

**SUSTAINABLE ENTREPRENEURSHIP PROJECT**

# History and Evolution of Leadership Studies

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## **History and Evolution of Leadership Studies**

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## §1 Introduction

The time span of interest in “leadership” has been aptly summarized by Bass, who observed that “. . . [t]he study of leadership rivals in age the emergence of civilization, which shaped its leaders as much as it shaped them. From its infancy, the study of history has been the study of leaders—what they did and why they did it”.<sup>1</sup> In general, leadership studies has taken on a multi-disciplinary flavor and one can find elements of theory and methodology borrowed from the social sciences, philosophy, psychology and business administration. Leadership and management studies have often been combined and were originally studied and taught within schools of administration at universities and colleges; however, the recent trend is for leadership to be presented as a separate and distinguishable subject by schools that now specialize in business. That said, it is not practical to completely separate leadership and management studies given that it is widely acknowledged that “leading” is one of the functional managerial activities along with planning, organizing and controlling. As leadership studies have evolved debates have constantly festered regarding definitions and scope of leadership and how to measure leadership effectiveness and declare leader actions to be “successful”.

The sections that follow present brief descriptions of some of the major “schools” of leadership studies that have attracted the interest of researchers since the 19<sup>th</sup> century. As with any scholarly discipline there is a lack of consensus regarding how research approaches should be categorized and, as noted below, the situation is becoming more complex as scholars begin to integrate pieces of different schools to create new models that are intended to be more comprehensive and provide new and different insights on questions of leadership. The following sections generally follow the classifications and ordering suggested by Day and Antonakis<sup>2</sup>; however, it should be noted that others have constructed slightly different lists and/or placed the work of certain researchers into different schools. For example, some lists might segregate research focusing on leadership skills and/or styles (e.g., participative versus autocratic leadership styles). Another common approach is to recognize a “situational” leadership approach that includes models developed by researchers such as Hersey and Blanchard, Vroom and Yetton and House (i.e., the “path-goal” theory of leadership) that have been placed into different schools by Day and Antonakis.<sup>3</sup> Finally, the “leader-member exchange” theory discussed as the “relational school of leadership” below is sometimes referred to as “transactional leadership”.

**Table 1**  
**Major Schools of Leadership Studies**

**Trait school of leadership:** Sometimes referred to as the “great man” theory, this theory assumed that

<sup>1</sup> B. Bass, Bass & Stogdill’s Handbook of Leadership (Third Edition) (New York: Free Press, 1990), 3.

<sup>2</sup> D. Day and J. Antonakis, “Leadership: Past, Present and Future” in D. Day and J. Antonakis (Eds.), The nature of leadership (Second Edition) (Thousand Oaks, CA: Sage Publications, 2012), 3-25, 6-14.

<sup>3</sup> Recognition of both “contingency” and “situational” leadership schools or approaches sometimes causes confusion an important underlying premise for both of them is arguably quite similar: the appropriate leadership approach, behavior and style should be tailored to the specific “context” or “situation” in which the leader is operating.

certain individual characteristics, or “traits”, could be found in leaders but not in non-leaders and that those characteristics could not be developed but must be inherited (i.e., “great men were born, not made”).

**Behavioral school of leadership:** Proponents of the behavioral school focused on the behaviors employed by leaders and the influence those behaviors had on the actions of their followers. In this instance, “behavior” referred to the how the leader treated his or her followers and how the leader viewed the role of the followers. Well-known, and contrasting, dimensions of leadership behavior included “employee-oriented” and “production-oriented” leadership.

**Contingency school of leadership:** Contingency theories were based on the premise that the effectiveness of leader behaviors in motivating their followers turned on various contingencies such as leader-member relations, the task structure, employee skills and experience, available information, the structure of the problem and the support afforded the leader from superiors and the overall organization. Leaders were expected to adopt one of several different leadership styles (e.g., directive, supportive, participative or achievement-oriented) based on the specific scenario confronting them.

**Relational school of leadership:** The best-known example of work under the umbrella of this school is the “leader-member exchange” theory, sometimes referred to as “LMX” theory or “transactional leadership”, which attempted to describe the nature of the relationship between leaders and their followers and suggested two main alternatives: “high-quality” relations between a leader and his or her followers that were based on trust and mutual respect, referred to as the “in-group”, and “low-quality” relations between leader and followers based primarily on the satisfaction of contractual obligations, referred to as the “out-group”.

**Information processing school of leadership:** This school focused on attempting to understand how and why the actions, behaviors and styles of a leader might be “legitimized”, and the leader accorded influence, because his or her personal characteristics (i.e., personality traits) match the prototypical expectations of followers with respect to their leaders.

**“New leadership” (transformational) school:** This school, variously referred to as “transformational”, “charismatic” and “visionary”, was characterized by the leader’s use of various motivational practices that include inspiring followers to pursue and achieve a higher collective purpose, offering challenges, encouraging individual development and creating a common mission and vision.

**Contextual school of leadership:** This school is related to the contingency school discussed above and suggests that contextual, or situational, factors such as leader hierarchical level, national culture, leader-follower gender and organizational characteristics give rise to or inhibit certain leadership behaviors or their dispositional antecedents.

**Source:** Descriptions based on D. Day and J. Antonakis, “Leadership: Past, Present and Future” in D. Day and J. Antonakis (Eds.), *The nature of leadership* (Second Edition) (Thousand Oaks, CA: Sage Publications, 2012), 3-25, 6-14.

## §2 Trait school of leadership

One of the earliest and most popular conceptions of leadership that flourished in the 19<sup>th</sup> and early 20<sup>th</sup> centuries has been referred to as the “great man” theory. This theory assumed that certain individual characteristics, or “traits”, could be found in leaders but not in non-leaders and that those characteristics could not be developed but must be inherited.<sup>4</sup> In other words, the theory assumed that “great men were born, not made”. Eventually the “great man” theory was discredited in the face of a continuous stream of new theories that had as one of their core principles the democratization of leadership opportunities. Slater and Bennis explained that “[t]he passing years have . . . given the coup de grace to another force that has retarded democratization—the ‘great man’ who

<sup>4</sup> S. Kirkpatrick and E. Locke, “Leadership: do traits matter?”, *Academy of Management Executive*, 5(2) (1991), 48-60, 48. For an interesting exploration of the “great man” theory, including exhaustive citations, see H. Eckmann, *Great Man Theory: A personal account of attraction* (Paper for the IBA Conference), <http://www.jameslconsulting.com/documents/GreatManTheory.pdf> [accessed December 20, 2011]

with brilliance and farsightedness could preside with dictatorial powers as the head of a growing organization”.<sup>5</sup>

The “great man” theory did leave behind a keen interest in attempting to identify those individual traits that could be most tightly linked to leadership and laid the foundation for the “trait school of leadership” which held that the traits of leaders—assumed to include their capacities, motives and patterns of behavior—were different from those of non-leaders. In contrast to the “great man” theory, trait theories did not particular care whether the leadership traits were inherited or acquired and, in fact, early suggestions about optimal traits included items that were inherited (e.g., height, weight and physique) as well as items that were dependent on experience and training (e.g., industry knowledge).<sup>6</sup>

Two of the most significant reviews of the trait school of leadership are attributed to Stodgill<sup>7</sup> and Mann<sup>8</sup> and there is evidence to support the proposition that certain traits, such as intelligence and dominance, are associated with leadership. However, many leadership scholars lacked confidence in the research findings relating to leadership traits. Stodgill himself wrote that “[a] person does not become a leader by virtue of the possession of some combination of traits”.<sup>9</sup> Stodgill could find no support in the research for the presence of a group of traits that were universally associated with effective leadership and observed that situation factors played an important role in identifying the preferred strategies and behaviors for leaders. Kirkpatrick and Locke acknowledged that trait theories were largely abandoned for a significant period of time; however, they noted that new research using a variety of methods had provided support for the general proposition that effective and successful leaders were “different” and that there were a handful of core traits that were extremely important contributors to, albeit not guarantors of, the success of leaders in the business world.<sup>10</sup> They cautioned, however, that “[t]raits alone . . . are not sufficient for successful business leadership—they are only a precondition” and that aspiring leaders with those traits must take certain actions in order to be successful such as formulating a vision, role modeling and setting goals.<sup>11</sup> Antonakis et al. subsequently commented that, as of the beginning of the 21<sup>st</sup> century,

<sup>5</sup> P. Slater and W. Bennis, “Democracy is Inevitable”, *Harvard Business Review*, 68(5) (September-October 1990), 167-176, 170-171.

<sup>6</sup> S. Kirkpatrick and E. Locke, “Leadership: do traits matter?”, *Academy of Management Executive*, 5(2) (1991), 48-60, 48. Kirkpatrick and Locke suggested that further information on trait theories and particular traits could be obtained by a review of R. Stodgill, *Handbook of Leadership* (New York: Free Press, 1974); R. Boyatzis, *The Competent Manager* (New York: Wiley & Sons, 1982); C. Cox and C. Cooper, *High Flyers: An Anatomy of Managerial Success* (Oxford: Basil Blackwell, 1988); and G. Yukl, *Leadership in Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1989), Chapter 9.

