps you accomplish the task.
- **Coalition tactics:** seek others' aid to persuade the target person to do something, or use the support of others as a reason for the target to agree. For example, mention credible people who support the proposal; bring someone along to help influence the target; provide evidence or an endorsement; or solicit the help of someone with higher authority.
- **Legitimizing tactics:** try to establish the legitimacy of a request by claiming the authority or right to make it, verifying that it is consistent with organizational policies, rules, practices or traditions, or refer to some precedent.
- **Pressure:** use demands, threats, frequent checking, or persistent reminders to influence the target person to do what you want them to do.

One of the strengths of behaviour-based approaches is that leaders can develop their skills by identifying effective behaviours, for instance:

- Classical leaders can acquire monitoring and controlling behaviour;
- Transactional leaders can learn to influence others;
- Visionary leaders can adopt techniques for honing and communicating visions; and
- Organic leadership can enhance team and communication skills.

Where leader behaviours can be learned, the base of leadership can be broadened as more people acquire the desired behaviours.

While the behavioural approach has provided valuable guidelines for enhancing some leader behaviours, it has been criticized for a variety of reasons. Some authors regard the fundamental division into relationship and task behaviours as too broad and unspecific. Further, the categories are not mutually exclusive.<sup>32</sup> What is the difference between the two categories, especially when a task-related action like monitoring also includes communication, feedback and elements of supportive behaviour? Similarly, an informal chat can be about job-related issues as well as making the employee feel good. Change-oriented behaviour may involve both task and relationship elements in implementing a vision.

Finally, in behavioural theories, the person being managed is usually assigned a passive role in the leadership process, although some writers also provide guidelines for followers.<sup>33</sup>

## Evaluating individual approaches

Clearly, leadership approaches that focus on an individual's leadership characteristics, whether traits or behaviours, reflect the view that the leader is central to understanding leadership. Sometimes leaders are born to their role, but often they are appointed or achieve

leadership in some other way.

Understanding the traits and behaviours that distinguish better from worse leaders would enhance the quality of leadership appointments. It would also allow appropriate leadership development. Unfortunately, the traits and behaviours that differentiate between effective and less effective leaders mostly elude researchers. This is no doubt partly due to the difficulties of identifying effective leadership, and possibly because researchers have focused on narrow populations rather than taking broad examples.

Probably the biggest shortcoming of all the theories to date is that they focus on the individual leader and do not take very much account of the follower or the context in which leadership takes place. An exception is Yukl's inclusion of change-oriented behaviours. The next section presents approaches that investigate the follower's role as well.

## DYADIC AND GROUP LEVEL: INTERACTING WITH OTHERS

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The notion of a leader without followers is a contradiction in terms. Leadership implies some relationship between leader and followers. This relationship can occur between a leader and a single follower (known as a dyad), or between leaders and multiple followers (groups or teams). This section discusses some theories relating to a leader's relationship with individuals and groups.

### Leader-member exchange theory

The *Leader-Member Exchange* (LMX) approach is based on the observation that followers form relationships of varying intensity and quality with their leader,<sup>34</sup> and that leaders do not treat all followers equally, but establish close relationships with subordinates regarded as part of the *in-group*.

Members of the in-group experience a rich exchange, enjoying relationships with their leader that are characterized by trust, loyalty and a sense of common fate. In-group members tend to receive better assignments, more freedom and greater opportunities to work with the leader, and come to function as the leader's assistants or advisers. Members of the *out-group* do not have such close relationships with the leader, are likely to be assigned less desirable jobs, have few opportunities to interact with the leader, and are often excluded from important decisions or activities.

Many factors influence the leader-member exchange relationship, including similarity in values between leader and followers, demographic characteristics and follower competence.<sup>35</sup> National cultural factors may also impact in-group and out-group membership. From Hofstede's work showing that cultures differ in how individualistic or collective they are, it is evident that individualist cultures such as the US and Australia value individual performance.<sup>36</sup> In these countries, leaders are expected to select their own in-groups based on the members'

competence and contribution to the organization. Appointing family and friends would be regarded as exhibiting favouritism or nepotism.

On the other hand, leaders in many Asian countries would be reluctant to allow strangers into the in-group. In Japan and certain other parts of Asia, leaders generally prefer to surround themselves with family members because family is considered a comfortable and loyal choice.<sup>37</sup> Outsiders are hired to help the organization, but access to the in-group is based on community factors in collectivist societies. In Hong Kong and Malaysia, what others might regard as nepotism and showing favouritism would seem very normal, because loyalty to one's village, clan or family is of primary concern.<sup>38</sup> In these countries, managers prefer to employ people whom they know and/or who are referred to them by people they know.

