

CHAPTER 4

Leadership

Gill Christy

LEARNING OUTCOMES

After reading this chapter, you should be able to:

- understand the similarities and differences between management and leadership
- explain the characteristics of the various theoretical frameworks that have been developed for the study of leadership
- relate those frameworks to examples within organisations
- assess the importance of leadership and management to organisational performance.

INTRODUCTION

This chapter focuses on leaders in a business or organisational context, and views leaders as key players in both devising and implementing organisational strategy. It considers how existing theories and frameworks help to address the question of what exactly makes a leader effective in a business or a working environment. Some concepts and models clearly derive from, and apply to, other areas of human activity such as politics, sport and warfare. The notion of leadership provides an enduring fascination – not only to academics such as psychologists and political or social scientists, but also to journalists, biographers, authors, dramatists and film-makers for whom it provides a rich source of material both factual and fictional. As we shall also see, many terms and metaphors associated with the study of leadership derive from sporting and military contexts. However, when we enter the more usual organisational arenas – businesses, public sector and governmental organisations, non-profit-making organisations such as charities – we tend to encounter the term ‘manager’ more frequently than the term ‘leader’ as the one to describe such key players. It is therefore important to start by considering how far these two related concepts, leadership and management, overlap.

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © **CIPD 2009**

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

MANAGEMENT OR LEADERSHIP?

There seems to have been a certain revival of interest in the concept and application of leadership in recent years. Two decades ago, ambitious candidates for top-flight jobs in the world of business and public affairs might have enrolled on programmes to become 'Masters of Business Administration' or to take diplomas in management studies. Today there is a burgeoning market in postgraduate degrees such as leadership studies, or business development and leadership. The Management Standards Centre (MSC) included the term in its revised National Occupational Standards for Management and Leadership, and in 2003 Investors in People UK launched its supplementary 'Leadership and Management' model, discussed further below. Similar thinking has also led to the development of the CIPD's own Leadership and Management Standards, now integral to the professional development and qualification programme. So an initial question to consider is why there is such renewed interest in the concept of leadership, and how this fits with traditional ideas about organisational management. Perhaps part of the answer is to do with changing patterns of organisational life and similar changes in social expectations within the working environment.

Traditional organisations with strongly hierarchical structures are becoming rarer, and newer forms of both commercial and public sector organisation tend to be more flexible and task- or client-focused. What Handy (1976) described as 'matrix' organisations are generally considered to be more effective in a highly fluid commercial or operating environment; and the 'shamrock' style of organisation (Handy, 1989) charts the move towards further operational flexibility. As we discuss in Chapter 6 this type of organisational flexibility was also described by Atkinson (1984) in his model of the flexible firm, which disaggregates different organisational requirements and builds in a further form of organisational flexibility by outsourcing or subcontracting a number of its activities. This kind of articulated organisational structure works against the maintenance of strong hierarchies based around position (or legitimate) power (Mullins, 2007), and often requires individual managers to exercise a different form of authority from that conferred simply by virtue of status or rank. Similarly, wider social attitudes towards authority have changed and, as in other walks of life, people generally expect to be consulted and involved in their work rather than simply instructed. In some circumstances these expectations are now supported by the law – for instance, through the Information and Consultation of Employees (ICE) Regulations of 2005 which now apply to all businesses with more than 50 employees. Together, these trends may have renewed the interest in leadership as an important skill for those attempting to 'get things done through other people'.

Mullins suggests that there is a close relationship between the two concepts (management and leadership) and recognises that at least some authors and commentators dislike attempts to separate the two (*ibid*). Other writers, such as Hollingsworth – someone with both military and commercial experience – and Kotter (Bloisi *et al*, 2003; Huczynski and Buchanan, 2007) make a very clear distinction. Kotter describes leaders as those who set a direction, align people

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © **CIPD 2009**

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

to the vision and motivate them – whereas managers plan, organise, control and resolve problems. In Hollingsworth's model, leadership involves innovation, development, a focus on people, inspiring trust, having an eye on the horizon and 'doing the right things'. By contrast, management is associated with administration, maintenance, systems/structure, control, paying attention to the bottom line and 'doing things right'. This distinction is also reflected in the National Occupational Standards for Management and Leadership, which appear to show a transition between operational and/or supervisory levels of management at levels 2 and 3, and a more strategic approach at levels 4 and 5 (Management Standards Centre, 2005). It is therefore a useful means of organising further discussion of the subject in terms of organisational people management practice.

For the purposes of this chapter, *strategic* leadership is taken to mean the activities involved in the initial creation of an overall business or organisational strategy, then directing and energising organisational resources towards the achievement of that strategy. Insofar as it then relies on others to carry out the strategy it may involve some management, but it is primarily about business vision and mission. This means 'doing the right thing', creating the differentiators which, in people terms, involves becoming an employer of choice, an organisation which is able to encourage outstanding performance from its workforce and thus achieve superior results. On the other hand, *managerial* leadership is taken to mean activities surrounding the creation, maintenance and development of an appropriate infrastructure for business operations, including that which involves organising the work of other people. It means creating a working environment that can help a business or other organisation to achieve its objectives. In this sense management *includes* leadership to some degree: it is about 'doing things right'.

