LEADERSHIP IN ORGANIZATIONS*

by

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Abstract

This entry on leadership for the *International Encyclopedia of the Social and Behavioral Sciences* opens by pointing out the definitional confusion among researchers of leadership—a confusion grounded in the fact that leadership can be looked at as either a property (the position of the "personalists") or a process (the position of their opponents, the "situationists"). A number of influential leadership theories are examined, including theories that emphasize the importance of traits, behaviors, contingency, attribution, and symbolism. Charismatic and transformational leadership are reviewed. Attention is given to the importance of the clinical paradigm in leadership research. Finally, questions are raised about possible areas of future research.

1. A Definitional Confusion

The Anglo-Saxon etymological origin of the words *lead, leader,* and *leadership* is *laed,* which stands for "path" or "road." The verb *laeden* means "to travel." Thus a leader is one who shows fellow travelers the way by walking ahead. This metaphor of the leader as helmsman is still very much on the mark. Unfortunately, the clarity of *leadership's* etymology is rarely matched with clarity of meaning. Papers, books, and articles claiming to delineate leadership proliferate, yet their conclusions can be confusing and even conflicting. Indeed, one of the major scholars of leadership has observed that "there are almost as many definitions of leadership as there are persons who have attempted to define the concept" (Bass, 1990, p. 11). Stogdill (1974), in his *Handbook of Leadership,* reviewed seventy-two definitions proposed by leadership researchers between 1902 and 1967. Among the more popular are descriptions in terms of traits, behavior, relationships, and follower perceptions.

The proliferation of literature on leadership in recent years is amply reflected by the increase in the number of articles listed in the latest edition of the *Handbook.* While the old *Handbook* referred to only three thousand studies, the newest edition cites almost eight thousand (Bass, 1990). Reading through this gargantuan tome is a sobering and often bewildering experience. The naive reader quickly discovers that finding one's way in the domain of leadership studies is like wandering through a forbidding wilderness that offers few beacons or landmarks. Furthermore, as Mintzberg (1982) has suggested, the popularity of leadership research is not always equaled by its relevance: "Even the titles of the theories—new no less than old—reveal the nature of their content—plodding and detached. Since the beginning, there seems to have been a steady convergence on the peripheral at best, and all too often on the trivial and the irrelevant" (p. 250). Unfortunately, Mintzberg is right on target. Too many of these studies focus on social phenomena other than their original subject of investigation. Rather than concentrating on what key decision-makers at the strategic apex of their organization are doing in the context of their work environment, researchers all too frequently draw their major

conclusions from laboratory experiments, observations of leaderless groups, or the activities of lower-level supervisors. If leadership is to be a viable area of study—and that study is to be of service to a constituency of executives—its research focus needs to be closely tied to observations of the behavior and actions of individuals in leadership positions.

2. A Proliferation of Theories

Broadly speaking, two extreme positions can be identified in leadership research. On one side of the spectrum are the "personalists"—researchers who argue that specific personality variables determine leadership effectiveness. On the other side of the spectrum are the "situationists"—those who deny the influence of individual differences and attribute all variations in leadership effectiveness to environmental constraints. While personalists views leaders as heroic helmsmen, in control of whatever situation they find themselves, situationists turn leaders into figureheads—puppets manipulated by the forces of the environment. Those in the latter camp claim that it makes little difference who is in charge; societal forces determine whatever actions need to be taken.

These opposing positions set the stage for a cornucopia of theories, each backed by strong defenders. We can find "great man" theories, trait theories, situational theories, psychoanalytic theories, political theories, humanistic theories, cognitive theories, leader-role theories, reinforced change theories, path-goal theories, contingency theories, multiple linkage theories, vertical dyad linkage theories, exchange theories, behavioral theories, and attribution theories. (It is impossible to recapitulate all these theories here. For a thorough overview of leadership research and theories, see Bass, 1990; Yukl, 1994; and House & Aditya, 1997.) This lack of apparent convergence has caused some scholars to abandon the subject altogether and focus on more specific issues, such as power, influence, and motivation. Other scholars are not as pessimistic, however, anticipating that the wealth of research findings constitutes a basis for a cogent theory of leadership.

One of the problems in dealing with the subject of leadership is that it can be looked at as both a property and a process. As a *property,* leadership is seen as a set of

characteristics—role behaviors and personality attributes—that make certain people more effective in attaining a set of goals. As a *process,* it is seen as an effort by a leader, drawing on various bases of power, to influence members of a group to direct their activities toward a common goal (French & Raven, 1959). Taking the property-process debate as a point of departure, let us turn first to the property perspective.