Irrespective of how in- and out-groups are formed, relationships between leaders and individual workers have traditionally been at the core of many organizations, although the nature of the leader-follower relationship may be changing as more global enterprises organize around teams, particularly virtual teams. The LMX model has been extensively researched, but many questions remain unanswered, such as how in- and out-groups form and whether people can move from one group to another. LMX theory also does not prescribe which patterns of exchange enhance the leader's effectiveness. Further, the long-term relationships between supervisor-subordinates upon which the LMX theory has been based are becoming less prevalent in an increasingly mobile workforce.<sup>39</sup>

Since the LMX theory focuses on leadership emerging from the relationships between people in an organization, the theory could apply to all four leadership paradigms. Given the emphasis on the leader's relationship with individual followers who form the in- and out-groups, the theory is particularly applicable to Classical, Transactional and Visionary leadership. The LMX theory seems less applicable to Organic leadership, where more fluid in- and out-groups shift as the leadership or project changes, and the membership of groups continually changes.

## Socio-cognitive approach

According to the socio-cognitive view, leadership is in the eye of the beholder. Leader actions and behaviours, and not hierarchical positions, underlie whether people *attribute* leadership to them. Follower perceptions are thus central to acknowledging leadership under this approach, rather than the characteristics or actions of the leader *per se*.

Socio-cognitive researchers explain perceptions of leadership using one of two different processes: *recognition* or *inference*.<sup>40</sup> People form leadership perceptions by observing someone's daily interactions with others. Observers may well conclude that leaders are intelligent, decisive individuals who can communicate effectively. This *recognition* stems from the observer's past experience with leaders, and whether the current person matches the leader criteria the observer has developed from those past experiences. Recognition-based perception is assumed to be largely automatic, that is, it can happen without being consciously thought about.<sup>41</sup> Clearly, what individual observers recognize as leader behaviour will depend

on their past experiences and cultural background. For example, those who regard leadership as a shared group experience may well not recognize Classical or Transformational acts as 'leadership', classifying them as non-leadership behaviour instead.

*Inference* is the second process through which leadership can be identified. Attributing leadership to someone is *inferred* from the outcomes of significant events, such as enhanced performance or someone's promotion. Although inferred leadership is frequently a controlled mental process, it can be influenced by the stereotypes or prototypes individuals hold about leadership.<sup>42</sup> For example, improvements in profits or share prices might be attributed to the collective efforts of followers under Organic leadership, or to the leader's personal efforts in the Classical paradigm.

Recognition and inferential perception processes probably dominate at different levels of an organization.<sup>43</sup> At lower levels, where direct relationships between leader and followers play an important role, leadership perceptions will tend to be more automatic and recognition-based. Rewards and sanctions can be used directly and immediately to influence followers, and it is relatively easy to note some link between leader behaviour and performance. For example, people can recognize that in rewarding high performance, a leader directly influences how followers behave.

Most employees do not experience a senior executive's influence directly, and so draw conclusions about top leadership from indirect evidence. Observers outside the top team may have trouble accurately assessing what the leader does and establishing links between those actions and organizational performance. Exceptions arise where senior management's actions directly affect the organization, such as introducing new technology or downsizing. However, in general, top-level executives operate through indirect influence on the organization. These people may experience difficulty in being perceived as leaders because they do not fit the prototypical ideas of leadership that individuals hold.<sup>44</sup>

If they do not directly experience the effects of a leader's actions, people tend to rely on cultural stereotypes or beliefs to form perceptions of leadership.<sup>45</sup> For example, the comforting myth that leaders should be able to control everything that affects an organization's performance can form the basis for leader perceptions. Using this belief, when an organization is performing well, the leader is accorded the credit for the success, but when organizations are performing poorly, responsibility for the failure is also attributed to the leader.

Socio-cognitive approaches are well linked to extensive research into cognition. However, focusing on the follower's mental processes to determine leadership represents a major departure from conventional approaches that emphasize the characteristics and role of the leader. The socio-cognitive approach also contributes a valuable distinction between perceptions of leadership at different organizational levels.

Since perceiving leadership depends on the stereotypes or beliefs that a person holds about the concept, the socio-cognitive approach applies to each leadership paradigm.

## Evaluating dyadic approaches

A major contribution of the dyadic and group approaches is that they recognize that leadership emerges from interactions between leaders and followers. The LMX theory acknowledges that

these interactions are not all equal, and that this impacts leadership relationships. The socio-cognitive approach attributes the major role in leadership to followers and their perceptions of leadership.