<sup>7</sup> R.M. Stodgill, “Personal Factors Associated with Leadership: A Survey of the Literature,” *Journal of Psychology*, (25) (1948), 35-71.

<sup>8</sup> R. Mann, “A review of the relationship between personality and performance in small groups”, *Psychological Bulletin*, 56 (1959), 241–270.

<sup>9</sup> R.M. Stodgill, “Personal Factors Associated with Leadership: A Survey of the Literature,” *Journal of Psychology*, (25) 1948, 35-71, 64.

<sup>10</sup> S. Kirkpatrick and E. Locke, “Leadership: do traits matter?”, *Academy of Management Executive*, 5(2) (1991), 48-60, 49.

<sup>11</sup> Id.

“the trait perspective appears to be enjoying a resurgence of interest”.<sup>12</sup> However, there has been a decline in the proportional interest in trait theories among published articles relating to leadership studies topics. Future areas of interest with respect to the study of traits include the impact of gender and other forms of “diversity”.<sup>13</sup> In addition, researchers have explored measurement of directly observable individual differences (i.e., traits) from a new and novel biological or evolutionary perspective.<sup>14</sup>

### §3 Behavioral school of leadership

The behavioral school of leadership became popular in the 1940s and 1950s as concerns began to emerge regarding the utility of focusing on leader traits. Proponents of the behavioral school focused their research activities on the behaviors employed by leaders and the influence that those behaviors had on the actions of their followers. In this instance, “behavior” referred to the how the leader treated his or her followers and how the leader viewed the role of the followers in the grander organizational picture. During the 1950s two large studies were conducted by researchers at the University of Michigan<sup>15</sup> and the Ohio State University<sup>16</sup> and they identified two contrasting dimensions of leadership behavior: “consideration”, often referred to as “employee-oriented” leadership, and “initiating structure”, often referred to as “production-oriented” leadership. Similar research continued by Blake and Mouton<sup>17</sup> and others; however, findings were often contradictory and by the 1960s the general view was that success of leadership behaviors depended heavily on the “context” or “situation”, thereby opening

<sup>12</sup> J. Antonakis, A. Cianciolo and R. Sternberg, “Leadership: Past, Present and Future” in J. Antonakis, A. Cianciolo and R. Sternberg (Eds.), *The nature of leadership* (Thousand Oaks, CA: Sage Publications, 2004), 3-15, 7. Like Kirkpatrick and Locke, Antonakis et al. made note of research breakthroughs and referenced several studies that reinvigorated interest in identifying and proving links between leader characteristics and leader emergence including the work of scholars able to use new and more sophisticated analytical tools to “reanalyze” data compiled by earlier researchers. See, e.g., R. Lord, C. De Vader and G. Alliger, “A meta-analysis of the relation between personality traits and leadership perceptions: An application of validity generalization procedures”, *Journal of Applied Psychology*, 71 (1986), 402–410 (reanalysis of data originally collected by Mann found a strong correlation between intelligence and leadership).

<sup>13</sup> D. Day and J. Antonakis, “Leadership: Past, Present and Future” in D. Day and J. Antonakis (Eds.), *The nature of leadership* (Second Edition) (Thousand Oaks, CA: Sage Publications, 2012), 3-25, 8. For a recent review of the trait perspective on leadership, see S. Zaccaro, “Trait-based perspectives of leadership”, *American Psychologist*, 62 (2007), 6–16.

<sup>14</sup> For a brief introduction to the “biological and evolutionary” perspectives, including citations, see D. Day and J. Antonakis, “Leadership: Past, Present and Future” in D. Day and J. Antonakis (Eds.), *The nature of leadership* (Second Edition) (Thousand Oaks, CA: Sage Publications, 2012), 3-25, 12. Areas being researched include the behavioral genetics of leadership emergence to leadership role occupancy. Id. (including citations). Another good introduction and overview can be found in R. Boyatzis, “Neuroscience and Leadership”, *Ivey Business Journal*, January 2011.

<sup>15</sup> D. Katz, N. Maccoby, G. Gurin and L. Floor, *Productivity, supervision and morale among railroad workers* (Ann Arbor, MI: Institute for Social Research, University of Michigan, 1951).

<sup>16</sup> R. Stogdill and A. Coons (Eds.), *Leader behavior: Its description and measurement* (Columbus, OH: Ohio State University, Bureau of Business Research, 1957).

<sup>17</sup> R. Blake and J. Mouton, *The managerial grid* (Houston, TX: Gulf, 1964). Their “leadership grid”, which is described elsewhere in this Guide, included leadership styles that took into account both concern for production and concern for people. While they considered participatory, or team, management to be ideal, they realized that it might not be the most workable strategy in certain situations.

the door for the emergence of the “contextual” school of leadership referred to below. Antonakis et al. observed that while interest in behavioral theories has waned many of the ideas associated with the school have been incorporated into other theories, such as the contingency and transformational movements.<sup>18</sup>

#### §4 Contingency school of leadership

Contingency theories were based on the premise that the effectiveness of leader behaviors in motivating their followers turned on various contingencies. For example, Fiedler argued that the choice of the most effective leadership behavior needed to take into account factors such as leader-member relations (i.e., the level of confidence that followers have in the skills and judgment of the leader and the intensity of follower attraction and loyalty toward the leader), the task structure (i.e., routine versus non-routine) and the position of the leader (i.e., formal authority, including the ability to dispense rewards and punishments, and the support afforded the leader from superiors and the overall organization).<sup>19</sup> Another model generally assigned to the contingency school is House’s “path-goal” theory which focuses on ways that leadership behavior can motivate followers by clarifying the paths that they should take to achieve their goals and removing barriers to their performance.<sup>20</sup> House identified four possible leadership styles—directive, supportive, participative and achievement-oriented—and argued that the success of these styles depended on employee contingencies (e.g., employee skills and experience) and environmental contingencies (e.g., task structure and team dynamics). One can see from the array of leadership styles championed by House that he believed that it was important for leaders to motivate and empower followers and enhance their self-confidence with respect to their ability to achieve their goals and perform at the highest level. The Vroom and Yetton model also identified different leadership styles based on the extent to which subordinates are allowed to participate in making decisions and suggested that contextual factors should determine which style is most appropriate and most likely to be effective. Their model suggested a series of questions that leaders can use to understand the context confronting them, including inquiries into quality and commitment requirements, whether the leader has sufficient information to make decisions on her own, the structure of the problem, commitment probability, goal congruence, subordinate conflict and subordinate information.<sup>21</sup> The contingency school remains relevant although the intensity of research has cooled since its heyday in the 1970s and 1980s.

<sup>18</sup> J. Antonakis, A. Cianciolo and R. Sternberg, “Leadership: Past, Present and Future” in J. Antonakis, A. Cianciolo and R. Sternberg (Eds.), *The nature of leadership* (Thousand Oaks, CA: Sage Publications, 2004), 3-15, 7 (citing K. Lowe and W. Gardner, “Ten years of *The Leadership Quarterly*: Contributions and challenges for the future”, *The Leadership Quarterly*, 11 (2000), 459–514).

<sup>19</sup> See F. Fiedler, *A theory of leadership effectiveness* (New York, NY: McGraw-Hill, 1967) and F. Fiedler, *Leadership* (Morristown, NJ: General Learning, 1971).

<sup>20</sup> R. House, “A path-goal theory of leader effectiveness”. *Administrative Science Quarterly*, 16 (1971), 321–338.

<sup>21</sup> V. Vroom and P. Yetton, *Leadership and decision making* (Pittsburgh, PA: University of Pittsburgh Press, 1973). An expanded version of their model is common referred to as the “Vroom, Yetton, Jago Model”. See V. Vroom and A. Jago, *The new leadership: Managing participation in organizations* (Englewood Cliffs, NJ: Prentice Hall, 1988).