STRATEGY AND LEADERSHIP

We have already defined strategy as being the way in which an organisation seeks to pursue its purpose or achieve its objectives. A prominent view of business strategy is 'resource-based' – that is to say, mainly to do with identifying the key resources that give the organisation a distinctive capability and finding ways of applying those capabilities to parts of the market that offer the best prospects (Johnson *et al.*, 2007; Legge, 2005; Boxall and Purcell, 2003). Following from this, the key tasks in the strategic planning process could be said to be:

- analysing the organisation's environment and the changes that are expected over the plan period
- identifying and evaluating the organisation's key resources: those that are distinctive (by comparison to competitors) and those that are also important to delivering value to customers, taxpayers or client groups
- considering strategic options: ways of matching organisational resources to particular parts (segments) of the market, looking for the approach that is forecast to create maximum added value for shareholders, or to achieve the most effective use of public or

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

donor
money

- choosing the preferred strategic option
- re-aligning the organisation's resources (human and others) behind the chosen strategy: acquiring new resources, modifying existing resources and getting rid of those that cannot be economically reconfigured (which, of course, opens up questions about the ethical treatment of *human* resources)
- directing and energising those resources towards implementing the strategy
- responding to unexpected events during implementation.



4.1 ACTIVITY

Look up the following article by Sean Coughlan on the BBC business news website, <http://news.bbc.co.uk>

'MBAs must drop the Machismo' (28 February 2005).

This summarises some research carried out by Brunel University Business School.

- What light does this research shed on the changing nature of organisational leadership and management?
- What are the implications of this research for universities and business schools who deliver MBAs?

Most of these activities are focused at the higher levels of a business or organisation, and are often the province of a single individual (for instance, in a small business or owner-managed enterprise) or a small group such as a company chief executive and board of directors. In the public sector, strategic management will be in the hands of those who exercise political power and the professional experts who advise them and find appropriate means of executing political decisions. They are activities which are primarily about making informed strategic choices – in other words responding to the question 'What *is* the right thing to do?' They are also about convincing and energising others to put their effort behind the chosen strategy, and in this sense involve many leadership skills. In terms of people management, this level of leadership is about defining approaches to ensure that appropriate talent is recruited and motivated to achieve superior results.

MANAGEMENT AND LEADERSHIP

As mentioned earlier, in 2003 Investors in People UK launched its supplementary 'Leadership and Management' model, which seeks to help organisations create and maintain effective leadership skills amongst managers (Investors in People website: www.investorsinpeople.co.uk). This emphasises the important links between the two functions as well as indicating the increased significance of developing leadership within UK organisations. Leadership ability is defined as one of the attributes of the successful manager, along with the intellectual skills required for

A free sample chapter from Managing and Leading People by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © **CIPD 2009**

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

the assimilation of information, analysis and planning, technical and professional knowledge of the business area or sector, and a clear understanding of the specific organisation and its capacities.

Similarly, the Management Charter Initiative (MCI), which developed as a result of the recommendations in the Handy and Constable McCormick reports of the late 1980s, undertook a major analysis of the nature of management for the purposes of establishing a clear framework for managerial qualifications. Its work resulted in the adoption of a competency-based approach which quickly became highly influential in the field of management development in Britain (Frank, 1991). The 1997 edition of the occupational standard was based around four major components: managing operations, managing finance, managing information and managing people, only the last of which could be clearly seen as requiring leadership skills. More recently, the MSC has researched and developed a new set of standards, which also provide a functional map and set of units of competence which encompass the important knowledge and skill components of effective management. The significance of leadership is more clearly emphasised in the title of the new standards themselves: the National Occupational Standards for Management and Leadership. The six basic elements of the new standards, which can be viewed at the MSC website (<http://www.management-standards.org>), are:

- Managing self
- Providing direction
- Facilitating change
- Working with people
- Using resources
- Achieving results.

Leadership ability can be firmly associated with the second, third and fourth of these elements; and indeed the term ‘working with people’ has replaced ‘managing people’ in a way which might indicate the reducing emphasis on formal control and the increased need for collaboration in present-day work environments noted above.

The 2007 version of the CIPD Managing and Leading People Professional Standards recognises that soft skills are just as important as technical ones, and so these are better represented and thus reflect more fully aspects of leadership which are essential to good management practice. Nevertheless, these functions are qualitatively different from those required of strategic leadership which, as we have noted, appear at the higher levels or organisations. The majority of the standards are much more concerned with ‘doing things right’ in the sense of providing an effective structure within which people can achieve high levels of performance for their organisation.

It is now possible to turn to some of the concepts and theories about leadership, and to identify how well they might support the development of effective people management, either at a strategic or at more operational level.

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © **CIPD 2009**

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

LEADERSHIP: THEORETICAL FRAMEWORKS

It is useful at this point to remind ourselves of some of the key frameworks which have developed for the analysis and study of leadership. A summary of differing academic approaches to the subject is offered by several writers, including Mullins (2007), Bloisi *et al* (2003), Hersey *et al* (2001), Huczynski and Buchanan (2007), Kreitner and Kinicki (2001), and Yukl (2006). Most offer a framework for leadership studies which identifies the following main schools of thought (after Mullins, 2007, p.366):

- The qualities or traits approach
- The functional or group approach
- The approach which sees leadership as a behavioural category
- The leadership styles approach
- The situational approach and contingency models
- Transformational leadership
- Inspirational leadership.