However, the theories considered so far tend to be acontextual, that is, they do not focus on the context in which leadership is occurring. The socio-cognitive approach does recognize that leadership can differ at various levels within an organization, depending on how close the attributing follower is to the leader concerned. However, the focus of the dyadic approaches tends to be at the micro-level, independent of the broader situation. The next section considers theories that involve the context very strongly.

## CONTINGENCY THEORIES: SITUATIONS MATTER

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Most of the approaches covered so far have dealt only peripherally, if at all, with the context in which leader-follower relationships take place. This section introduces views that focus more on the situation. These approaches, which trace their origins back to the two-dimensional behaviour theories, are often called ‘contingency’ theories because they prescribe that leader behaviour should depend, or be contingent, on the situation.

### Situational leadership

Hersey and Blanchard made a major contribution to leadership theory by extending the early two-dimensional behavioural models based on task and relationship behaviours to include a third dimension.<sup>46</sup> This dimension, akin to individual or group *psychological maturity* or follower development level, attempts to take into account the human environment in which a manager operates. This model evolved into a highly popular approach known as Situational Leadership (SL), of which there are now several versions in use in addition to those developed by the original proponents.<sup>47</sup> This book adopts Blanchard’s terminology in describing SL.

SL models propose that effective managers provide individual followers with differing amounts of direction and support on performing tasks and achieving goals, depending on each person’s *developmental level*.<sup>48</sup> The combination of a person’s *commitment* and *competence* constitutes that individual’s developmental level on a given task or goal.<sup>49</sup> *Competence* refers to the person’s knowledge and skills relating to the task, as well as to their transferable skills. *Commitment* refers to an individual’s motivation and confidence for undertaking that task or goal.

Effective SL derives from an appropriate combination of *Supporting* (‘relationship behaviours’, such as listening, recognizing, communicating and encouraging) and *Directing* (‘task-related behaviours’ such as providing instructions and monitoring how closely they are followed). Combining *Supporting* and *Directing* behaviours forms four key SL behaviour

categories or styles:

- SI *Directing* (high directing, low supporting);
- S2 *Coaching* (high directing, high supporting);
- S3 *Supporting* (low directing, high supporting); and
- S4 *Delegating* (low directing, low supporting).

The idea is that managers should begin with Directing, move to Coaching, then on to Supporting and finally to Delegating as the follower develops on a given task.

Corresponding to the SI to S4 styles are team member developmental levels of D1 to D4 respectively.<sup>50</sup> Blanchard describes the four developmental levels as:<sup>51</sup>

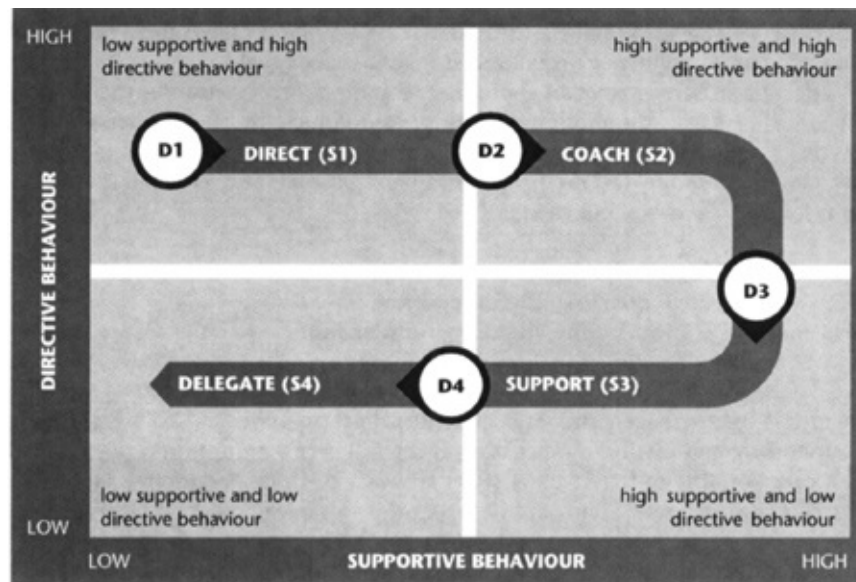
- D1 – enthusiastic beginner, low on competence and high on commitment;
- D2 – disillusioned learner, with increasing competence and low commitment;
- D3 – capable but cautious contributor, with moderate-to-high competence and variable commitment; and
- D4 – self-reliant achiever, high on both competence and commitment.

SL prescribes that leaders should match the style they use to an individual follower's developmental level, striving to develop staff as they move through Directing, Coaching, Supporting to Delegating (see [Figure 4.1](#)). The model can also be applied to developing and managing teams, with the SL style related to the team's developmental level.

