

Leadership

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The Puzzle of Leadership

There have been almost as many leadership theories and models as authors who have written on the subject. This chapter is aimed at integrating as much as possible that is of value into an overall leadership approach.

The history of leadership thought and research is generally recognized as having followed a sequence of three primary areas of study. The first was the study of leadership traits. When this seemed to have been relatively unprofitable, as summarized in Ralph Stogdill's (1948) classic research review, the second area, the study of leader behavior, dominated research and theory for about twenty years. However, when this area, too, proved to provide a less comprehensive explanation to the puzzle of leadership than had been hoped, the third area of study came to the fore. This was, and is, the examination of leadership in the context of its setting. Even this approach failed to offer as powerful an answer to the question "What is leadership?" as had been hoped.

One way to resolve the puzzle of leadership is to simply insist that the way one has defined and measured leadership is the correct and only way to do so. Many writers on leadership have taken this approach and many continue to use simple, unsubstantiated assertion as their answer to the question of the nature of leadership. Some take a different approach and suggest that all three of the leadership aspects we have mentioned—personality, behavior, and the situational context—must be taken into consideration if we are to fully understand leadership. Although this makes sense, it still fails to provide a coherent answer.

We propose a somewhat different approach. Although accepting the premise that personality, behavior, and situation are all important, we take a step back. We start with a reexamination of the personal nature of leadership, not in terms of simple traits but in the sense of the basic element of human nature. This provides us with a central organizing framework for our concept of leadership.

Leadership Character

What is the nature of the leader's character? Is it simply a new set of traits? Though some had long dismissed traits as an adequate explanation for leadership, it is quite common for leadership scholars and practitioners to use trait like models to assess individuals' "leadership competencies." Yet the approach we present here is as old as Stogdill and as current as the most recent "five-factor" personality theory (Costa and McCrae, 1992; Digman, 1990; McCrae and Costa, 1997; Wiggins, 1996).

Stogdill observed that although no single trait or set of independent traits seemed to be strongly associated with leadership, there were five *clusters* of traits that when taken together seemed to be linked to leadership. Taken together, Stogdill's cluster list and the five factors fit rather well with what we see as three elementary aspects of leader character.

Although these three basic aspects of leadership all concern the leader personally, it would be overly simplistic to call them *personality characteristics*. The three aspects we refer to are, nonetheless, the fundamental building blocks of personality. None are newly discovered; in fact, all have been recognized for several thousand years as aspects of human nature. Plato, for example, considered human nature as having three aspects. The first (and "highest" in his view) was reason. The second was courage—the potential for action consistent with what is "good" or "right." The third element Plato defined as "appetite," that is, emotional desire. A few thousand years

later, the psychologist Ernest Hilgard (1980) spoke of *cognition* (thought), *emotion* (feeling), and *conation* (action) as the three basic elements of the human psyche—thinking, feeling, and behaving.

Thus, ancient philosophy and modern psychology seem to agree on certain fundamental facts of human nature. However, unlike Plato or Hilgard, we see emotion as the centerpiece element, the lynchpin that ties thought to action. We believe that Freud, too, saw things this way. That is, it is the *feelings* of the infant that are at the core of early human awareness. Thought and action come to be enlisted in the service of satisfying emotional needs or what Plato dismissively called “appetites.” What makes the difference in terms of what one might consider a “higher order” of functioning is, first, the way the relationships among the three elements actually play out. That is, the term *courage* links emotion to action in a positive sense and facilitates one’s use of reason—thought—to act effectively. Second, the purpose or meaning of this process of emotion as guiding positive action through reason is, in the context of leadership, the achievement of common aims and mutual moral development. It is difficult not to see this as a “higher order” of things. We will briefly give our interpretation of the three basic elements of leadership character. We use the term *will* to introduce each, because we want to emphasize that these are not necessarily inborn or genetic traits. Rather, each can be—at least to some degree—developed and increased by almost anyone.

The Will to Act: Confident Leadership

One central element of human nature is the orientation toward action. Psychologist Julian Rotter (1966) observed that some people act as though what happens to them is a matter of chance or, at least, beyond their control. Such individuals are, he said, “externally controlled.” Others appear to act in ways that show they personally feel in control of their lives—their actions and the consequences. These individuals are, Rotter says, “internally controlled.” Stanford social psychologist Albert Bandura (1982) referred to the same dimension as “efficacy.” He went beyond Rotter by pointing out that efficacy is learned through actions and outcomes in social contexts. Former president of the American Psychological Association Martin Seligman built his long research career around what he now calls “learned optimism.” We prefer a label more simple than any of these: *self-confidence*, that is, the confidence to act.