Taking each of these approaches in turn, we can examine the general principles and models involved, and comment on their suitability in relation to either strategic leadership or managerial (operational) leadership. Some comments about the implications of each model for the development of effective organisational leaders are also included.

QUALITIES OR TRAITS APPROACH

This approach is essentially the 'great person' theory of leadership, and takes an approach which tries to identify the significant features of acknowledged leaders. Early approaches to the study of leadership (mostly undertaken before and shortly after the Second World War) dwelt on the personal qualities and characteristics of successful leaders in an attempt to isolate the 'magic ingredients'. They have not generally agreed on a common set of characteristics, although one or two, such as self-confidence and intelligence, did figure in a number of models (eg Kreitner and Kinicki, 2001). In fact, it is possible that the very act of selecting successful leaders for study introduces a form of bias which prejudices the results of any subsequent analysis. For instance, the absence of women from many research samples may well reflect the social constraints of the time rather than indicating that women lack innate leadership qualities. Indeed, it has been argued (Alimo-Metcalfe, 1995) that studies of women leaders actually identify a different range of effective leadership qualities compared with studies of men – and that it is important to (*ibid*, pp7–8):

challenge the dangerous implicit assumption that identifying the criteria for leadership positions from groups of senior managers, all or most of whom (chances are) are male, may well lead to gender-biased criteria for the subsequent assessment process.

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

Alimo-Metcalfe's research also has relevance when considering the contrast between so-called 'transactional' and 'transformational' styles of leadership and is discussed further below.

Similarly, it is also important to note that the characteristics that have been proposed as significant may not be universally applicable. Cultural factors, for instance, may result in very different values being placed on a specific personal quality (such as willingness to take risks, to 'break the rules' in pursuit of an objective, or to act openly in pursuit of personal ambition) in different societies. Hofstede's model (1991) has identified dimensions of cultural difference, which he termed 'uncertainty avoidance', 'power distance', 'masculinity/femininity' and 'individualism/collectivism', and he described how combinations of these formed the characteristics of particular cultural environments. Clearly some cultures might accept and applaud qualities such as personal ambition and risk-taking where others would be more likely to value behaviours which support collective achievement or stability and a sense of social inclusion. The importance of cultural difference in relation to appropriate leadership styles and behaviours is developed more fully under the heading of situational or contingency theories of leadership.

As a result, we might consider that trait theories offer few pointers which can help aspiring managers assess their potential other than by trying to decide if they possess the appropriate qualities, or can develop (or even simulate) them. Trait theories offer little help in terms of suggesting how managerial leaders can prepare and adapt themselves to the reality of work to be performed. Furthermore, little connection is made with the variety of organisational circumstances where leadership needs to be exercised, including those circumstances where leadership shifts from the operational to the strategic levels of activity. The high public profile of both political and business leaders who operate at strategic level may well tempt us to analyse their qualities, but our information is imperfect (even about high-profile individuals) and of course the same individual can be both successful and unsuccessful during her or his career.

Adoption of the 'traits' approach also has implications for the role of people management in an organisation. If the development of successful organisational leaders is largely a matter of identifying those individuals who possess the desired characteristics and then offering the selected potential managers opportunities to develop and exercise these abilities, then the focus of people management will probably be on devising appropriate tests (such as psychometric or aptitude tests) which will help identify the 'right stuff', and devising systems of training and promotion which will support their development.

THE FUNCTIONAL APPROACH

The functional approach to leadership studies generally considers what leaders *do* to be effective, rather than examining what they *are*. One of the main exponents of a functional approach in the UK is John Adair, an author with a military background, and the influence of his theory of action-centred leadership (Adair, 1983) derives from its adoption by the Industrial Society (re-named the Work



4.2 ACTIVITY

Research and consider the careers of some prominent business leaders, for instance Richard Branson, the late Anita Roddick, Michael O'Leary, Sir Alan Sugar or Jacqueline Gold. Can you identify common traits? Have they always been successful?

Foundation in 2002) as a central plank of their management and leadership training programmes in the 1980s. He suggested that there are three main areas of managerial leadership activity: those concerned with building the team; those concerned with developing the individual within the team; and those directed at the achievement of the task. This type of approach has an important appeal in that it suggests that leadership skills can be acquired, and that pre-existing characteristics are less significant than the ability to learn how to act in such a way as to balance the three key areas of activity. From the people management perspective it places less emphasis on selection and more emphasis on training than trait theory would imply. It gives individuals a better framework for self-selection into managerial roles, and a clear set of development tasks to help them to create a successful infrastructure as managers. Adair's approach has proved highly successful as the basis for a robust and accessible system of training for supervisors and middle managers. However, it has little to say about the type of leadership that is involved in actually creating and driving organisational strategy. This is not to suggest that Adair himself has nothing to say about strategic leadership in other contexts (see, for instance, Adair, 2003).