An intuitively appealing leadership model for practitioners, particularly Transactional leaders, SL emphasizes the importance of adjusting leader behaviour to follower needs. Upon closer evaluation, many theoretical and consistency flaws have been identified in SL theory and the accompanying questionnaires. For example, how to define and assess development levels is unclear, and how to match leader behaviours is not defined consistently from one situation to the next.<sup>52</sup>

The model has received relatively little academic and research attention.<sup>53</sup> Some see this as rather alarming, given SL's extensive use as a training tool.<sup>54</sup> Since several SL models exist that vary in definitions, terminology and even fundamental concepts, it is not surprising that the little research conducted into SL has failed to produce clear-cut outcomes.<sup>55</sup>

**Figure 4.1**



**Reconceptualized relationship between leader styles and follower development levels in Situational Leadership<sup>56</sup>**

Source: ©H. Bergsteiner

Despite its theoretical shortcomings, SL has impacted practice probably more than any other management tool, with over three million managers trained in it.<sup>57</sup> Research among practitioners suggests that SL is popular for a variety of reasons. Its concepts are intuitively appealing, the model is easy to understand and apply, SL fits comfortably with the role of the Transactional leader/manager, and has a wide range of uses on-the-job.<sup>58</sup> How much managers actually apply the model is questioned in [Box 4.3](#).

## BOX 4.3

### Avoiding being directive

Managers are advised to use one of four SL styles, depending on the developmental level of a given follower on a particular task or goal. Research among Australian managers has found that managers prefer to use highly supportive SL styles, particularly S3 (Supporting), and avoid being directive.<sup>59</sup>

These preferences persist even after training.<sup>60</sup> In interviews with practising managers trained in SL who claimed to apply the model at work, some managers expressed shame because they did not follow the model and apply all four styles. Respondents often acknowledged their preferences for supportive styles and that they struggle to use the low-supporting S1 (Directing) and S4 (Delegating) styles. The researchers cite a respondent who, after using SL for two years, said: 'I prefer the coaching and supporting styles. But since the course, I've been more of a delegator.' Another manager reported:

‘My comfort zone is coaching and my non-comfort zone is directing, but I’m having to use all four because it’s required now.’

Such was the general dislike for directing that one person described it as ‘tiresome and boring’, another as ‘I’ hate having to stand there and ... get forceful’. Respondents described strategies that they had developed to avoid being directive, such as trying to employ people who do not need directing or delegating any directing tasks to others. As one manager said: ‘A’ lot of the work – the S1 stuff, I actually delegate that. When we get new employees in who are ... D 1s, raw ... I really don’t have the time to go up there and S1 them. So I get guys like my equipment manager (to undertake the directing role) ...’<sup>61</sup>

This bias towards relationship behaviour has been attributed partly to a strong ‘mateship’ culture in Australia, where telling another person what to do is considered unfriendly. Certainly, to increase worker satisfaction and leadership ‘success’, research indicates that Australian managers need to relate more individually to their followers compared with managers elsewhere.<sup>62</sup> However, research generally suggests that establishing and maintaining harmonious relationships with supporters is advantageous for leaders.<sup>63</sup> Researchers have found that subordinates generally need large amounts of supportive behaviour, regardless of their developmental level, and some argue that if one element of SL behaviour were to be perceived as ‘best’, that element would involve high supportive behaviour.<sup>64</sup>

Thus, the extent to which SL is actually applied, in that all four styles are used as prescribed, remains doubtful, at least among Australian managers. This may well be different among managers from other cultures.