## §5 Relational school of leadership

The relational perspective school of leadership followed the contingency school and generated a fair amount of interest among researchers. Perhaps the best-known example of work under the umbrella of this school is the “leader-member exchange” theory, sometimes referred to as “LMX” theory, which attempts to describe the nature of the relationship between leaders and their followers and suggests two main alternatives: “high-quality” relations between a leader and his or her followers that are based on trust and mutual respect, referred to as the “in-group”, and “low-quality” relations between leader and followers based primarily on the satisfaction of contractual obligations, referred to as the “out-group”. Not surprisingly, the LMX theory predicts that high-quality relations will lead to more effective and positive leader outcomes than low-quality relations.<sup>22</sup>

## §6 Skeptics of leadership school

The so-called “skeptics of leadership” school combines a variety of criticisms of the efficacy and utility of leadership research raised during the 1970s and 1980s.<sup>23</sup> For example, several researchers criticized ratings of leadership generated through the use of questionnaires lacked validity because they were “tainted” by the “implicit leadership theories” of those providing the ratings. In other words, the ratings reflected the implicit leadership theories that persons carry “in their heads” and that the actual behaviors and actions of the leaders themselves were irrelevant.<sup>24</sup> Another set of researchers also argued that leader behaviors and actions did not matter because followers actually based their assessments of their leaders based primarily on the “outcomes” or results of the activities being led (i.e., the performance of the group that the leader is overseeing). These researchers argued that evaluations of the leader were simply part of the larger effort of followers “to understand and assign causes to organizational outcomes”.<sup>25</sup> Meindl and Ehrlich and Pferrer even went so far as to question whether leadership existed or needed

<sup>22</sup> For discussion of LMX theory and empirical evidence regarding same, see R. Ilies, J. Nahrgang and F. Morgeson, “Leader-member exchange and citizenship behaviors: A meta-analysis”, *Journal of Applied Psychology*, 92 (2007), 269–277; C. Gerstner and D. Day, “Meta-analytic review of leader-member exchange theory: Correlates and construct issues”, *Journal of Applied Psychology*, 82 (1997), 827–844; and G. Graen and M. Uhl-Bien, “Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective”, *The Leadership Quarterly*, 6 (1995), 219–247.

<sup>23</sup> J. Antonakis, A. Cianciolo and R. Sternberg, “Leadership: Past, Present and Future” in J. Antonakis, A. Cianciolo and R. Sternberg (Eds.), *The nature of leadership* (Thousand Oaks, CA: Sage Publications, 2004), 3–15, 8.

<sup>24</sup> See, e.g., D. Eden and U. Leviathan, “Implicit leadership theory as a determinant of the factor structure underlying supervisory behavior scales”, *Journal of Applied Psychology*, 60 (1975), 736–741; and M. Rush, J. Thomas and R. Lord, “Implicit leadership theory: A potential threat to the internal validity of leader behavior questionnaires”, *Organizational Behavior and Human Performance*, 20 (1977), 756–765.

<sup>25</sup> J. Antonakis, A. Cianciolo and R. Sternberg, “Leadership: Past, Present and Future” in J. Antonakis, A. Cianciolo and R. Sternberg (Eds.), *The nature of leadership* (Thousand Oaks, CA: Sage Publications, 2004), 3–15, 8 (citing R. Lord, J. Binning, M. Rush and J. Thomas, “The effect of performance cues and leader behavior on questionnaire ratings of leadership behavior”, *Organizational Behavior and Human Performance*, 21 (1978), 27–39).

and expressed skepticism about whether leadership had any significant impact on the performance of organizations.<sup>26</sup> While interest in the work of the skeptics eventually waned in the face of counter-arguments by many other scholars who might aptly be referred to as “realists” rather than “skeptics”<sup>27</sup>, Antonakis et al. noted that this school improved the study of leadership in several ways, such as driving scholars to create and apply more rigorous research methodologies, differentiate top-level leadership from supervisory leadership and focus on followers and how they actually perceive reality.<sup>28</sup>

### §7 Information processing school of leadership

The work of Lord et al. served as the foundation for what became known as the ‘information processing’ school of leadership and focused on attempting to understand how and why the actions, behaviors and styles of a leader might be “legitimized”, and the leader accorded influence, because his or her personal characteristics (i.e., personality traits) match the prototypical expectations of followers with respect to their leaders.<sup>29</sup> The research in this area examined the steps taken by leaders in making decisions and the cognitive processes of followers as they gauged whether to accept the decisions of their leaders as legitimate and worth accepting and following. According to Antonakis et al. the information-processing approach has been extended and linked to other areas of leadership study and continues to generate interest within the research community.<sup>30</sup>

### §8 “New leadership” (transformational) school

An exciting new paradigm of leadership, variously referred to as “transformational”, “charismatic” and “visionary”, took hold during the 1980s based primarily on the work of Bass and his associates<sup>31</sup>, who themselves built on earlier ideas developed by House<sup>32</sup> and Burns<sup>33</sup>, and others such as Bennis and Nanus<sup>34</sup>. Transformational leadership has

<sup>26</sup> See J. Meindl and S. Ehrlich, “The romance of leadership and the evaluation of organizational performance”, *Academy of Management Journal*, 30 (1987), 90–109; and J. Pfeffer, “The ambiguity of leadership”, *Academy of Management Review*, 2 (1977), 104–112.

<sup>27</sup> See, e.g., M. Barrick, D. Day, R. Lord and R. Alexander, “Assessing the utility of executive leadership”, *The Leadership Quarterly*, 2 (1991), 9–22.

<sup>28</sup> J. Antonakis, A. Cianciolo and R. Sternberg, “Leadership: Past, Present and Future” in J. Antonakis, A. Cianciolo and R. Sternberg (Eds.), *The nature of leadership* (Thousand Oaks, CA: Sage Publications, 2004), 3-15, 9.

<sup>29</sup> See, e.g., R. Lord, R. Foti and C. De Vader, “A test of leadership categorization theory: Internal structure, information processing, and leadership perceptions”, *Organizational Behavior and Human Performance*, 34 (1984), 343–378; R. Lord and K. Maher, *Leadership and Information Processing: Linking Perceptions and Performance* (People and Organizations) (London: Routledge, 1994).

<sup>30</sup> J. Antonakis, A. Cianciolo and R. Sternberg, “Leadership: Past, Present and Future” in J. Antonakis, A. Cianciolo and R. Sternberg (Eds.), *The nature of leadership* (Thousand Oaks, CA: Sage Publications, 2004), 3-15, 9.

<sup>31</sup> See, e.g., B. Bass, *Leadership and performance beyond expectations* (New York: Free Press, 1985); B. Bass, *Transformational leadership: Industrial, military, and educational impact* (Mahwah, NJ: Lawrence Erlbaum, 1998); and B. Bass and B. Avolio, *Transformational leadership: Improving organizational effectiveness* (Thousand Oaks, CA: Sage, 1994).

<sup>32</sup> R. House, “A 1976 theory of charismatic leadership”, in J. Hunt and L. Larson (Eds.), *Leadership: The cutting edge* (Carbondale, IL: Southern Illinois University Press, 1977), 189-207.

<sup>33</sup> J. Burns, *Leadership* (New York: Harper & Row, 1978).

been referred to as “a set of behaviors that transform followers’ commitment and energy beyond the minimum levels prescribed by the organization”.<sup>35</sup> Bass has written that transformational leaders influence their subordinates in three significant ways: (1) increasing their awareness of the importance of their tasks and the need to perform those tasks well; (2) making them aware of their own needs for personal growth, development and accomplishment; and (3) motivating them to strive for the “good of the whole” as opposed to simply pursuing their own personal agendas.<sup>36</sup>

Transformational leadership has had a substantial impact on research and publication activities with respect to leadership studies over the last two decades.<sup>37</sup> The proponents of the study of transformational leadership believed that much of the prior work with respect to leadership was “transactionally-oriented” and based on the fundamental premise that the relationship between leaders and followers was based on mutual satisfaction of transactional obligations. Bass, in particular, felt that this approach was incomplete and that a different form of leadership needed to be recognized “to account for follower outcomes centered on a sense of purpose and an idealized vision”.<sup>38</sup>

Transformational leadership is characterized by the leader’s use of various motivational practices that include inspiring followers to pursue and achieve a higher collective purpose, offering challenges, encouraging individual development and creating a common mission and vision. According to Antonakis et al., the ideal of a transformational, or charismatic, leader was someone who could employ visionary and inspirational behaviors to motivate and inspire his or her followers to transcend their individual interests for the greater good of the entire organization.<sup>39</sup> Some of the

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<sup>34</sup> W. Bennis and B. Nanus, *Leaders: The strategies for taking charge* (New York: HarperCollins, 1985).

<sup>35</sup> J. Muczyk and D. Holt, “Toward a Cultural Contingency Model of Leadership”, *Journal of Leadership & Organizational Studies*, 14(4) (May 2008), 277-286, 280 (citing P. Podsakoff, S. MacKenzie, R. Moorman and R. Fetter, “Transformational leader behaviors and their effects on followers’ trust in leader, satisfaction, and organizational citizenship behaviors”, *Leadership Quarterly*, 1 (1990), 107-142). For detailed discussion of transformational leadership, see “Leadership Styles” in “Leadership: A Library of Resources for Sustainable Entrepreneurs” prepared and distributed by the Sustainable Entrepreneurship Project ([www.seproject.org](http://www.seproject.org)).

<sup>36</sup> J. Muczyk and T. Adler, “An attempt at a consensience regarding formal leadership”, *Journal of Leadership and Organizational Studies*, 9(2) (2002), 2-17 (citing B. Bass, *Leadership and Performance Beyond Expectations* (New York: Free Press, 1985)).