The approach taken firstly by the MCI and now the MSC in their review of management standards is that of functional analysis, and the resulting functional map forms the basis for the 56 units which comprise the current standards. It is similar to action-centred leadership in the sense that it provides a general prescription, and one which has been thoroughly researched in a variety of sectors, for managerial competence. In terms of people management, yardsticks such as these have significant value in terms of setting required performance standards for supervisors and managers, identifying both individual and job-related managerial training needs, developing career structures, and of course can be used for selection purposes. What all functional approaches might fail to recognise sufficiently well, however, is the significance of such elements as tacit knowledge regarding effective performance: the sort of knowledge of and 'feel' for organisational context which generally only results from experience (Pilbeam and Corbridge, 2006). It is possible that leadership and management are more integrated a set of activities than competency-based or unitised approaches might lead us to believe. Leadership, and strategic leadership in particular, may be more than the sum of its parts.

THE BEHAVIOUR OF LEADERS

Behavioural theories extend the basis of study beyond the leader himself or herself, and have as their basis a consideration of the effects which leaders have

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © **CIPD 2009**

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

on the actual performance of groups by examining leader behaviours and relating them to outcomes. The Ohio State studies and those of the Michigan Institute for Social Research in the 1960s and 1970s pioneered this approach and produced



4.3 ACTIVITY

Watch the opening scene of Ridley Scott's 2000 film *Gladiator*. It shows the preparation for a battle. Stop it when the first arrows are fired – about 8 to 10 minutes in. Analyse Maximus's behaviours during the pre-battle preparations using Adair's 'Task, Team, Individual' model of leadership.

If you aren't squeamish, watch the rest of the film. Then consider and analyse the different leaders (listed below) who emerge using ideas discussed in this chapter. You might consider situational factors, behaviours and characteristics.

- Maximus the general (played by Russell Crowe)
- Marcus Aurelius, the old emperor (played by Richard Harris)
- Commodus, the young emperor (played by Joaquin Phoenix)
- Gracchus, the 'republican' senator (played by Derek Jacobi)
- Lucilla, the daughter of Marcus Aurelius (played by Connie Nielsen).

remarkably similar results. Mullins (2007, pp370–1) summarises these as being leader behaviours concerned with task functions (the 'structure' dimension in the Ohio State studies and 'production-centred' supervisory behaviour in the Michigan one) and leader behaviour concerned with maintenance functions ('consideration' in the Ohio State term and 'employee-centred' behaviour in the Michigan one). He further relates them to McGregor's 'Theory X and Theory Y' managerial assumptions and the dimensions of concern for production and concern for people first proposed in Blake and Mouton's (1964) managerial grid and now revised and renamed the leadership grid (Blake and McCauley, 1991).

Behavioural studies have the advantage of offering would-be managers some options regarding behaviours which can be effective, rather than a single prescription for success. Whilst the studies concluded that there was no universally superior style, and that the circumstances of leadership might have an important influence on the effectiveness of one style over another, they did conclude that a balance between these two dimensions of behaviour seemed to be important in achieving success. In this respect they have much in common with situational or contingency theories, which have more to say about the *way* in which behaviours can be matched to circumstances. Once more, this type of approach offers a wider range of options for the use of training and development techniques as a means of encouraging managerial leadership capacity. In relation to strategic leadership, 'consideration' and 'structure' are both relevant to strategic tasks, but in general behavioural theories have little explicit to say about leadership at this level of organisational life.

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

LEADERSHIP STYLES

Approaches to the study of leadership which analyse the differences between leadership styles are generally focused upon the leader's attitude towards people and the resulting behaviours which they exhibit in their day-to-day dealings with members of the team. This generates a range of possibilities, and the resulting classifications usually identify a range of styles, perhaps most succinctly described by Tannenbaum and Schmidt (1973). They focused on the relative strength and power of managers and non-managers (ie subordinates) in terms of decision-making. At one end of the resulting continuum is 'boss-centred' (autocratic) decision-making where a manager largely decides what is to be done in a specific circumstance, and others accept and follow the decision. At the other end is joint (or democratic) decision-making, where a manager will define a problem or situation and then participate in the decision-making simply as a member of the team. This model recognises the need for an understanding of the relationship between specific managers and their teams from a basis of both leader and follower characteristics (such as personality, relevant knowledge and experience, sense of security, etc) and permits the inclusion of circumstantial considerations (organisational and societal factors, etc) in the equation. In this respect it bears considerable similarity to the contingency models discussed in the next section. Insofar as it examines the skills and requirements for leading a team, the approach is not prescriptive, and is an appropriate tool for analysing and identifying the range of successful managerial leadership styles. It also offers some important messages about the importance of flexibility in terms of managerial style. Like the behavioural theories discussed earlier, these approaches have significant value in terms of management development – but also have similar shortcomings when it comes to the consideration of strategic leadership.