## Fiedler’s contingency model

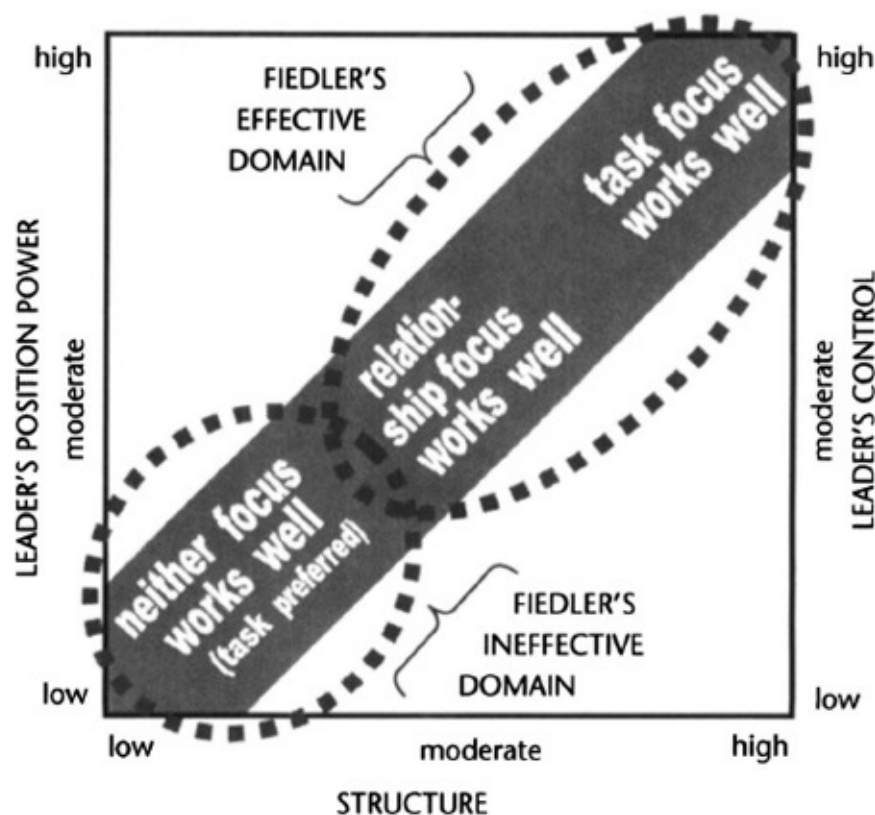
Fiedler’s model proposes that leadership effectiveness is a function of the match between a leader’s style and the leadership situation.<sup>65</sup> If the style matches the situation, the leader will be effective; if not, the leader will not be effective.

Fiedler distinguishes between *task-motivated* leaders and *relationship-motivated* leaders. He proposes that task-motivated leaders draw their self-esteem from accomplishing tasks, whereas relationship-motivated leaders draw their self-esteem from interpersonal relations. To a relationship-oriented person, relationships appear more important than accomplishing a task. The opposite is true for those who are task-motivated.

Fiedler describes a *leadership situation* in terms of three factors:

- the relationship between leader and followers;
- how structured the task is; and
- the leader’s position power.

Figure 4.2



Fiedler's contingency model showing effective and ineffective domains  
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Combining these three elements describes the amount of control the leader has over a particular situation (see Figure 4.2). A good leader-follower(s) relationship, a highly structured task and a leader with high position power form one end of the control continuum. This provides the leader with high control over the situation. Conditions like these appear to favour the Classical and Transactional paradigms.

In the middle of the continuum lie situations where the task is unstructured or the leader and followers do not get along very well. Here, the leader cannot exert full control over the situation, which makes the leadership environment difficult for the task-oriented leader. At the lower end of the situational control continuum, the task is highly unstructured, leader-follower relations are poor and the leader has very little power. This creates challenging conditions for Classical and Transactional leadership.

Central to Fiedler's contingency model is the *match* between the leader's style and the situation. As the situation changes, so does the leader's effectiveness, because the leader finds himself or herself in and out of match. Overall, the model predicts that task-motivated leaders will be more effective than relationship-oriented leaders where there is either high or low control over the situation. Relationship-motivated leaders will be effective under conditions of moderate situational control.

Looking at each of these situations in turn:

1. *High control situations:* According to Fiedler's model, task-motivated leaders perform well in high control situations. Here, their self-esteem is not threatened, so they can provide resources to help the group perform. In the same situation, relationship-motivated leaders are likely to be bored, as leaders, and may feel that there is nothing for them to do. If the group is cohesive and the task is clear, the leader's role becomes taking care of details and removing obstacles. This tends not to appeal to relationship-oriented leaders, who prefer to work with people.
2. *Moderate-control situations:* Moderate control can arise where either group cohesiveness or task structure is lacking. Here, the situation becomes ambiguous, and completing the task is uncertain. The relationship-motivated leader's interpersonal skills and participative style suit this situation, because this leader can rally the group to work together to define and clarify the unclear task. Under these conditions, the relationship-motivated leader feels comfortable, and helps the group be productive by using the group as a resource.

Moderate-control conditions can threaten the task-motivated leader, who may become concerned that lack of group support or ambiguity in the task could jeopardize completing the job. Striving to get the job done, a task-oriented leader will probably attempt to hurry things along, and may become autocratic in order to gain a sense of accomplishment. Typically, task-motivated leaders do not use their groups well, preferring to rely on their own skills and experience, and so the task-motivated leader's group performs poorly under moderate control conditions.