2.1 Order out of Chaos

The *trait theory* (or *great man theory*) offered one of the earliest conceptual ways of looking at leadership. This theory holds that there is one best way to lead and that deeply seated personality variables allow certain people to master that best way. According to this theory, there are a number of *universal* characteristics of personality that determine a leader's effectiveness, without regard to behavior in a given situation. Because leadership is viewed as a set of relatively stable and enduring personal traits or physical properties, specific personality characteristics distinguish effective from ineffective leaders.

The initial search for these universal traits applicable to any setting was not overly successful, however (Stogdill, 1948). The results were conflicting, with methodological problems in research design cited as the major reason. Disappointed by the results of these studies, many scholars interested in leadership abandoned this line of research altogether, turning to other approaches to leadership. Recently, however—after a long hiatus in trait research (and with the help of better measuring techniques)—a revival of trait theory has been observed. Those studies that have gone beyond the simplistic, atomistic approach of previous trait studies have identified a number of personality characteristics that consistently emerge, differentiating leaders from nonleaders— dimensions of character that can be mapped into the Big Five model of personality structure (Hogan, 1994). These various dimensions can be described in terms of surgency (a broad term that embraces competitiveness, achievement orientation, self-assuredness, and dominance), agreeableness, conscientiousness, emotional stability, and intelligence (including emotional intelligence [Goleman, 1995]). In addition, these studies regularly list factors such as physical energy and extraversion. (Bass, 1990; House & Aditya, 1997).

Another group of leadership scholars espouses a *behavioral theory*. Distinguishing between the *technical* actions of a leader and the *human* actions, these behaviorists emphasize a set of observable role behaviors rather than traits. Like trait theorists with their individual characteristics, these scholars see certain role behaviors as being universal—that is, as producing leadership effectiveness regardless of the setting. Generally, however, the constructs employed by these scholars have been too rudimentary. This approach often looks at behaviors via dimensions such as consideration versus initiation, or task orientation versus relationship orientation (Bales, 1958; Bales & Slater, 1955; Fleishman, 1955). Another popular typology with a behavioral slant on leadership contrasts autocratic and democratic approaches (Heller, 1969; Tannenbaum, 1958).

From this approach to leadership behavior, we move on the continuum to the *contingency theory*. Instead of taking the position that leadership traits or behaviors are applicable to any situation, those supporting the contingency theory claim that the emergence of any one style is *contingent* on the environment in which the leader is operating. According to this point of view, the most effective leader is the one who is able to adapt his or her actions depending on the situation. In the model of one of the most prominent advocates of this point of view, the effectiveness of task- or relationship-oriented leaders depends on the favorableness of the situation as defined by the power of their position, the task structure, and the quality of the leader-member relationship (Fiedler, 1967).

2.2 The Importance of Attribution to Leadership

Another group of scholars espouses the *attribution theory* of leadership. According to these situationists, leadership is not a viable scientific construct; it is a mere label given to behavior. Only people's inferences about and reactions to leaders are viable (Calder, 1977). Because individuals have an inherent need to explain events that surround them, they assume that certain types of behaviors and actions can be attributed to the leader. Thus leadership is a perceptional issue, an illusion: individuals infer causation from

observed behavior. The knowledge of the outcome causes individuals to attribute certain qualities to a leader.

This more situational point of view has been reinforced by a number of scholars of leadership who doubt whether leaders affect organizational performance. Advocates of this line of thinking contend that there are powerful external forces that shape organizational activities. Each leader is embedded in a social system—a system in which other actors not only have expectations regarding appropriate behavior but also make efforts to modify the leader's behavior—that places serious constraints on leader behavior. Leadership becomes "associated with a set of myths reinforcing a social construction of meaning which legitimates leadership role occupants, provides belief for potential mobility for those not in leadership roles, and attributes social causality to leadership roles, thereby providing a belief in the effectiveness of individual control" (Pfeffer & Salancik, 1978, p. 111).

The *symbolic role* of leadership has been further explored by other leadership scholars (Meindl, Ehrlich, & Dukerich, 1985). In an extension of the attributional school of thought, these researchers call attention to the "romanticized" conception of leadership. Ironically (given the attributional school's situational roots), these scholars suggest that leaders can play an important role through the manipulation of symbols in the management of meaning—activities that can be highly effective in influencing others. Using the vehicle of symbolism, many advocates of the situational point of view have been inching toward an *interactionist* approach to leadership studies, positioning the leader/led relationship clearly at central stage.

2.3 Leadership as a Charismatic Process

Like the attributional school of thought, the contingency approach has also set the stage for a more relational slant on the study of leadership. Believing a leader cannot be studied meaningfully in isolation from his or her surroundings, this approach views leadership as an interactive process between the leader, the followers, and the situation. This

orientation, transcending earlier, more naive approaches to leadership behavior, is an important step forward.