<sup>37</sup> The Bass model remains the predominant focus of research with respect to transformational leadership and Gardner et al. observed that all of the various models falling under the heading of “neo-charismatic” have been the most dominant paradigm in terms of publication activity in the leadership field over the first decade of the 21<sup>st</sup> century, although interest in relation to other areas declined from the prior decade due to renewed exploration of older topics such as “context” and “traits” and the rise of new topics such as leadership development. See W. Gardner, K. Lowe, T. Moss, K. Mahoney and C. Cogliser, “Scholarly leadership of the study of leadership: A review of *The Leadership Quarterly*’s second decade, 2000–2009”, *The Leadership Quarterly*, 21 (2010), 922–958.

<sup>38</sup> J. Antonakis, A. Cianciolo and R. Sternberg, “Leadership: Past, Present and Future” in J. Antonakis, A. Cianciolo and R. Sternberg (Eds.), *The nature of leadership* (Thousand Oaks, CA: Sage Publications, 2004), 3-15, 9. See also B. Bass, *A New Paradigm of Leadership: An Inquiry into Transformational Leadership* (Alexandria, VA: Army Research Institute for the Behavioral and Social Sciences, 1996) (reviewing a series of studies that support the distinction between transformational and transactional leadership).

<sup>39</sup> *Id.* at 9-10.

“behaviors” commonly associated with transformational leadership include “individualized consideration”, “intellectual stimulation”, “charisma” and “inspirational motivation”.<sup>40</sup> Lists of characteristics or traits of transformational leaders include identification of self as a change agent, courage, belief in people, value-driven, lifelong learner, able to deal with complexity and “visionary”.<sup>41</sup>

Lowe et al., among others, have evaluated transformational leadership and declared it to be effective and positively related to subordinate satisfaction, motivation and performance.<sup>42</sup> A number of studies have found a high degree of correlation among the four transformational leadership styles, which suggests that transformational leadership behaviors typically occur in clusters (i.e., a leader who is perceived by his or her followers as charismatic is also likely to be perceived as motivating and concerned about the individual needs of his or her followers).<sup>43</sup> While it is generally acknowledged that transformational leadership can be a relevant and valuable principle for actions of leaders at the top of the organizational hierarchy as they set the strategy course for the entire organization, other types of leadership practiced at lower levels of the hierarchy, including transactional leadership, remain important.<sup>44</sup> In addition, Bass often claimed that transformational leadership was endorsed in many cultural contexts and thus had “universal” applicability and utility<sup>45</sup>, the findings of the researchers involved in the Global Leadership and Organizational Effectiveness (“GLOBE”) project and others

<sup>40</sup> A. Ardichvili and K. Kuchinke, “Leadership styles and cultural values among managers and subordinates: a comparative study of four countries of the former Soviet Union, Germany and the US,” *Human Resource Development International*, 5(1) (2002): 99-117, 101 (citing B. Bass, *Leadership and Performance beyond Expectations* (New York: The Free Press, 1985). The behaviors associated with transformational leadership are measured with the Multifactor Leadership Questionnaire. See B. Avolio, B. Bass and D. Jung, *MLQ: Multifactor Leadership Questionnaire: Technical Report* (Palo Alto, CA: Mind Garden, 1995).

<sup>41</sup> N. Tichy and M. Devanna, *The Transformational Leader* (New York: John Wiley & Sons, 1986).

<sup>42</sup> K. Lowe, K. Kroeck and N. Sivasubramaniam, “Effectiveness correlates of transformational and transactional leadership: a meta-analytic review of the MLQ literature”, *Leadership Quarterly*, 7 (1996), 385-425.

<sup>43</sup> A. Ardichvili and K. Kuchinke, “Leadership styles and cultural values among managers and subordinates: a comparative study of four countries of the former Soviet Union, Germany and the US,” *Human Resource Development International*, 5(1) (2002): 99-117, 110.

<sup>44</sup> For discussion of “levels of leadership”, see “Definitions and Conceptions of Leadership” and “Leadership Roles and Activities” in “Leadership: A Library of Resources for Sustainable Entrepreneurs” prepared and distributed by the Sustainable Entrepreneurship Project ([www.seproject.org](http://www.seproject.org)).

<sup>45</sup> B. Bass, “Does the transactional-transformational leadership paradigm transcend organizational and national boundaries?” *American Psychologist*, 52 (1997), 130-139; and B. Bass and B. Avolio, *Manual: The Multifactor Leadership Questionnaire* (Palo Alto, CA: Consulting Psychologists Press, 1989). Other works cited for the proposition that it was unlikely that transformational leadership varied significantly from culture to culture include H. Koene, H. Pennings and M. Schreuder, “Leadership, culture, and organizational effectiveness” in K. Clark and M. Clark (Eds), *The Impact of Leadership* (Greensboro, NC: Center for Creative Leadership, 1993); W. Koh, R. Steers and J. Terborg, “The effects of transformational leadership on teacher attitudes and student performance in Singapore”, *Journal of Organizational Behavior*, 16 (1995), 319-334; R. House, A. Hanges, P. Ruiz-Quintanilla, M. Dorfman and M. Dickson, “Cultural influences on leadership and organizations: Project GLOBE”, in W. Mobbley (Ed.), *Advances in global leadership* (Greenwich, CT: JAI, 1998); M. Javidan and D. Carl, *Motivational consequences of charismatic leadership: An empirical investigation* (Working Paper, School of Business Administration, University of Calgary, 1997); and D. Pereira, “Factors associated with transformational leadership in an Indian engineering firm”, Paper presented at Administrative Science Association of Canada, Vancouver, 1987).

appear to indicate that culture does impact both the enactment and effectiveness of transformational leadership techniques and that aspects of both transformational and transactional leadership can co-exist in certain societies concurrently.<sup>46</sup>

Muczyk and Adler emphasized that the traditional notion of “transformational leadership” assumed that leaders were able to influence their subordinates “through inspiration created by the interaction of vision and charisma and enable by position power”.<sup>47</sup> They noted that “vision” could be distinguished from the formal, long-term strategic plan that is developed through the assessment of organizational strengths and weaknesses and opportunities and threats in the organizational environment. In fact, Campbell and Alexander defined “vision” in this context as “an inspired, long-run strategy that is not obvious to managers and executives until it is revealed by the transformational leader”.<sup>48</sup> Certainly there are many who would confirm the proposition that “vision is the essence of leadership”; however, a number of leaders dismiss the notion as little more than some “esoteric thing no one can quantify” and argue that while there is no doubt that leaders must have a “sense of the future, if not an inspired vision, to prosper” they are better served by aligning their core competencies with opportunities through sound business planning and then pursuing success through deft execution.<sup>49</sup> Still another attribute not mentioned in the connection with “transformational leadership” that Collins found to be among the common characteristics of leaders who moved their companies from “good” to “great” was “perseverance”, including the discipline and tenacity to follow a strategy through once it was selected and overcome difficult tasks and situations that might arise along the road.<sup>50</sup>

Muczyk and Adler also challenged the both the importance of “charisma” and the suggestion that charismatic individuals could only be found at the top of the organizational hierarchy in the personality of the man or woman placed in the highest leadership position.<sup>51</sup> Muczyk and Adler observed that it was probably fair to say that “charismatic leaders are born rather than made” and that this limited the pool of candidates for traditional “transformational leadership”; however, as was the case when

<sup>46</sup> See, e.g., A. Ardichvili and K. Kuchinke, “Leadership styles and cultural values among managers and subordinates: a comparative study of four countries of the former Soviet Union, Germany and the US,” *Human Resource Development International*, 5(1) (2002): 99-117. For further discussion of the relationship between societal culture and transformational leadership, see “Cross-Cultural Leadership Studies” in “Leadership: A Library of Resources for Sustainable Entrepreneurs” prepared and distributed by the Sustainable Entrepreneurship Project ([www.seproject.org](http://www.seproject.org)).

<sup>47</sup> J. Muczyk and T. Adler, “An attempt at a consentience regarding formal leadership”, *Journal of Leadership and Organizational Studies*, 9(2) (2002), 2-17.

<sup>48</sup> Id. (citing A. Campbell and M. Alexander, “What's wrong with strategy? *Harvard Business Review*, November-December 1997, 42-51)

<sup>49</sup> Id. See also D. Lavin, “Robert Eaton Thinks Vision Is Overrated And He's Not Alone”, *The Wall Street Journal*, October 4, 1993, A1 (quoting Bill Gates of Microsoft as saying “Being a visionary is trivial”).

<sup>50</sup> J. Muczyk and T. Adler, “An attempt at a consentience regarding formal leadership”, *Journal of Leadership and Organizational Studies*, 9(2) (2002), 2-17 (citing J. Collins, *Good to Great*, (New York: Harper Business, 2001)).