3. *Low-control situations:* Low-control situations can become chaotic and reach a crisis point at which they offer no group cohesion, no task structure and no strong position power. Neither task nor relationship leaders function particularly well under these conditions. The task-motivated leader's focus on completing the task tends to lead to an attempt at taking over, controlling the group, and making autocratic decisions without worrying about the group members. Although the resulting performance is not high, task-motivated leaders can achieve some outcomes in low-control situations.

The same low-control situation tends to reduce the relationship-motivated leader's effectiveness when the group's lack of cohesion prevents it from progressing on the task, and the group's disarray interferes with efforts at reconciling the members. Relationship-motivated leaders often withdraw from these situations ceasing to prove any leadership.

A major assumption behind Fiedler's model is that the leader's style is long lasting and stable. Another is that although everyone can exhibit behaviours typically associated with the other style, people's fundamental motivational basis does not change quickly. However, in practice, the situations that leaders face are often dynamic, making a leader move rapidly from *in-match* to *out-of-match*. Fiedler does not advocate changing the leader's style to match the situation. Rather, the leader should learn how to diagnose and modify situational control. This should allow an optimal match between leadership style and the changing situation to be maintained.

Several extensive research reviews support Fiedler's hypotheses, including in applied settings.<sup>66</sup> Overall, in-match leaders perform better than out-of-match leaders. Despite this

being one of the more reliable and predictive leadership models, strong criticisms have been voiced about it.<sup>67</sup> Criticisms relate to the distinction between task- and relationship-motivated leaders and whether the model can predict successful leadership.

Being able to control a situation is probably a vain hope in today's turbulent environments, making the Fiedler theory less relevant in dynamic organizations than under stable conditions. Therefore, Fiedler's theory would be more applicable to Classical and Transactional leadership than to Organic and Visionary paradigms. In chaotic or low control situations, where Visionary and Organic leadership prevail, neither task- nor relationship-oriented leadership is likely to be very effective. As already discussed, the New Science advice is for leadership to let go of control in chaotic times.

## House's path-goal theory

House and his associates propose a third contingency approach in which the key role of a leader is to clear the way for others to accomplish goals.<sup>68</sup> The leader reaches personal goals by allowing followers to fulfil their needs. At the heart of the model is the idea of an implicit or explicit exchange between leaders and followers. Leaders and followers establish a transactional relationship that revolves around the exchange of the leader's guidance or support for the followers' productivity and satisfaction.

Path-goal theory is based on the Porter-Lawler expectancy model of motivation.<sup>69</sup> This model assumes that people make rational choices about their behaviour, based on individuals' perceptions of the extent to which their own effort and performance produce outcomes that they value. Under expectancy theory, the key to motivation is to remove obstacles that may weaken follower perceptions of the link-ages between effort and performance. Similarly, under *path-goal theory*, the role of the leader is to help strengthen linkages between effort, performance and outcome, and to remove obstacles to followers' performance, thereby allowing them to do their jobs.

Again, the situation plays a role. The nature of the task, coupled with characteristics of the followers, determines which leadership behaviour contributes to sub-ordinate satisfaction. On a new, unstructured and unclear task, followers are likely to waste their efforts through inexperience, and so may feel unmotivated and frustrated. In this situation, the path-goal leader needs to be task-focused in providing instructions and training, thereby removing major obstacles to employee satisfaction and motivation.

After mastering a routine task, followers sometimes start to lose interest. This situation requires the leader to show empathy, consideration and understanding behaviours designed to remove the blocks to satisfaction in these cases. Which behaviours the leader uses to motivate employees will depend on the needs of each follower, requiring the leader to consider each individual. Some followers may prefer guidance and clear instructions, while others may seek challenges and autonomy to solve their own problems. A follower who likes challenges and values autonomy will not need the leader to be directive and structuring, even on an unstructured task. Here, being directive may be detrimental by reducing the follower's

satisfaction.

Parallels with SL can be seen here, in terms of matching leader behaviours to the needs of the follower. Like SL, the path-goal approach foresees that not all leader behaviours will be successful with all employees. However, path-goal theory differs from SL in that it derives its rationale for when a leader should be directive and supportive explicitly from motivation theory, whereas the basis for SL assumptions is unclear.

Does path-goal theory work? In a review of contingency theories, Schriesheim and Kerr concluded that the path-goal theory appears internally consistent, but needs testing in practice.<sup>70</sup> Since then, mixed empirical support has emerged for the theory. For example, while letting followers who like to be challenged solve problems themselves makes intuitive sense, researchers have found that exhibiting relationship behaviours leads to higher employee satisfaction regardless of the kind of task.<sup>71</sup> In other tests of the theory, leaders successfully used structuring behaviour in structured situations.<sup>72</sup>

On the one hand, the path-goal theory is transactionally based and therefore could apply well to Transactional leadership. Interestingly, the role of the leader in path-goal theory is that of an obstacle remover, a role similar to that ascribed to modern team leaders. Removing obstacles is also an essential empowering activity of a Visionary leader to enable followers to achieve a vision (see the Novartis and Rodenstock case studies). In self-managing Organic environments, followers may not require leaders to remove obstacles because the followers themselves take on this role, as at Gore or BMW.