This characteristic is also similar to the “big five” factor of conscientiousness. But however labeled or measured, this personal characteristic comes into operation by the will of the individual leader, who elects to act and to engage in goal-directed behavior, rather than to sit back and observe.

The Will to Use Power: Follower-Centered Leadership

This second element centers on feeling or affect. In our view it is power or control that is at the core of human affect. Harvard social psychologist David McClelland (1987) detailed how this central emotion and need develops over time, from birth and infancy through adulthood. Although the issue of using power to gain control over one’s life is, then, a primary concern for all of us, it is also the foundation of leaders’ *development* of the power need. That is, our instinctual need for power centers on personal survival, but for leaders a higher stage of development of this power need involves the ability to use power in positive, or what McClelland called “prosocial,” ways. This benefits groups of others, not just oneself. Thus, what might otherwise be simple narcissism, or what former CIA personality analyst Jerald Post (1986) has, in referring to Saddam Hussein and some other leaders, called “malignant narcissism,” can be turned into a more healthy orientation to the need for power.

The Will to Think Critically About Cause and Effect over Time: Visionary Leadership

The third and final element concerns cognition. Plato called it “reason,” and learning theorist Hilgard labeled it “conation,” but they were referring to the same thing. Reason is not simply intelligence. Our way of looking at reason is based on the work of Elliott Jaques (1986). In this view, reason, or what Jaques called (at different times) “cognitive complexity” and “cognitive capability,” has three important aspects beyond generalized intelligence. First is the ability to think in terms of cause and effect, that is, to understand the “levers” that, by one’s actions, determine whether or not one’s goals are attained. Second is the ability to extend such thinking over time, into the relatively distant and not just the immediate future. Third is the ability to think critically, to make meaningful judgments about actions that involve use of power and influence in ways that produce positive outcomes.

Character Drives Behavior

Our earliest efforts to develop our approach to understanding leadership centered on the behaviors of leaders. The actions of effective leaders, who as Burns said transform followers into more self-directed leaders and transform social organizations into more productive and meaningful institutions, do seem to involve certain sorts of behaviors. These behaviors are more subtle than those that are at the center of older leadership behavior theories. Although there is no definitive list of the specific behaviors, it is still possible to identify some that are especially useful. Among the most important of the behaviors that transformational leaders rely on in order that their leadership might matter are the following four.

Communication Leadership

This first category of transformational leadership behavior involves focusing the attention of others on key ideas, the most important aspects of the leader’s vision. In practice, this means using metaphors and analogies that make clear and vivid what might otherwise be abstract ideas. Of course, communication leadership does not neglect the basics of effective communication practices, skills such as active listening and giving and receiving feedback effectively. These actions contribute to effective communication between leaders and followers.

Consistent Leadership

Leaders establish trust by taking actions that are consistent both over time and with what the leader has said. Leaders must also be sure to follow through on commitments, to do what they say they will do. Trust, of course, exists in the minds and hearts of followers and is not a directly observable leader behavior. But it is *consistency* over time and between words and actions and *credibility* in terms of fulfilling commitments that *produce* feelings of trust in followers.

Caring Leadership

This behavior involves showing respect and concern for people. Psychologist Carl Rogers called this behavior “unconditional positive regard.” By this he meant caring about and respecting another person despite one’s feelings or judgments about that person’s actions. As religious leaders have said, one may hate the sin yet still love the sinner. Visionary leaders show that they care not just by “big” actions, such as ensuring employees’ job security. They show it through everyday actions, such as remembering people’s birthdays or even something as basic as learning and using their names.

Creating Empowering Opportunities

Transformational leaders empower followers by allowing them to accept challenges, such as taking on and “owning” a new project. But transformational leaders also are careful to plan for success. This means that leaders don’t ask more of followers than they know the followers can accomplish. Followers might still feel a sense of risk in accepting what they see as a challenge. However, a transformational leader does what is necessary to ensure that real risk is low. The leader makes certain that empowered followers have the resources, skills, and knowledge they need to succeed.

Note that, unlike older behavioral theories of leadership, effective transformational leadership does not simply mean doing a lot of each of these four behaviors. It may be that one or another of them is most needed at a particular time or with regard to particular followers or groups of followers. Neither can the transformational leader simply follow some standard rule or prescription that calls for certain actions under certain conditions. Transformational leaders aim to define and construct those conditions by their actions. We can briefly consider just what organizational conditions—the *organizational culture*—transformational leaders want to create.