The problem with many relational theories in the past is that their point of convergence was too narrow. Initiation versus consideration, social orientation versus task orientation, autocracy versus democracy—such dimensions are overly simplistic in describing leadership in its context. Furthermore, these earlier relational studies focused far too much on exclusive superior-subordinate relationships, ignoring (or slighting) the various constituencies of the leader: the industry environment, the national culture, and the culture that characterizes the organization.

This shortcoming has opened the door for a fresh look at leadership in the context of *charisma*—that "divinely inspired gift" attributed to leaders by their followers. Another impetus for this line of research has been the prevalence of a business climate of uncertainty and unpredictability—a breeding ground for the emergence of charismatic leadership. In our competitive, global world, where the transformation and revitalization of organizations holds a central position, the leader is increasingly seen as a crucial agent of change.

The new focus, then, is on the *inspirational role of leaders*. Researchers are turning to the study of leaders who by force of their personality have an extraordinary effect on their followers. The challenge for leaders of organizations becomes how to affect the mind-set of the organizational participants through value creation, through influencing the organization's culture, and through building commitment to the organization's mission, objectives, and strategies to obtain well-above-average organizational performance (Zaleznik, 1977; Bennis & Nanus, 1985; Tichy & Devana, 1986).

The first person to take up this new challenge was political scientist MacGregor Burns (Burns, 1978). In his writing, he extends Weber's reflections on charisma (Weber, 1947), making a distinction between *transactional* and *transformational* leadership. While transactional leadership can best be viewed as a mundane contractual exchange based on

self-interest (often described in the literature as the manager's role), transformational leadership seeks to satisfy the higher needs of followers—to engage in a process of mutual stimulation and elevation whereby followers will transcend their own self-interests for the good of the group (Kotter, 1990; Zaleznik, 1977).

A number of researchers have built on Burns's notion of transformational leadership, using observed behavior of leaders to break the concept down into various components, in an effort to broaden early charismatic conceptualizations. For example, Bass and Avolio (1993), who view charisma as a subset of transformational leadership, list four behavioral components in the context of transformational leadership: 1) charisma or idealized influence, 2) inspiration, 3) intellectual stimulation, and 4) individualized consideration. According to them, charisma alone is insufficient to put in place a successful transformation process. Shamir, House, and Arthur (1993), building on earlier work done by House (House, 1977), contend that charismatic leadership affects followers' self-concepts and has motivational consequences due to 1) changing follower perceptions of the task that has to be accomplished, 2) offering an attractive vision of the future, 3) creating a group identity, and 4) heightening individual and collective feelings of self-efficacy. Conger and Kanungo (1987, 1998) present a three-staged model for understanding charismatic leadership as it moves organizational members from an existing position toward some desired future position: stage 1, sensitivity to the environmental context; stage 2, the future vision; and stage 3, achieving the vision.

These various offshoots of a focus on the inspirational role of leadership contribute to a rich description of what the leadership mystique is all about. Researchers who view leadership as a charismatic or transformational process give proper attention to the contextual and cultural dimensions that are part and parcel of leadership dynamics. They are sensitive to the impact of the environment on leaders and on their behavior. Furthermore, they reject narrow instrumentalism in favor of a perspective whereby the leader is seen as the transformational agent of change. Some scholars have made the point, however, that the transactional role of leadership should not be ignored. They suggest that the most effective leaders take on two roles: a charismatic role (consisting of

envisioning, empowering, and energizing) and an architectural role (designing the organization, setting up structures, and formulating control and reward systems) (Kets de Vries & Florent, 1999).

Some scholars of leadership argue, however, that in spite of the new, richer color given to leadership research, additional steps need to be taken to deepen our understanding of the leader's relational interchanges. And the challenge is formidable. In spite of the various rational ways in which researchers attempt to deconstruct leadership and charisma, charismatic leadership is not *rational* in the traditional sense of the word. By its very nature, it is unstable, in that it exploits what can be interpreted as irrational processes. We need now to find ways to explore the forces that transcend rationality. Critics also argue that the study design of many researchers evaluating inspirational leaderships treats all leaders and all followers as amorphous, interchangeable groups of people; in other words, they fail to attend to differences in personality style. To rectify these shortcomings in leadership research, deeper insight into people's desires, wishes, and needs is needed; and that insight can be provided by a clinical focus.

2.4 The Clinical Paradigm

The clinical orientation to leadership research uses findings from psychoanalysis, cognitive theory, developmental psychology, and family systems theory to arrive at a richer understanding of personality and leadership. In the deconstruction of the dynamics of leadership, this orientation looks to the *triangle of mental life* consisting of emotion, cognition, and behavior. While in other approaches to leadership the focus is generally on cognition and behavior, in the clinical approach emotions enter the equation. Research on how people alter has revealed that cognition alone does not create change; cognition needs to be complemented by emotion. The clinical paradigm also factors in unconscious processes.