## Evaluating contingency theories

The contingency theories reviewed here focus on the context beyond the individual leader and his or her transactions with followers. They represented a major advance in the 1960s and 1970s beyond theories limited to leader traits and behaviours. All the theories have their critics, and some have been far better conceptualized, researched and supported than others. For example, SL, while less well conceptualized and researched than the others, has been widely adopted in practice, prescribing how managers should vary their leadership style to suit the developmental level of each follower (or team). By contrast, Fiedler's contingency model has been relatively widely researched, but criticized on conceptual grounds. House's path-goal theory, which proposes that a leader's role is to remove obstacles for others to accomplish their tasks, appears theoretically consistent, but needs more testing in practice.

The three theories – SL, Fieldler's contingency model and House's path-goal theory – tend to adopt a leader-centric focus despite some consideration for followers and the situation. Essentially, these contingency theories fit within the Transactional paradigm, although path-goal theory with its focus on goals and motivation could also apply to Visionary leadership.

## CONCLUSION

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This chapter has covered a range of theories and models applying to the microlevels of organizational leadership – those theories that focus primarily on the characteristics of a particular leader or on interactions between leaders and individual or group followers. Certain people may be destined to lead by virtue of being born into royal or industrial dynasties, but many business leaders need to acquire appropriate leader characteristics. There is debate over what those characteristics should be.

Some theories predict that leaders will differ from others by virtue of possessing special traits. Modern research suggests that these traits could include displaying drive, desire to lead, integrity, self-confidence, knowledge of the business and high-level intelligence. In looking at behaviour that distinguishes leaders from others, most theorists have focused on task and relationship behaviours, although Yukl specifies other behaviours such as influencing, planning, inspiring and dealing with change.<sup>73</sup>

While many theories take the leader as the unit of study, clearly leadership requires followers and a comprehensive understanding of leadership would encompass the interactions between leaders and followers. Accordingly, various leadership theories and models apply to the dyadic and group levels within an organization. These approaches include the LMX theory, which examines the quality of the relationship between leader and individual followers. A quite different approach is evident under the socio-cognitive approach, which essentially argues that leadership stems from follower perceptions rather than residing inevitably in leader traits or behaviours.

Table 4.2

**Linking micro-level theories to the leadership paradigms**

| Classical                                                  | Transactional                                                                           | Visionary                                                  | Organic         |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------|
| Great Men<br>Traits<br>Behaviour<br>LMX<br>Socio-cognitive | Great Men<br>Traits<br>Behaviour<br>LMX<br>Socio-cognitive<br>Situational<br>Leadership | Great Men<br>Traits<br>Behaviour<br>LMX<br>Socio-cognitive | Socio-cognitive |
| Fiedler's<br>Contingency Model                             | Fiedler's<br>Contingency Model<br>House's Path-goal                                     | House's Path-goal                                          |                 |

Contingency theories posit that the context in which leadership takes place is essential. Situational leadership is based on the assumption that leaders will develop their followers, and provides a four-quadrant tool for assisting managers in this process. Depending on each follower’s developmental level on a given task, the leader is advised to use a different leadership style. Fiedler’s contingency theory proposes that a leader’s effectiveness depends on the match between the leader’s style and the given situation. Fiedler predicts that task-motivated leaders will be more effective than relationship-oriented leaders when the situation allows high or low control by the leader. Under conditions of moderate control of the situation, relationship-oriented leaders are expected to be more effective (essentially because they can

use their interpersonal skills in involving their group). House's path-goal theory emphasizes that a leader's role is to clear the way for followers to accomplish tasks and to strengthen linkages between perceived effort, performance and outcome.

Throughout the discussion in this chapter, the micro-level theories have been linked to the leadership paradigms. Table 4.2 summarizes how these theories seem to relate to the paradigms. The Great Men, Traits, Behaviour, LMX, Socio-cognitive and Fielder's contingency model approaches seem most appropriate to Classical leadership. For Transactional leadership, all those theories applying to Classical leadership would also apply, plus the Situational Leadership Model and House's Path-goal theory. Theories particularly relevant to the Visionary paradigm are the Great Men, Traits, Behaviour, LMX, Socio-cognitive and Path-goal approaches. Most of the micro-level leadership theories and models are not considered relevant to the Organic paradigm, except for the Socio-cognitive approach.