SITUATIONAL AND CONTINGENCY MODELS OF LEADERSHIP

While traits-based and functional models of leadership concentrate on the leaders, and behavioural models examine the effect on the led, situational perspectives add a third dimension: that of the circumstances, both organisational and environmental, in which the leadership activity occurs. This allows the development of what is generally termed the contingency approach to leadership – in other words an approach that might answer the question 'What type of leadership actions and behaviours are appropriate?' with the phrase 'It depends on the circumstances.' Contingency approaches thus suggest a wide range of different but equally valid ways of leading and managing people. Some, such as Hersey and Blanchard's model of situational leadership (see Hersey *et al*, 2001), focus on the appropriate leadership styles for groups or individual followers who are at different stages of 'readiness' or 'maturity' to achieve a task – readiness being defined as a combination of both ability and willingness or confidence to carry out the task in question. As these vary over time, so the leader has to choose and use the most appropriate style to fit the circumstances. The four styles suggested in the situational leadership model are summarised from Hersey *et al* (2001, pp182–7) as follows:

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

- S1: telling – provides high amounts of guidance and direction but little supportive behaviour. This style is most appropriate for low follower readiness, including situations where followers are unable and/or unwilling. The leader structures the task and concentrates on step-by-step help and instruction.
- S2: selling – requires high amounts of both directive (task) and relationship behaviours. This style is most appropriate for low to moderate follower readiness, particularly when followers are willing but still not fully capable of performing. The leader encourages more dialogue to achieve ‘buy-in’ amongst the followers.
- S3: participating – shows high levels of two-way communication and supportive (relationship) behaviour but low amounts of guidance (task behaviour). This style is most appropriate for moderate to high follower readiness – in other words situations where followers are competent but inexperienced, or competent but demotivated. The leader should focus on discussion, encouragement and facilitation rather than instruction.
- S4: delegating – involves little direction or support – in other words low levels of both task and relationship behaviours. This style is most appropriate for high follower readiness – in other words situations where managerial intervention is largely unnecessary (unless there are significant problems) and can focus on monitoring.

For instance, a personnel assistant who is who is highly capable and confident about carrying out selection interviews would respond well to a delegating style of management in relation to this work. However, if they then find themselves in changed business circumstances and need to carry out redundancy interviews without having had much relevant experience, then a ‘selling’ style of managerial leadership might be more suitable, or possibly a ‘telling’ style if the individual was particularly resistant to carrying out the new task.

4.4 THEORY TASTER

CONTINGENCY APPROACHES IN RELATION TO CULTURE

There is evidence that contingency approaches to leadership have particular relevance when considering inter-cultural situations. Kreitner, for instance, suggests that national culture is an important contingency and that cultural

analyses such as those of Hofstede can be helpful in identifying appropriate styles for the needs of different cultural groups (Hofstede, 1991; Kreitner, 2001; Kakabadse *et al*, 1997).

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith** Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

There seems, from Kreitner's research, to be some indication that the most widely applicable style is the participative one. It is well suited to many national cultures but particularly those such as that of the USA and Sweden where there is limited 'natural' respect for hierarchy and seniority: what Hofstede would term a 'low power distance' culture. Nevertheless, it can be successful in a wider range of cultures than the directive style. The latter is more specifically suited to 'high power distance' cultures where status automatically commands respect (Kreitner suggests French and Indian cultures), and where subordinates will generally expect their managers to have the answers by virtue of the expertise that has enabled them to achieve their status. The directive style translates poorly into 'low power distance' cultures or those where joint regulation or co-determination is the norm (for instance, the German one). He explains (Kreitner, 2001, p.613, emphasis in the original), however, that:

Participative leadership is not necessarily the best style; it simply is culturally acceptable in many different countries ... directive leadership turned out to be the *least* appropriate leadership style.

Moving more directly into the area of strategic leadership in a business context, Clarke and Pratt (1985) and Rodrigues (1988) both consider the importance of the stage of growth which a business has reached and suggest that this too can be an important contingent factor with relation to the choice of strategic leadership style. Taking a basic model of the business growth cycle such as the 'Boston box', which identifies four developmental stages of an enterprise – start-up, growth, maturity and decline (see Chapter 2) – these authors suggest that there are matching styles of strategic leadership: champion, tank commander, housekeeper and lemon-squeezer. The start-up organisation or venture needs a 'champion' style, a leadership style which is prepared to fight for the enterprise on a variety of fronts, thus suggesting the need for an energetic individual with a wide variety of technical management skills.



THE CHAMPION STYLE

4.5 CASE STUDY

An example of a 'champion' is the founder of easyJet, Stelios Haji-Ioannou. At the end of 2002, having developed this very successful low-cost airline, he stepped down as chairman in order to use his talents in what he considered to be the most effective manner, involving himself in new ventures, entrepreneurial innovation and similar 'no frills' developments in other markets. His easyGroup (see www.easy.com)

has initiated a wide variety of new ventures including mobile phones, low-cost cinemas, car rental and, more recently, pizza delivery and rented office space in London. The skills of the champion relate closely to those of the tank commander, whose strategic role is to develop strong teams that can drive the business forward once it has entered a growth phase.

The housekeeper needs fewer entrepreneurial skills but needs to be able to achieve more in the way of planning, cost control and the formalisation of processes and organisational structures such as reward and training systems. The lemon-

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith** Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

squeezer, who is trying to extract the best from a declining business and if possible turn it around, needs a range of skills which are more to do with taking tough and difficult measures as effectively as possible than fostering and encouraging growth. Possible examples of this type of leadership might include Sir Stuart Rose at Marks & Spencer between 2004 and 2006, and Justin King at Sainsbury's in late 2004–5. Such circumstances are common in business life: examples which came to prominence at the start of 2008 include the challenges faced by the new management of Northern Rock, and those at Tata following its purchase of the Jaguar and Land Rover brands from Ford. Clarke and Pratt consider that most managers have one primary style and are not necessarily suited to all stages of business development.