<sup>51</sup> Kirkpatrick and Locke questioned the importance of “charisma” for business leaders and suggested that perhaps it may only be important for political leaders. S. Kirkpatrick and E. Locke, “Leadership: do traits matter?”, *Academy of Management Executive*, 5(2) (1991), 48-60, 56.

they discussed how vision had little value without effective execution, Muczyk and Adler pointed out that many of the fundamental processes of management, the “blocking and tackling” to use a football metaphor, did not require “charisma”, including “redefining the role and size of staff departments, de-layering hierarchies, continually improving processes and practices through re-engineering, employing network organizations where appropriate, empowering employees, establishing a strong connection between performance and rewards, and placing customers first”.<sup>52</sup>

Muczyk and Adler did not go so far as to say that “transformational leadership” did not exist or wasn’t necessary, they simply observed that in their opinion transformational leadership was needed only at the top of the organization and only in those organizations that fit a particular profile, including a crisis situation that required “dramatic” acts. In addition, they felt that leadership of some sort came from those persons who might be disqualified from “transformational leader” status due to a lack of “charisma”. All in all, Muczyk and Adler sounded a cautionary tale about the need to rush to find a “transformational leader” to dramatically and mysteriously pull organizations out of their malaise overnight. In addition to their skepticism regarding the importance of “vision” and “charisma” and their criticism of the apparent lack of recognition given to “execution”, Muczyk and Adler argued that “the preponderance of successful leaders build incrementally over time rather than transforming organizations overnight”.<sup>53</sup> In fact, they urged that organizations should be less concerned about finding a “transformational leader” and pay more attention to avoiding what they referred to as a “dysfunctional leader” who throws an organization that is already in trouble into turmoil and chaos (“regressive transformation” in their words) through the selection and use of ineffective leadership techniques.

## §9 Critique and assessment of established leadership studies traditions

It is common to present the various schools, or traditions, of leadership studies in chronological order, as has been done above, to provide a sense of the evolution of research and theory in this area. However, Zaccaro and Klimoski have provided an alternative perspective for surveying and critiquing the established leadership studies traditions by suggesting that they can be segregated into four categories: social and interpersonal exchange, strategic management, organizational systems theory and performance effectiveness models of leadership.<sup>54</sup> Their description and assessment of each of these categories is described in more detail in the following sections. In general, their view is that each of these traditions have provided specific insights for understanding various aspects of leadership but that each of them have certain limitations that ultimately led them to suggest their own model, described elsewhere in this Guide,

<sup>52</sup> J. Muczyk and T. Adler, “An attempt at a consensience regarding formal leadership”, *Journal of Leadership and Organizational Studies*, 9(2) (2002), 2-17.

<sup>53</sup> Id. Muczyk and Adler also cited a quote from Robert Earon, who served as CEO of Chrysler: “I believe in quantifiable short-term results—things we can all relate to—as opposed to some esoteric thing [vision] no one can quantify.”

<sup>54</sup> S. Zaccaro and R. Klimoski, “The Nature of Organizational Leadership: An Introduction” in S. Zaccaro and R. Klimoski (Eds.), *The Nature of Organizational Leadership (Understanding the Performance Imperatives Confronting Today’s Leaders)* (New York: John Wiley & Sons, 2001), 1-41, 14-26.

that is based on understanding the “performance imperatives” confronting the senior leaders of an organization.

## §10 --Social and interpersonal exchange

Zaccaro and Klimoski observed that the social exchange approach to leadership was probably the most popular and pervasive perspective in the literature.<sup>55</sup> This approach focused primarily on the leader-follower relationship and the underlying theme of most of the theories associated with this approach was described as follows: “leaders provide direction, guidance, and activity structuring to the collective; members of the collective in turn grant the leader permission to influence them (therefore conferring legitimacy), as well as reverence and respect”.<sup>56</sup> Leadership effectiveness turns on the quality of the dynamic that exists between leader and followers.

Zaccaro and Klimoski argued that models from this approach focused on or more of three elements: leader characteristics, follower characteristics and/or relationship characteristics. Researchers interested in leader characteristics generally focus on the styles used by the leader to interact with his or her followers, with the primary distinction being made between task- and relationship-orientation. Well-known examples of these types of models include Likert’s “System Four” management model and Blake and Mouton’s “Managerial Grid, each of which are discussed elsewhere in this Guide.<sup>57</sup> Researchers proposing theories based on follower characteristics studied the processes that followers use to grant “legitimacy” status to leaders, including the development of “implicit” leadership theories<sup>58</sup>, and often use this information to provide guidance to prospective leaders on the behavioral styles they should adopt in order to influence their followers. Finally, researchers concentrating on leader-follower relationships have investigated the overall quality of the relationship, the degree to which the leader and

<sup>55</sup> Id. at 14.

<sup>56</sup> Id.

<sup>57</sup> R. Likert, *New patterns of management* (New York: McGraw-Hill, 1961) and R. Blake and J. Mouton, *The managerial grid* (Houston: Gulf, 1964). Zaccaro and Klimoski provides citations to a number of other examples of models based on distinctions between task- and relationship orientation including E. Fleishman, “The description of supervisory behavior”, *Personnel Psychology*, 37 (1953), 1–6, and E. Fleishman, “Twenty years of consideration and structure” in E. Fleishman and J. Hunt (Eds.), *Current developments in the study of leadership* (Carbondale, IL: Southern Illinois University Press, 1973) (defining initiating structure and consideration as the two key and contrasting leadership behaviors); F. Fiedler, “A contingency model of leadership effectiveness” in L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 1) (Orlando, FL: Academic Press, 1964), and F. Fiedler, “Validation and extension of the contingency model of leadership effectiveness: A review of the empirical findings”, *Psychological Bulletin*, 76 (1971), 128–148 (contingency model using task- versus group-oriented dimensions); and P. Hersey and K. Blanchard, *Management of organizational behavior: Utilizing human resources* (Upper Saddle River, NJ: Prentice Hall, 1969).

<sup>58</sup> See, e.g., E. Hollander, “Conformity, status, and idiosyncrasy credit”, *Psychological Review*, 65 (1958), 117–127; E. Hollander, “Leadership and social exchange processes”, in K. Gergen, M. Greenberg and R. Willis (Eds.), *Social exchange: Advances in theory and research* (New York: Winston/Wiley, 1979); E. Hollander and J. Julian, “Studies in leader legitimacy, influence, and motivation” in L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 5) (Orlando, FL: Academic Press, 1970); and S. Cronshaw and R. Lord, “Effects of categorization, attribution, and encoding processes on leadership perceptions”, *Journal of Applied Psychology*, 72 (1987), 97–106.

followers are mutually influential (e.g., is the relationship “participative”, meaning influence flows both ways, or “directive/autocratic”, means that influence flows only from the leader) and the degree to which followers feel empowered (e.g., transformational leadership).<sup>59</sup>

Zaccaro and Klimoski acknowledged that the various models associated with the social exchange approach have made extensive and valuable contributions to leadership studies, including enhanced understanding of key issues such as what constitutes an effective exchange between leaders and subordinates, how leader qualities and behaviors facilitate subordinate and small group effectiveness, how the contributions of various leadership styles to subordinate effectiveness are moderated by a variety of situational factors and how the characteristics and information processing of subordinates contribute to effective leadership.<sup>60</sup> However, they also argued that this approach had several crucial shortcomings that limited their ability to provide a full understanding of organizational leadership. For example, Zaccaro and Klimoski felt that since social exchange models focused primarily on direct interactions between leaders and followers they were best suited to the study of individual, small group and direct leadership and failed to provide a solid basis for understanding leadership in situations where leaders rarely have face-to-face interactions with their followers (i.e., executive leadership). In other words, social exchange theories are more suited for lower-level leadership than executive leadership. Zaccaro and Klimoski also noted that social exchange theories failed to give due weight and consideration to important leadership processes such as information acquisition, sense making and giving and long-range strategic decision making.

## §11 --Strategic management

Zaccaro and Klimoski referred to models of strategic decision-making as those models and theories that focus primarily on the strategic decision-making activities of the top executives, or leaders, of the organization.<sup>61</sup> The underlying premise for these models is that organizational effectiveness depends on the ability of senior organizational leaders to

<sup>59</sup> S. Zaccaro and R. Klimoski, “The Nature of Organizational Leadership: An Introduction” in S. Zaccaro and R. Klimoski (Eds.), *The Nature of Organizational Leadership (Understanding the Performance Imperatives Confronting Today’s Leaders)* (New York: John Wiley & Sons, 2001), 1-41, 15 (citing, e.g., with respect to overall quality of the leader-subordinate relationship, F. Fiedler, “A contingency model of leadership effectiveness” in L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 1) (Orlando, FL: Academic Press, 1964), and F. Fiedler, “Validation and extension of the contingency model of leadership effectiveness: A review of the empirical findings”, *Psychological Bulletin*, 76 (1971), 128–148; with respect to mutuality of influence, V. Vroom and A. Jago, “Decision making as a social process: Normative and descriptive models of leader behavior”, *Decision Sciences*, 5 (1974), 743–769, V. Vroom and A. Jago, “On the validity of the Vroom-Yetton model”, *Journal of Applied Psychology*, 63 (1978), 151–162 and V. Vroom and A. Jago, “Situation effects and levels of analysis in the study of leader participation. *Leadership Quarterly*, 6 (1995), 169–181; and, with respect to transformational leadership, B. Bass, *Leadership and performance beyond expectations* (New York: Free Press, 1985); B. Bass, *A new paradigm of leadership: An inquiry into transformational leadership* (Alexandria, VA: U.S. Army Research Institute for the Behavioral and Social Sciences, 1996)).