The Leader’s Role in Shaping the Organization’s Culture

Edgar H. Schein (1993) has said that the *only* important thing leaders do may well be constructing culture. They somehow help define and inculcate certain shared values and beliefs among organizational members. Values define what is right or wrong, good or bad; beliefs define what people expect to happen as a consequence of their actions. The values and beliefs shared by people in an organization are the essence of that organization’s culture.

The elements of organizational culture are not a matter of random chance. They concern the most important and fundamental issues faced by people in organizations. These issues are *adaptation*, how people deal with external forces and the need to change; *goal achievement*, the nature of organizational goals, how they are defined, and their importance; *coordination*, how people work together to get the job done; and *the strength of shared values and beliefs*, that is, the degree to which people in the organization generally agree that these values and beliefs are important and should guide their actions. We will briefly consider each issue and the values and beliefs relevant to it.

Adaptation

Consider two specific beliefs about change and adaptation. The first goes like this: “We really just have to go along with outside forces; what we do can’t make much of a difference.” Such a belief has some clear implications for action—or inaction. After all, why bother? Contrast this outlook with the belief, “We can control our own destiny.” The former belief may be more accurate in an objective sense. However, it also pretty much ensures that nothing will be done and that what is done will not make a difference. After all, no one expects it to. Even if the second belief is not as accurate, it makes it more likely that people will take actions to affect short-range outcomes as well as their long-range destiny. Perhaps their actions will have positive effects. What people expect becomes more likely. This is called a *self-fulfilling prophecy*.

Beliefs concerning change and adaptation are the organizational analog of self-confidence, the belief that one’s destiny is a matter of internal control. It is especially important that leaders teach followers self-confidence, since only then is it likely that the organization will develop the sort of culture that results in successful adaptation to change.

Goal Achievement

“Every person, every department, has its own goals; the organization is best served by competition among them.” Does that sound like a typical organizational value? Unfortunately it is; it’s unfortunate because such values don’t serve the organization well. Contrast it with this one: “We are all here to serve our customer by identifying and meeting the customer’s needs, whatever they may be.” That value says a lot about how goals are defined and what goal achievement is all about. And unlike the first value, this one does benefit the organization.

The issue of goals relates to the leader’s need for power and what attempts are made to satisfy that need. The leader may benefit the organization by empowering others. Or the leader may benefit only himself or herself, through narcissistic self-aggrandizement. Leaders’ empowerment of others is important because it places the value of goal achievement in a larger, organizational context. Achievement of goal becomes important not just in a personal, or even a group, sense, but as an organizational value.

Coordinated Teamwork

Many organizations seem to operate on the maxim “Every person for himself or herself; we all compete to be best.” But this is not a very functional value when the very essence of organization is to perform tasks that require the coordinated work of several individuals and groups. In contrast, the value “We all must work together” is a much better expression of the reality of organization. Only when people work together effectively can an organization prosper.

We spoke of vision or cognitive power as the means by which leaders think through complicated chains of cause and effect and decide how to create desirable outcomes. This means looking at the organization as a system and thinking about how it fits together, which happens, of course, through the coordinated efforts of organization members. This is one reason leaders must help followers develop their cognitive power, their own vision. Then followers will be better able to coordinate their efforts effectively.

Shared Values and Beliefs

In some organizations one hears people say, “Everyone has the right to his or her own philosophy.” Although that might seem to be a sound democratic ideal, it makes poor organizational sense. Such a value destroys the potentially positive effect of the three beliefs and values just identified. If everyone can buy into or reject them at will, how can these values and beliefs have a consistent impact on people’s behavior?

Contrast this with a very different value: “Everyone here is expected to adhere to a common core of values and beliefs.” This value supports and strengthens positive values related to adapting (“We can control our world”), achieving goals (“Results for our customers are what counts”), and coordinating efforts through teamwork (“Cooperative teamwork is what counts around here”). Of course, such a value would make values and beliefs that lead to *ineffective* adaptation, goal achievement, or teamwork even more dysfunctional. That’s why cultural strength alone, the degree to which the members of the organization share a common set of values and beliefs, is a poor predictor of organizational effectiveness. Shared values and beliefs can support increased organizational effectiveness. They can also impair effectiveness. When all hold to the same flawed beliefs, their combined efforts may lead to total disaster! Thus, the results of a strong organizational culture depend on the specific values and beliefs that culture is built on.

How Leaders Construct Culture

It is relatively easy to see how the personal characteristics required for transformational leadership relate to the fundamental aspects of organizational culture. It is another thing, however, to ask how leaders actually construct cultures. How do they go about defining and inculcating values and beliefs? There are three general approaches that are especially important.