The contingency approach to leadership emphasises contextual factors as an important influence on leader success. Professor Joseph Nye, in a BBC interview ahead of the UK publication of his book *The Powers to Lead: Soft, hard, and smart* in May 2008, stressed the relationship between contextual knowledge and leadership power, explaining that contextual knowledge helps leaders to determine what balance they should strike between the use of what he terms 'hard' power (issuing commands) and 'soft' power (the ability to attract and retain followers). Contingency approaches remain highly relevant for the exercise of leadership in modern organisations, having perhaps two main implications for organisational leadership and its development. First of all, training for management and leadership skills must include the use of tools and techniques that can enable those in managerial and leadership positions both to identify salient circumstantial features, and then choose the right method to match those circumstances. It might also suggest that leadership can, and perhaps should, change hands in response to changed circumstances if one person's skills are more appropriate than another's, which clearly has implications for management structures and individual careers. It also has particular relevance for strategic leadership. Radical change in organisational circumstances might necessitate such a significant change in strategic direction that a leader who is firmly associated with the former strategy may be far less able to lead in the new direction (Rajan, 2002). High-profile examples of this phenomenon would be the changes in leadership of all three of the main political parties in the UK since 1980.

TRANSFORMATIONAL LEADERSHIP

Recent literature on leadership has noted the difference between so-called 'transactional' forms of leadership and 'transformational' ones. This contrast relates back to ideas about the nature of leadership in a society which no longer accepts 'authority' as the basis for command. If authority and 'position power' (French and Raven, 1968) no longer works, what are the alternatives? One approach is to bargain – in other words to appeal to the self-interest of the followers. So-called transactional forms of leadership rely on the leader's capacity to negotiate appropriate follower behaviours based on legitimate rewards or punishments, although there is, of course, an inherent assumption that the leader has the appropriate authority to offer such rewards or administer punishments. Alimo-Metcalfe (1995) notes the findings of Rosener (1990) that the men she

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

studied were more likely than the women to adopt transactional styles, and suggests why women have tended to be more participatory (Rosener, 1990, p.124):

The fact that most women have lacked formal authority over others ... means that by default they have had to find other ways to accomplish their work.

This is contrasted with transformational leadership, which is a process by which leaders create high levels of motivation and commitment by generating and communicating a clear vision and, often, appealing to higher ideas and values amongst followers. Rosener (1990, p.120) defines it as motivating others by 'transforming their individual self-interest into the goals of the group' and by trying to make people feel part of the organisation. Whilst recognising this apparent gender difference, Alimo-Metcalfe (1995) warns against too close an association between female management styles and transformational leadership, suggesting that even here there are gender differences in the use of transformational techniques (such as empowerment). In her view, the 'female' version of transformational leadership is mainly focused on the creation of a sense of belonging, inclusiveness and connectedness with others in the organisation as well as its goals, whereas the same technique used by men is more focused on separateness and autonomy in pursuing organisational aims. Thus she suggests that a more general move within organisations to adopt such transformational approaches is not necessarily a means by which women can expect to achieve status and leadership positions more readily, despite an initial expectation that it might.

Legge (2005, Chapter 3) explains how this focus on a shared vision and personal commitment was, in the 1980s, part of a transformational leadership style which was characteristic of successful Japanese companies. It was re-integrated into American management culture (which was more focused on transactional leadership) via the work of the 'excellence' gurus like Peters and Waterman, or Ouchi. She charts the appeal of this style of leadership, and in particular its association with the 'American dream' and thus some of the 'soft' human resource management practices which facilitate the growth of an enterprise culture. She also offers a critique of this essentially paternalist and unitary approach to the management of people, which (when push comes to shove) will always prioritise business needs over individual or workforce needs, thus perhaps laying managers open to charges of hypocrisy when individual and corporate interests clearly do come into conflict. These, and related, issues are discussed more fully in Chapter 5 on ethics.

These concepts are clearly relevant to many strategic situations: for example, can an organisation that develops its own leaders respond effectively to discontinuous external change? Also, this set of ideas helps to illuminate the process of realigning the organisation's resources described above, as well as bringing new insight to the strategic analysis of the organisation's external and internal environments.

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

INSPIRATIONAL LEADERSHIP

Finally, it is impossible to discuss questions of leadership without considering the concept of inspirational leadership, which has regained some significant currency in recent years. In some ways this brings us back to concepts associated with trait theories, and in particular the characteristic usually described as ‘charisma’. Inspirational leadership, we are told by Adair (2003) and others, is about creating and communicating vision, having a passion and a dynamism that drives both the leader and engages the enthusiasm and efforts of the led, even exhibiting unconventional behaviour and performing heroic deeds (Conger, 1999). It includes the ability to take a long-term view, to inspire trust and confidence which unlocks talent, enabling the organisation to achieve exceptional performance. A recent trend in the world of management training and development that reflects this renewed attention to the highly personal nature of leadership, and in particular strategic leadership, is found in the growing interest in emotional intelligence as a relevant and learnable management skill.