<sup>60</sup> S. Zaccaro and R. Klimoski, “The Nature of Organizational Leadership: An Introduction” in S. Zaccaro and R. Klimoski (Eds.), *The Nature of Organizational Leadership (Understanding the Performance Imperatives Confronting Today’s Leaders)* (New York: John Wiley & Sons, 2001), 1-41, 16.

<sup>61</sup> *Id.* at 17.

create and manage tight alignment between the organization and its environment. Zaccaro and Klimoski noted that researchers interested in the strategic management approach have focused on leadership processes such as environmental scanning, sense making and giving, specification of strategic choices and selection and implementation of appropriate strategies.<sup>62</sup> Other variations of the strategic management approach include models focusing on the fit between organizational strategy and the personal characteristics of its top managers, with strategy being a determinant rather than a consequence of executive selection and strategy<sup>63</sup>, and models focusing on the thought processes and characteristics of top leaders as they process information and use it in order to make strategic decisions<sup>64</sup>. A relatively recent development has been increased interest in the dynamics of the strategic decision-making process among the members of the top management team.<sup>65</sup>

As might be expected after the discussion of social exchange approaches above, Zaccaro and Klimoski praised the strategic decision-making theories for their contributions in increasing understanding of important aspects of executive leadership, particularly the cognitive and planning processes employed by executives.<sup>66</sup> Zaccaro and Klimoski also recognized the emphasis that strategic decision-making theories placed on contextual factors such as environmental and organizational forces. In short, these theories were seen as extremely useful in understanding “large-scale” leadership (i.e., leadership of large organizations). However, Zaccaro and Klimoski concluded that strategic decision-making theories are limited by their relative neglect of “direct interpersonal processes” that are prominent features of the social exchange approaches and also important to truly understanding how strategies are selected, communicated and implemented.<sup>67</sup>

## §12 --Organizational systems

Zaccaro and Klimoski referred to models of the organizational systems approach as those which “emphasize the boundary spanning and internal coordination responsibilities of

<sup>62</sup> Id.

<sup>63</sup> The major research figure with respect to this model is Anil Gupta and reference should be made to A. Gupta, “Contingency linkages between strategy and general managerial characteristics: A conceptual examination”, *Academy of Management Review*, 9 (1984), 399–412, and A. Gupta, “Contingency perspectives on strategic leadership: Current knowledge and future research directions” in D. Hambrick (Ed.), *The executive effect: Concepts and methods for studying top managers* (Greenwich, CT: JAI Press, 1988).

<sup>64</sup> See, e.g., L. Bourgeois, III, “Strategic management and determinism” *Academy of Management Review*, 9 (1984), 586–596; and L. Bourgeois, III, “Strategic goals, perceived uncertainty, and economic performance in volatile environments”, *Academy of Management Journal*, 28 (1985), 548–573.

<sup>65</sup> See, e.g., A. Amason, “Distinguishing the effects of functional and dysfunctional conflict on strategic decision making: Resolving a paradox for top management teams”, *Academy of Management Journal*, 39 (1996), 123–148, and D. Hambrick, “Top management groups: A conceptual integration and reconsideration of the “team” label” in *Research in organizational behavior* (Vol. 16) (Greenwich, CT: JAI Press, 1994).

<sup>66</sup> S. Zaccaro and R. Klimoski, “The Nature of Organizational Leadership: An Introduction” in S. Zaccaro and R. Klimoski (Eds.), *The Nature of Organizational Leadership (Understanding the Performance Imperatives Confronting Today’s Leaders)* (New York: John Wiley & Sons, 2001), 1–41, 19.

<sup>67</sup> Id.

leaders within open social systems”.<sup>68</sup> Systems theory has been applied in a number of disciplines; however, Katz and Kahn are probably the most well-known proponents of viewing organizations as “open systems in close transactional relationship with their resource-providing environments”.<sup>69</sup> A simplistic description of the Katz and Kahn model includes five key concepts: inputs, throughput, output, systems as cycles of events and negative feedback. Organizations convert inputs of energy and information from their external environment into outputs that can be exported back out to the external environment using a set of interlocking throughput activities. The inputs of energy may include people, materials or resources from other organizations and informational inputs include signals from the external environment including negative feedback. Throughput activities include all the actions and decisions necessary to reorganize the inputs to transform them into the products or services that the organization seeks to re-introduce into the external environment (i.e., market and sell to customers). Since the entire process is seen as a system the process of exchanging and transforming energy must renew the system and thus create a stream of continuous activities. As this process continues the system should collect and analyze internal information about the operational functioning of the system so that corrections can be made with respect to energy intake and production processes so that the organization can remain on track in relation to its performance indicators.<sup>70</sup>

Zaccaro and Klimoski noted that the throughput process in the Katz and Kahn model is extremely important and complex and is generally accomplished through the creation of “connected subsystems” within the organization such as subsystems primarily responsible for actions and resources such as production, procurement and personnel (i.e., human resources). When organizations are viewed as open systems it is clear that “[a]n essential function of management is to coordinate the activities of integrated units”.<sup>71</sup> This function, which also includes maintaining interconnectiveness within the system, applies to every manager, regardless of where they might be in the organizational hierarchy; however, the challenges become more difficult for leaders near the top of the hierarchy since they must deal with interactions among a large number of units engaged in a diverse range of activities. In addition, the impact of changes in the external environment must also be taken into account and Zaccaro and Klimoski argue that another major responsibility of organizational leaders is monitoring the external environments of their organizational units and identifying and promoting changes in the system thought to be necessary in order to cope with critical changes in those environments. Again, environmental monitoring and adaptive response to changes should be a priority for all organizational leaders at every level although obviously a first-line supervisor will have a much narrower “external environment” than a CEO who needs to monitor the environment for the entire organization and deal with a much higher level of complexity and lack of structure.<sup>72</sup> Zaccaro and Klimoski noted that top executives

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<sup>68</sup> Id.

<sup>69</sup> Id.

<sup>70</sup> Id. at 19-20. For full description of the Katz and Kahn model, see D. Katz and R. Kahn, *The social psychology of organizations* (2<sup>nd</sup> Ed.) (New York: Wiley, 1978).

<sup>71</sup> Id. at 20.

<sup>72</sup> Id. at 20-21.

not only need to “span the boundary between the entire organization and more complex and unstructured environment” but are also responsible for coordinate the activities of their own “system” with other organizations that have become linked to that system through partnering arrangements.<sup>73</sup> This sort of activity not only includes oversight of key strategic alliances but also participation in lobbying efforts with competitors in order to obtain advantages for all industry participants.

Zaccaro and Klimoski provided the following description of Zaccaro’s conclusions regarding the organizational systems perspective based on an extensive review of the executive leadership literature<sup>74</sup>:

- Leader performance requirements can be described in terms of three distinct levels in organizational space.
- All organizational leaders engage in direction setting (such as goal setting, planning, strategy making, and envisioning) for their constituent units. Such direction setting incorporates an increasingly longer time frame at higher organizational levels.
- All organizational leaders engage in boundary-spanning activities, linking their constituent units with their environments. At lower organizational levels, this environment is the broader organization. At upper levels, boundary spanning and environmental analysis occur increasingly within the organization’s external environment.
- All organizational leaders are responsible for operational maintenance and coordination within the organization. At upper levels, operational influence becomes increasingly indirect.
- The effective accomplishment of executive performance functions facilitates organizational performance and success.
- Characteristics of the operating environment influence the nature and quality of executive performance requirements.

Zaccaro and Klimoski viewed the organizational systems approach as a significant contribution to the understanding of organizational leadership and were particularly impressed by the organization-wide perspective and recognition of how the roles and activities of leaders change as one goes up and down the organizational hierarchy. They were, however, critical of the failure of models in this approach to adequately take into account the performance imperatives in the leader’s operating environment that influence his or her activities. In addition, they commented that the organizational systems approach failed to give enough attention to “the links among leader attributes, the leadership functions articulated by systems models and organizational effectiveness”.<sup>75</sup>

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<sup>73</sup> Id.

<sup>74</sup> Id. at 21 (quoted verbatim). The conclusions described in the text originally appeared in S. Zaccaro, *Models and theories of executive leadership: A conceptual/empirical review and integration* (Alexandria, VA: U.S. Army Research Institute for the Behavioral and Social Sciences, 1996).

<sup>75</sup> Id. at 22.