The clinical orientation toward the study of leadership has helped achieve greater understanding of the leader-follower interchange. Research into the dyadic relationships created by leaders (and acquiesced to by followers) suggests that failure in leadership can

also be considered failure in "followership": just as influence moves down from the leader to followers, so also does it move up. Understanding the impact of transferential processes such as "mirroring" and "idealizing"—processes characterized by confusion of time and place between leader and led—helps researchers clarify otherwise inexplicable phenomena.

The clinical paradigm, with its belief that every thought and action has a reason, sheds new light on irrational behavior in organizations. Processes such as projection, projective identification, splitting, collective regression, identification with the aggressor, folie à deux, the fear of success, scapegoating, narcissism, vindictiveness, and containment—along with other elements of the clinical paradigm—can help researchers better understand the leader-follower exchange. The clinical paradigm can provide insights into the dynamics of group behavior and the role of the leader (Zaleznik, 1977; Kets de Vries, 1999); illuminate male-female differences in leadership through the analysis of fantasies around gender; and provide an understanding of the positive and negative effects leaders have on the corporate culture, structure, and decision-making processes (Kets de Vries & Miller, 1984). By looking at a leader's inner theater, scholars can better appreciate the reasons why that leader derails and his or her company fails. And this kind of knowledge matters, given the often terrible consequences of flawed leadership.

3. Future Concerns

Although, at first step, venturing into the domain of leadership research may seem like walking on quicksand, this brief overview demonstrates the considerable advances that have been made over the last decades. Due to promising new research directions, especially those working toward a gradual convergence of situationist and personalist positions, the prevailing attitude of disillusionment with leadership studies is experiencing a turnaround. Most researchers of leadership now perceive the importance of a relational, interactionist point of view that looks at actual leaders in their "natural" setting. As a result, there is now considerable agreement that less laboratory and more field studies of leadership are needed. Moreover, it is no longer difficult—given the rapid

changes of our era—to convince researchers of the relevance of the transformational side of leadership.

Although leadership research has come a long way, more work needs to be done. One key factor in the selection of topics that require further investigation should be relevance of a topic to leadership's various constituencies. But "relevance" needs to be broadly construed: the subject of leadership should be seen as applicable not only to a few highly exceptional individuals at the top of the organization but to a much broader audience.

Meeting these criteria, a number of issues feature prominently on the research agenda of the future. Many of them address challenges growing out of the exponential rate of change in this age of transformation:

- The role of leaders as catalysts of change needs further exploration. All too many organizational transformation efforts fail, at great cost to people and society.
- As global mergers, acquisitions, and strategic alliances become increasingly common, more attention needs to be given to the cross-cultural dimensions of leadership. To what extent does effective leadership behavior vary from culture to culture?
- Given the cross-cultural focus of business today, we need to attempt identification of the required competencies for leaders who run global organizations.
- Likewise, we need to investigate the leadership implications for running cross-cultural teams.

Many issues centered around corporate governance are begging for further investigation:

- Top-executive role constellations need to further explored. What new insights can be provided about complementarity of roles? What kind of underlying dynamics can be identified?
- Better methods of selecting people with leadership potential need to be developed. What can be said about early identification of leadership potential?

- Given the costly dramas that frequently surround top-management succession, how can we better understand the emerging psychological processes that go with it?

Those establishing a future research agenda must remember that leaders do not work alone. They need followers, and (with rare exceptions) they themselves are also followers; they also have many colleagues. Future research needs to address that collaboration:

- Followership needs to be given a more prominent place in leadership research. How, for example, do followers manage their leaders?
- Research money also need to be devoted to the question of how leadership can be distributed throughout the organization. What can be done to "stretch," to get the best out of the most people? Given the increased reliance of organizations on creativity and innovation, what can leaders do to stimulate this process? What can leaders do to be more effective in a teaching role?

A final research category includes issues related to leaders' self-understanding:

- To guide others effectively, leaders must—absolutely *must*—know themselves. As part of that process, they need to recognize and explore their blind spots. Leaders who fail to take their irrational side into account are like captains who blindly plow their ships into a field of icebergs: the greatest danger is hidden below the surface.
- How we can develop leaders' emotional intelligence? Recognizing the limits of rationality, leaders must become more sensitized to the irrationality in themselves and in others.

Leaders fulfill many different roles in people's imagination. They are catalysts of change; they are symbols; they are objects of identification; and they are scapegoats when things go wrong. Leaders are also prone to hubris. As Napoleon (an expert on the topic of hubris as well as leadership) once said, "Glory is fleeting, but obscurity lasts forever." All leaders are susceptible to the darker sides of power. The most effective leaders, however,

are the ones who know how to balance action with reflection by using self-insight as a restraining force when the sirens of power are beckoning.

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