The theories discussed in this chapter tend to be rationality-based, implying that managing others does not necessarily involve emotion. Another group of theories, described in the next chapter, focuses on the emotional connection between leaders and followers.

## NOTES

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For full details of these notes, please see the References section at the end of this book.

- 1 Bass, 1985; Yukl, 1998
- 2 e.g. Tracey and Hinkin, 1998
- 3 Lord and Maher, 1991; Waldman and Yammarino, 1999
- 4 Yammarino, 1997
- 5 Kirkpatrick and Locke, 1991
- 6 Weber, 1978
- 7 Tannenbaum and Schmidt, 1973:162
- 8 Bradford and Cohen, 1984
- 9 Farnham, 1993
- 10 Duerst-Lahti and Kelly, 1995:19
- 11 Duerst-Lahti and Kelly, 1995; Sinclair, 1998
- 12 Sinclair, 1998
- 13 e.g. DuBrin, 1998; Kirkpatrick and Locke, 1991
- 14 Stogdill, 1948
- 15 Yukl, 1994
- 16 Kirkpatrick and Locke, 1991
- 17 *ibid.*
- 18 McClelland, 1973
- 19 Briscoe and Hall, 1998
- 20 Pierce, 1994
- 21 Gregersen, Morrison and Black, 1998
- 22 *ibid.*
- 23 Taylor, 1911
- 24 e.g. Roethlisberger and Dickson, 1939
- 25 King and Fine, 2000
- 26 Cairns, Hollenback, Preziosi and Snow, 1998; Goodson, McGee and Cashman, 1989; Vecchio, 1987; Wexley, Alexander, Greenwalt and Couch, 1980; Yukl, 1981
- 27 Fleischman and Harris, 1962
- 28 Yukl, 1998

- 29 *ibid.*  
30 Bass, 1990b  
31 Yukl, 1998  
32 Kerr, Schriesheim, Murphy and Stogdill, 1974  
33 Chalef, 1995; Yukl, 1994  
34 Dansereau, Graen and Haga, 1975; Graen and Cashman, 1975  
35 Ashkanasy and Weierter, 1996  
36 Hofstede, 1984  
37 Ichikawa, 1996  
38 Nahavandi, 1997  
39 Rousseau, 1997  
40 Lord and Maher, 1991  
41 *ibid.*  
42 *ibid.*  
43 *ibid.*  
44 *ibid.*  
45 *ibid.*  
46 Hersey and Blanchard, 1969  
47 Hersey and Blanchard, 1969, 1982, 1996  
48 Blanchard and Nelson, 1997  
49 Blanchard, Zigarmi and Nelson, 1993  
50 Blanchard, Zigarmi and Zigarmi, 1985  
51 Blanchard and Nelson, 1997; Blanchard, Zigarmi and Nelson, 1993  
52 Graeff, 1983  
53 Blank, Weitzel and Green, 1990; Graeff, 1983, 1997; Vecchio 1987  
54 Goodson, McGee and Cashman, 1989  
55 e.g. Cairns, Hallenback, Preziosi and Snow, 1998  
56 The SL model shown here differs substantially from the original Hersey and Blanchard version. Bell curves, as used in the original model, usually refer to data sets and the use of such a curve is therefore incompatible with the  $2 \times 2$  matrix structure of the SL model, which implies no continuous data set. Furthermore, in modelling theory, an almost universally accepted convention is that temporal sequences go from left to right (Britt, 1997), which the original model also violated.  
57 Blanchard and Nelson, 1997  
58 Avery and Ryan, 2002  
59 Avery, 2001  
60 Avery and Ryan, 2002  
61 *ibid.*  
62 Parry and Sarros, 1996  
63 Duchon, Green and Tabor, 1986; Steiner, 1988; Wexley, Alexander, Greenwalt and Couch, 1980; Yukl, 1981  
64 Goodson, McGee and Cashman, 1989  
65 Fiedler, 1997  
66 e.g. Ayman, Chemers and Fiedler, 1995; Peters, Hartke and Pohlmann, 1985; Strube and Garcia, 1981  
67 Nahavandi, 1997  
68 House, 1971; House and Dessler, 1974; House and Mitchell, 1974  
69 Porter and Lawler, 1968; Vroom, 1964  
70 Schriesheim and Kerr, 1977  
71 e.g. Johns, 1978  
72 e.g. Bass, Valenzi, Farrow and Solomon, 1975  
73 Yukl, 1998