Other researchers have studied and analyzed organizations as open systems that “have the ability to self-organize if the proper context is preserved”.<sup>76</sup> Viewed in this fashion, organizations do not exist in isolation but rather share a semi-permeable boundary with their external environment. As a result, the organization effectively merges with its environment and there is a constant flow of information going back and forth between the organization and its environment that effects and enhances the organization and influences the way the organization is structured and operates. Fairholm referred to this process as “autopoiesis”—a process whereby a system produces its own organization and maintains and constitutes itself in a space—and argued that recognition of the process created an imperative for organizational leaders to adopt the following leadership practices and approaches to maintain their organizations as identifiable entities in a turbulent environment while at the same time leading those organizations through the changes and adaptations necessary to cope with continuing environmental challenges<sup>77</sup>:

- Allow and encourage the free flow of information from and to all levels of the organization’s hierarchy, thereby supporting the development of a sense of community that promotes trust and individual autonomy. Fairholm was critical of previous prescriptions to leaders to buffer and filter information received from internal and external environments.
- Ensure that continuous feedback loops are forged and maintained throughout the organization to achieve the best advantage from creativity, the internal organizational culture and external flows of information. Credible reliance on, and support of, feedback loops is also a sign of a leader’s self-confidence.
- Maintain a relationship focus that recognizes that people are the fundamental parts of the organization and that relationships among people are the “essential building blocks of a flexible and sustainable organization”. Building strong relationships within the organization is essential for ensuring the strength and integrity of the channels through which information will flow throughout the organization.
- Build a “trust culture” in which both the leader and his or her followers can comfortably and reliably trust the purposes, actions and intentions of others and work together to further the goals of the organization based on shared values.

### §13 --Leader effectiveness

While not without opposition, the general assumption among students of leadership studies is that “leadership matters” and does have an impact on organizational effectiveness and the leader effectiveness approach includes those models and theories of organizational leadership that focus on identifying and explaining “connections between leader attributes and organizational effectiveness”.<sup>78</sup> The historical foundation for leadership effectiveness theories is the trait school of leadership described above and

<sup>76</sup> M. Fairholm, “A new sciences outline for leadership development”, *The Leadership and Organization Development Journal*, 25(4) (2004), 369.

<sup>77</sup> *Id.* at 371-374.

<sup>78</sup> S. Zaccaro and R. Klimoski, “The Nature of Organizational Leadership: An Introduction” in S. Zaccaro and R. Klimoski (Eds.), *The Nature of Organizational Leadership (Understanding the Performance Imperatives Confronting Today’s Leaders)* (New York: John Wiley & Sons, 2001), 1-41, 23.

while interest in the study of leader traits and attributes has ebbed and flowed over the years there is clearly renewed focus on identify those personal attributes of leaders that can be tied through empirical evidence to organizational success. Zaccaro and Klimoski noted that the leadership effectiveness approach and search for essential personal attributes has contributed to “a focus on leader assessment, selection, training, and development systems that enhance these attributes” and that research efforts had been made to validate the connections between particular leadership attributes and key leadership processes and organizational effectiveness.<sup>79</sup> They cited, for example, the efforts of the longitudinal assessment center research conducted at American Telephone & Telegraph (“ATT”) and the studies relating to leadership development conducted by the Center for Creative Leadership (“CCL”).<sup>80</sup> The ATT researchers found that characteristics such as “need for power”, interpersonal and cognitive skills and motivational orientations were significant predictors of career advancement. The CCL research found that managers with the following characteristics were more likely to fail once they had reached higher levels of management, even after succeeding at lower management levels: put personal advancement ahead of personal integrity; weak interpersonal skills; and narrowly focused with respect to technical and cognitive skills. Nonetheless, Zaccaro and Klimoski concluded that additional work was still needed in order to achieve an appropriate level of understanding and also noted that more consideration needed to be given to the diversity of performance imperatives confronting organizational leaders.

#### **§14 Emerging trends and issues**

While controversy has often existed, and still remains, within the field of leadership studies, it is generally agreed that a good deal of progress has been made and that a number of interesting paths for future research and understanding have been uncovered. In 2004 Antonakis et al. identified several areas that they believed warranted further research, including “context”, ethics, and leadership traits.<sup>81</sup> Several years later Day and Antonakis updated the original list to add diversity issues relating to leadership as an important area for greater research emphasis.<sup>82</sup> Another promising trend is the efforts of many scholars to integrate various conceptualizations of leadership to consolidate existing knowledge and generate new theories and models with greater explanatory value. Ideas regarding leadership are also emerging from rapid and stunning discoveries in new sciences such as quantum physics, chaos theory and complexity science that are being imported into the social sciences.

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<sup>79</sup> Id.

<sup>80</sup> Id. at 24 (citing D. Bray, R. Campbell and D. Grant, *Formative years in business: A long-term AT&T study of managerial lives* (New York: Wiley, 1974); and M. McCall and M. Lombardo, *Off the track: Why and how successful executives get derailed* (Greensboro, NC: Center for Creative Leadership, 1983)).

<sup>81</sup> J. Antonakis, A. Cianciolo and R. Sternberg, “Leadership: Past, Present and Future” in J. Antonakis, A. Cianciolo and R. Sternberg (Eds.), *The nature of leadership* (Thousand Oaks, CA: Sage Publications, 2004), 3-15, 10-11.

<sup>82</sup> D. Day and J. Antonakis, “Leadership: Past, Present and Future” in D. Day and J. Antonakis (Eds.), *The Nature of Leadership* (Second Edition) (Thousand Oaks, CA: Sage Publications, 2012), 3-25, 10-11.

Context is the primary subject matter of the so-called “contextual school of leadership”, which is related to the contingency school discussed above and suggests that “contextual factors . . . give rise to or inhibit certain leadership behaviors or their dispositional antecedents”.<sup>83</sup> Potential contextual factors include leader hierarchical level, national culture, leader-follower gender and organizational characteristics.<sup>84</sup> Contextual, or situational, factors are central to pragmatic leadership prescriptions of Hersey and Blanchard, who created a three-dimensional model for achieving effective leadership based on the following principles: leaders exhibit both task and relationship behaviors, with task behaviors focusing on organization, definition and direction of work activities and relationship behaviors focusing on providing support and encouragement to followers; leader effectiveness depends on the proper alignment of leadership style to the particular situation; and an important situational factor is the willingness and ability of followers to perform necessary tasks and activities.<sup>85</sup> Zaccaro and Klimoski urged for the study of leadership “in situ” and argued for particular attention to the dimensions of organizational structure such as hierarchical level and the degree of differentiation in function and to the specific cultural and societal parameters that the leader must deal with in his or her particular position.<sup>86</sup>

As for ethics, Day and Antonakis have commented that “the ethics of leadership and a leader’s level of moral development are increasingly becoming essential elements of leadership research and theory”.<sup>87</sup> Bass was one of the first to build ethics into a leadership model but did not do so until almost ten years after his theory was first developed when he added the distinction between authentic (i.e., ethical) and inauthentic (i.e., unethical) transformational leaders.<sup>88</sup> Day and Antonakis have urged researchers to continue to build the ethics of leader means and outcomes into their leadership models

<sup>83</sup> Id. at 10. For further information and evidence on the “contextual school of leadership”, see B. Shamir and J. Howell, “Organizational and contextual influences on the emergence and effectiveness of charismatic leadership”, *The Leadership Quarterly*, 10 (1999), 257–283; S. Hannah, M. Uhl-Bien, B. Avolio and F. Cavarretta, “A framework for examining leadership in extreme contexts”, *The Leadership Quarterly*, 20 (2009), 897–919; L. Porter and G. McLaughlin, “Leadership and organizational context: Like the weather?”, *The Leadership Quarterly*, 17 (2006), 559–576.

<sup>84</sup> J. Antonakis, B. Avolio and N. Sivasubramaniam, “Context and leadership: An examination of the nine-factor full-range leadership theory using the Multifactor Leadership Questionnaire”, *The Leadership Quarterly*, 14 (2003), 261–295.

<sup>85</sup> See, e.g., P. Hersey and K. Blanchard, “Great Ideas: Revisiting the Life-Cycle Theory of Leadership”, *Training and Development*, January 1996, 42-47; and P. Hersey and K. Blanchard, *Management of Organizational Behavior* (Englewood Cliffs, NJ: Prentice-Hall, 1993). The work of Hersey and Blanchard is often categorized under the umbrella of the so-called “situational school of leadership”.

<sup>86</sup> S. Zaccaro and R. Klimoski, “The Nature of Organizational Leadership: An Introduction” in S. Zaccaro and R. Klimoski (Eds.), *The Nature of Organizational Leadership* (Understanding the Performance Imperatives Confronting Today’s Leaders) (New York: John Wiley & Sons, 2001), 1-41, 4.

<sup>87</sup> D. Day and J. Antonakis, “Leadership: Past, Present and Future” in D. Day and J. Antonakis (Eds.), *The nature of leadership* (Second Edition) (Thousand Oaks, CA: Sage Publications, 2012), 3-25, 13. See also M. Brown and L. Trevino, “Ethical leadership: A review and future directions”, *The Leadership Quarterly*, 17 (2006), 595–616.