Mullins (2007) and Legge (2005) both sound notes of caution in their consideration of inspirational leadership and draw attention to some of its drawbacks. Certainly it is difficult to see how charismatic leadership can be developed effectively. This is not to deny that many business founders have been charismatic and inspiring individuals, but their skills have often been better described as those of the ‘champion’ which, as we have seen, relies on a wide range of business skills as well as the ability to protect and nurture a project. It is also less than wholly evident that inspirational leadership in itself results in significant benefits for organisational performance; in some cases it may be that the loss of the visionary results in the dissolution of the organisation. A specific attack on the cult of the inspirational leader was made by Beverly Alimo-Metcalfe at the HRD 2008 event, where she was reported (Evans, 2008) as saying that:

Organisations shouldn’t be choosing leaders who were ‘charismatic and inspirational’ because these qualities ‘in the hands of some people can be lethal. People at the top who are charismatic get there through the demise of others – they emasculate everybody else along the way. This kind of leadership can be toxic.’

Adrian Furnham has also written about arrogance and egotistical leadership behaviour using the legend of Daedalus and Icarus (Furnham, 2005). Inspirational leadership relies on a certain degree of emotional manipulation, and so its ethical status as a general management strategy might be open to challenge. It may also inspire less desirable characteristics in the followers, such as a high level of individual dependence on the approval and support of the leader; a fear of ‘going against the grain’ or groupthink; and a degree of enthusiasm for the ‘vision’ which could encourage people to act in ways which stray beyond the boundaries of what might be considered ethical, or even legal (Conger, 2002). Inspirational leaders can be bullies as well as visionaries, and the more powerfully they communicate their values the less space there is for reasoned doubt or even opposition. For every Richard Branson there might equally be a Robert Maxwell.

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.



4.6 ACTIVITY

Locate and read the following article by Rima Manocha: 'Who's really number one?', *People Management*, 14 October 2004, pp14–15.

- Analyse the comments using one or more of the theoretical frameworks for the study of leadership discussed in this chapter.

If you are studying with a group, you might organise your own competition. Ask everyone to present a short account like those given to *People Management*, and then vote.

LEADERSHIP: THE RESEARCH AGENDA

Writing in the February 2008 issue of *Impact*, Linda Holbeche, the CIPD Director of Research and Policy, noted the evolving nature of management and leadership, and suggested that some important new themes are emerging from current research. Amongst these are the challenges created by the need to lead in situations of increasing complexity, ambiguity and uncertainty; the idea of building 'communities of leaders'; and the influence of leader values in shaping the behaviour of those around them. These ideas have clear implications for HR practitioners, who are often charged with the responsibility for developing organisational leaders.

It is also evident that the question of leadership remains an important area for academic research. The growth of 'virtual' organisations and teams has led to an interest in the practice of 'e-leadership', and this is likely to be of growing significance as technology offers more and better opportunities for work to be organised using geographically dispersed expertise (Avolio *et al*, 2000). Ilze Zigurs has developed some ideas about the transfer of traditional team roles into a virtual environment, including that of leadership. If physical presence is an important means of signalling and reinforcing leadership in traditional teams, what happens when there is no such presence? The concept of 'telepresence' becomes relevant here – but as she explains (Zigurs, 2003, p.344):

being telepresent is more than just keeping up a steady stream of email messages to team members. Leaders need to learn how to use the vividness and interactivity of media to make their presence felt in a positive way.

She goes on to suggest ways in which aspects of leadership – such as communicating vision, motivating, mentoring and building trust – can be transferred from face-to-face to virtual environments, and makes specific recommendations for leadership in virtual teams.

There is also significant focus on cross-cultural leadership, most notably in the continuing work of Project GLOBE (Global Leadership and Organizational Behavioral Effectiveness), which involves over 160 researchers working in 62 societies. An in-depth study of some of the Project's findings has examined culture and leadership styles in 25 of the countries under review, and uses Hofstede's (1991) model as the basis for comparative analysis (Chhokar *et al*, 2007). From

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

other perspectives, the relationship between leaders and followers continues to generate new ideas and approaches, including developments based on the theory of 'leader member exchange' (LMX). This examines the two-way or dyadic relationships between a leader and a follower (rather than a leader and the group as a whole) – as described by Kang and Stewart (2007, p.532):

LMX theory of leadership focuses on the degree of emotional support and exchange of valued resources between the leader and members. Thus, LMX leadership theory's main focus is to diagnose this relationship so a higher quality can be developed in this relationship, enabling improved performance.

Kang and Stewart highlight the significance of trust and empowerment in high-quality leader-member exchange, and suggest that LMX might have important implications for the practice of human resource development. Whether we are concerned with virtual, inter-cultural or traditional leadership, the academic field can offer the practitioner insights into accepted approaches, as well as extending the range of knowledge and understanding about effective leadership in new contexts and situations.



4.7 ACTIVITY

Locate and read the following article by Beverly Alimo-Metcalfe and Margaret Bradley about a recent research study into the link between leadership and employee engagement: 'Cast in a new light', *People Management*, 24 January 2008, pp38–41.

- What appears to be the most significant dimension of leadership in this study, and why?
- What are the implications of this research for organisational leadership development initiatives – for instance, the use of competency-based programmes such as the MCI?

CONCLUSION

It is clear that there is a renewed sense of the importance of good leadership amongst those most concerned with setting standards for today's managers, be they in business, the public services, or elsewhere. This comes from both social and political changes, which have encouraged more individualism and less obedience to traditional forms of authority. It also stems from the need, as Handy predicted in 1989, for organisations to become more federal than monolithic, and for new styles of management and leadership to emerge to suit the changed environment, including the virtual one. It reflects a growing public interest in the standards of behaviour of those who run businesses and direct our lives through political decisions, and their competence to carry out the tasks entrusted to them. In this respect it links firmly with discussion about ethical standards and organisational practices considered elsewhere in this book.

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith** Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.

Personnel and HR professionals will be concerned to ensure good people management and leadership in their organisations, to improve both the performance of the organisation itself, and to enable it to attract and keep good staff. This means choosing appropriate frameworks for the selection of potential leaders, their initial training, managing the performance expected of them once in the job, appraising, developing, and rewarding them, facilitating their careers and, sometimes, removing them. A coherent, fair and equitable approach to these tasks is thus essential.

In terms of their applicability to managerial leadership, functional approaches, such as those developed by the MSC, have a lot to offer in terms of managerial leadership and professionalism. They are accessible to all, and can be used for a variety of organisational people management purposes. They offer a valuable way of ensuring that we 'do things right'. In terms of strategic leadership, and particularly when considering international and cross-cultural ventures, contingency theories seem to have more currency, offering a means by which those in charge of organisational strategy can ensure that they make the sort of choices which connect successfully to their business environments: 'doing the right thing in the circumstances'.



4.8 DISCUSSION QUESTIONS

- 1 What do you see as the significant differences between leadership and management? Must all good managers be good leaders? Do all business leaders have to be good managers?
- 2 Imagine you are in charge of devising a management development programme for a large commercial organisation. What would you include on the subject of leadership, and how you would teach this topic? How would you do things differently if you were designing a management development programme for a local authority? (You might like to consider one recently developed leadership and management training programme described by Rebecca Johnson in the 23 August 2007 issue of *People Management*.)
- 3 Think about someone you know who you would describe as a good leader, preferably in an organisational context. What makes them good in your view? Relate this analysis to the 'life-cycle' stage of the organisation or part of the organisation where they work. Have they shown leadership in a variety of different situations (growth, maturity, decline) or just one? Would the skills and attributes you identified earlier be suitable in all contexts?
- 4 Are you a member or leader of a virtual team? If so, try to analyse what sorts of leadership behaviour appear to be effective in this environment. If not, what challenges might exist for leaders of such teams, and how could an HR specialist help to identify them? You might like to consider if any lessons can be learned from the way in which virtual communities such as Facebook or Second Life operate.

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith**
Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.



EXPLORE FURTHER

Mullins, L. (2007) *Management and Organisational Behaviour*, 8th edition. Harlow: FT/Prentice Hall. This text offers comprehensive descriptions and discussion of all major conceptualisations of both management and leadership, including those relating to gender, as well as relevant case studies.

Yukl, G. (2006) *Leadership in Organisations*, 6th edition. London: Prentice Hall. Another comprehensive review of the nature of leadership in an organisational setting.

Adair, J. (1983) *Effective Leadership*. London: Pan Books. This text remains an important guide for the key processes involved in managerial leadership; highly readable and a good basis for a training programme.

A recent addition to the literature, *The Powers to Lead* (2008) Oxford: Oxford University Press, by Harvard Professor of International Relations Joseph Nye, considers leadership styles and skills, and also discusses the transferability of leadership between different arenas such as the military, politics and business.

Grint, K. (1997) *Leadership: Classical, contemporary and critical approaches*. Oxford: Oxford University Press. This text takes a critical tour around some significant academic thinking relating to the nature of leadership.

Avolio, B., Walumba, F. and Weber, T. (2009) in a forthcoming article provisionally entitled 'Leadership:

current theories, research and future directions for the annual review' *Psychology* offer a summary of recent directions in academic leadership research.

Schneider, S. and Barsoux, J.-L. (2003) *Managing Across Cultures*. Harlow: FT/Prentice Hall. This accessible text on cultural difference in a business context summarises the work of Hofstede and others, and contains a chapter on the implications of national culture for various aspects of organisational life, including leadership.

Electronic sources for further information

Information about Project GLOBE (Global Leadership and Organizational Behavior Effectiveness) can be found at the Project's website, hosted by the Thunderbird School of Global Management, and located at <http://www.thunderbird.edu/wwwfiles/ms/globe/index.asp>

John Adair's website: <http://www.johnadair.co.uk>

The easyGroup's website: <http://www.easyGroup.com>

Investors in People website: <http://www.investorsinpeople.co.uk>

MSC website: <http://www.management-standards.org>

BBC business news pages and archive: <http://news.bbc.co.uk>

A free sample chapter from *Managing and Leading People* by **Charlotte Rayner and Derek Adam-Smith** Published by the CIPD.

Copyright © CIPD 2009

All rights reserved; no part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publishers or a licence permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency.

If you would like to purchase this book please visit www.cipd.co.uk/bookstore.