<sup>88</sup> B. Bass and P. Steidlmeier, “Ethics, character, and authentic transformational leadership behavior”, *The Leadership Quarterly*, 10 (1999), 181–217.

and explore ways in which the ethical and moral orientations of leaders can be developed and otherwise improved.<sup>89</sup>

One of the most interesting areas for further research is the plethora of issues raised while exploring relationships between diversity and leadership. As time goes by the pool of leaders and followers worldwide has expanded beyond the traditional “white male” to include an extremely diverse group in terms of culture, gender, race and ethnicity and sexual orientation.<sup>90</sup> As noted elsewhere in this Guide, substantial advances have been made with respect to understanding and analyzing the relationship between leadership and societal culture and the impact of gender differences has also received more attention in the recent past.<sup>91</sup> Day and Antonakis noted that research relating to leadership and race and ethnicity and sexual orientation is still trailing; however, it is expected that these shortcomings will be addressed as part of a wave of exploration of leadership and diversity.<sup>92</sup>

As noted above, interest in the study of leadership traits has experienced a resurgence due in part to progress that has been made defining alternative conceptions of various traits and in linking them to leadership emergence/effectiveness. One example is the way that the trait of “cognitive ability”, traditionally seen as a unitary concept largely related to academic ability, has been re-conceptualized to acknowledge and measure other important factors such as a person’s creative and problem-solving abilities.

Antonakis et al. also encouraged the development and testing of new leadership models that integrate some of the overlapping and complementary conceptualizations of leadership that have been promoted over the years in order to create new hybrid theories and models of leadership.<sup>93</sup> One of the attempts to integrate overlapping perspectives of leadership that they noted was the framework of executive leadership created by Zaccaro

<sup>89</sup> For further information and discussion regarding ethics, morality and leadership, see D. Day, M. Harrison and S. Halpin, *An integrative approach to leader development: Connecting adult development, identity, and expertise* (New York: Routledge, 2009); and N. Turner, J. Barling, O. Epitropaki, V. Butcher and C. Milner, “Transformational leadership and moral reasoning”, *Journal of Applied Psychology*, 87 (2002), 304–311.

<sup>90</sup> D. Day and J. Antonakis, “Leadership: Past, Present and Future” in D. Day and J. Antonakis (Eds.), *The nature of leadership* (Second Edition) (Thousand Oaks, CA: Sage Publications, 2012), 3-25, 13. For further discussion, see A. Eagly and J. Chin, “Diversity and leadership in a changing world”, *American Psychologist*, 65 (2010), 216–224.

<sup>91</sup> With regard to leadership and societal culture, see R. House, P. Hanges, M. Javidan, P. Dorfman and V. Gupta (Eds.) *Culture, leadership, and organizations: The GLOBE Study of 62 societies* (Thousand Oaks, CA: Sage, 2004). For further discussion, see “Cross-Cultural Leadership Studies” in “Leadership: A Library of Resources for Sustainable Entrepreneurs” prepared and distributed by the Sustainable Entrepreneurship Project ([www.seproject.org](http://www.seproject.org)). With regard to leadership and gender, see A. Eagly and L. Carli, *Through the labyrinth: The truth about how women become leaders* (Boston, MA: Harvard Business School Press, 2007).

<sup>92</sup> With regard to leadership and race, for example, see A. Livers and K. Caver, *Leading in black and white: Working across the racial divide in corporate America* (San Francisco: Jossey-Bass, 2003).

<sup>93</sup> J. Antonakis, A. Cianciolo and R. Sternberg, “Leadership: Past, Present and Future” in J. Antonakis, A. Cianciolo and R. Sternberg (Eds.), *The nature of leadership* (Thousand Oaks, CA: Sage Publications, 2004), 3-15, 11. See also B. Avolio, “Promoting more integrative strategies for leadership theory building”, *American Psychologist*, 62 (2007), 25–33.

that integrated elements of cognitive, behavioral, strategic and visionary leadership theories.<sup>94</sup> Bass' integration of transformational and transactional leadership theories, which is discussed elsewhere in this Guide, is another illustration of how seemingly different pieces can be woven together to provide a richer explanation of what leadership is and how it works.

### **The “Physics of Organizations”: Newtonian or Quantum?**

*There are entrepreneurs within the technology community who proudly trumpet the chaos in the markets in which they operate and defiantly announce the demise of old models of leadership and management. Their claims of change are reasonable; however, true to form, there may just be new theories to explain all of that. From a physics perspective, traditional organizational theories could reasonably be characterized as “Newtonian” as they were generally based on the assumption that all aspects of human life, including organizations, operated with mechanistic predictability. However, if leaders adopted so-called “new sciences”, including quantum physics and chaos theory, as their metaphor for organizational life and the work of leadership, they could be expected to shift their styles to emphasize different leadership technologies. For example, the new sciences’ view of organizations is an “open system” that can self-organize if the leader creates and supports the proper context through the free flow of information and feedback and maintenance of trusting relationships. The lessons of chaos theory require acceptance of uncertainty and ambiguity as a part of organizational life, thus undercutting traditional leadership tools based on rigid formality and predictability. Leaders can nonetheless overcome these challenges by “getting on the balcony” (i.e., removing themselves from day-to-day pressures in order to see the “big picture”), understanding the creative destruction cycle and, most importantly, proactively leading followers through the necessary transitions. Finally, leaders attuned to the new sciences understand that organizations thrive from clearly defined values that can be translated into a compelling vision and that a short and simple statement reflecting these values and visions can and should replace standard operating procedures and manuals and provide guidelines for autonomous action, delegation of authority, and development of future leaders.*

Another emerging trend in the study of leadership is the attempt to apply concepts derived from advances in the so-called “new sciences” (i.e., quantum physics, autopoietic theories found in biology, chaos theory and complexity science) to develop reinterpretations of traditional leadership theories and practices.<sup>95</sup> Fairholm argued that four general principles taken from the new sciences provided a “new metaphor for organizational life and the work of leadership”<sup>96</sup>:

<sup>94</sup> S. Zaccaro, *The nature of executive leadership: A conceptual and empirical analysis of success* (Washington, DC: American Psychological Association, 2001).

<sup>95</sup> M. Fairholm, “A new sciences outline for leadership development”, *The Leadership and Organization Development Journal*, 25(4) (2004), 369. See also M. Wheatley, *Leadership and the New Science: Discovering Order in a Chaotic World* (3rd Ed) (San Francisco: Berrett-Koehler Publishers, 2006).

<sup>96</sup> *Id.* at 372.

- Autopoiesis: Organizations, as “open systems”, are able to self-organize if the proper context is preserved
- Paradox: Uncertainty and ambiguity are a part of organizational life
- Fields and attractors: Organizations and the people within them cluster around inherent structuring forces
- Fractals: Simple principles and patterns may create complex structures through random (non-controlled), autonomous action

Fairholm went on to suggest various “leadership technologies” for coping with each of these general principles:

- Self-organization that leads to a harmonious workplace in which everyone is working together toward mutual objectives is a highly desirable outcome for an organizational leader that can be promoted by allowing information to flow freely, designing continuous feedback loops, maintaining a relationship focus and instilling and encouraging trust.
- Uncertainty and ambiguity should be seen as opportunities for learning and beneficial change and leaders must make the effort to “get on the balcony” (i.e., remove themselves from day-to-day pressures in order to see the “big picture”), understand the creative destruction cycle and, most importantly, proactively lead followers through the necessary transitions.
- Visions and values serve as organizational attractors and attention should be paid to each of them as a means for setting and altering organizational culture. Leaders must develop a clear statement of values and emphasize those values at every opportunity. At the same time, leaders must listen to and watch the value of their followers. Values must then be translated into a dynamic and compelling vision for the organization by the leader and the leader must teach and coach followers to accept and apply the vision and the values that support that vision.
- Leaders must recognize that their role is more about shaping principles and patterns as opposed to exerting command and control over their followers and Fairholm argued that leaders should replace standard operating procedures and policy manuals with “short, simple statements reflecting the values and vision of the organization”. These simple guidelines should be supplemented by encouragement of autonomous action, a recognition that qualitative aspects of the organization are most important than quantitative measures, and a willingness to delegate authority and foster the development and growth of followers into new leaders in their own right.

Fairholm observed that the above-described principles and technologies provided a means for designing training and development programs for leaders and argued that the theoretical framework derived from the lessons of the new sciences was more descriptive of organizational realities than previous models that assumed that all aspects of human life, including organizations, operated with mechanistic predictability. Training programs would need to focus on the various skills necessary for leaders to effectively and genuinely execute the suggested technologies. For example, development of relationships and comfort with delegation requires that leaders learn new ways to interact with followers and open their hearts and minds to equal and sharing communications

with followers during which both sides exchange ideas and provide council and advice to the other. Fairholm referred to this as “counseling-with” others and pointed out that it was a shared approach commonly associated with the democratic and participative styles of leadership and management.<sup>97</sup>

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<sup>97</sup> Id. at 380.