First, leaders develop a clear, value-based *philosophy*, a statement of organizational purpose or mission that everyone understands. This task is anything but simple. A philosophy does not spring fully formed from the brow of the leader. Leaders must use their cognitive power to assess the organization's context, its environment, and the key factors in that environment. Then, they must solicit and incorporate into the vision the thoughts, values, and beliefs of others: executives, managers, and front-line employees.

Second, leaders empower others to define organizational *policies* and develop *programs* based on the values and beliefs contained in the philosophy. It is programs and policies that put values and beliefs into organizational action. For example, hiring and promotion policies should take into account values consistent with those in the organization's philosophy, as well as applicants' knowledge and skill. Reward systems and bonus programs should be based on the values of cooperation and innovative action, not on competition over a limited pool of resources.

Finally, leaders inculcate values and beliefs through their own individual behaviors, their *personal practices*. Leaders model organizational values and beliefs by living them constantly and consistently. This is why the leadership behaviors we described earlier are so important. Many people think of these behaviors as tools with which leaders explain their vision to followers and convince them to carry out that vision. There is some truth to this. However, these behaviors are most important because leaders use them to demonstrate and illustrate the values and beliefs on which organizational visions are founded. That's why transformational leadership takes so much time and effort—and why transformational leaders must be good managers with strong management skills.

Leaders use everyday managerial activities—a committee meeting, for example—as opportunities to inculcate values. In such a meeting the leader may guide a decision making process while making it clear that final authority and responsibility rest with the group. By doing this a leader takes what might otherwise be a bureaucratic process and instills the value of empowerment into that process. Whenever possible, leaders overlay value-inculcating actions on ordinary bureaucratic management activities. It's now clear why, without a sound base of management skills on the part of leaders, transformational leadership is not possible.

We have also, now, come full circle in that we can see how culture is constructed by the behavioral actions of transformational leaders. We see how the leader's character drives those behaviors. Character also enables transformational leaders to see what actions are needed to establish within an organization's culture the values and beliefs that transform followers into self-directed leaders and create high-performing transformational cultures.

Sounds Good: Does It Really Work?

The test of any theory is, of course, the degree to which it helps one predict future results on the basis of current information and the extent to which it proves useful for designing actions that produce desired results. A great social scientist said, "There is nothing as practical as a good theory!" From the initial development of transformational leadership we have placed a strong emphasis on measuring the concepts being defined and linking those measures to practical outcomes.

The most current version of these measures is called The Leadership Profile (TLP). It is a fifty-item assessment questionnaire completed by a leader and by several of the leader's associates, to give a comprehensive measure of the leader's behavior, character, and culture-building actions. The TLP consists of ten "scales," each one measuring a specific aspect of leadership behavior or character. The scales are briefly defined in Table 1.1. Note that the first two scales measure the essence of good management. That's because good management is an important foundation for effective leadership. Repeated refinement of the TLP has produced an assessment tool that has been demonstrated to yield a reliable and valid measure of leadership that matters.

Dozens of research studies have been conducted since the early 1980s to test the theory described in this chapter. Details of some of these studies can be found in the book *Leadership That Matters* (2003), by Marshall and Molly Sashkin. Overall, it has been demonstrated that leadership that matters is strongly and consistently associated with sound measures of effective organizational culture. Most important of all, it has been repeatedly shown that in banks, schools, manufacturing facilities, and a wide range of other organizations there is a strong and significant relationship between leaders' Leadership Profile assessments, which measure the degree to which a leader exhibits leadership that matters, and measures of organizational performance.

Table 1.1 The Leadership Profile

<i>Scale</i>	<i>What Scale Measures</i>
I: Capable Management	Measures how well a leader accomplishes day-to-day basic administrative or managerial tasks. Capable managers make sure that people have the knowledge, skills and resources they need to get the job done right and know what is expected of them.
II: Reward Equity	Effective leaders promise followers what followers value in exchange for good performance, and they deliver on their promises.
III: Communication Leadership	Assesses the ability to manage and direct the attention of others through especially clear and focused interpersonal communication, by using metaphors and analogies that make abstract ideas clear and vivid.
IV: Credible Leadership	Measures whether a leader “walks the talk” by engaging in behavior that is consistent both over time and with what the leader has said.
V: Caring Leadership	Measures the degree to which a leader demonstrates respect and concern for others.
VI: Enabling Leadership	Effective leaders create opportunities for followers to be empowered, to “own” the actions that yield successful results.
VII: Confident Leadership	Effective leaders believe they control their own fate. This scale measures the extent to which the leader possesses and displays this sort of self-confidence.
VIII: Follower-Centered Leadership	Measures the degree to which a leader sees followers as empowered partners rather than as subordinates to be manipulated.
IX: Visionary Leadership	Assesses the extent to which a leader sees and takes actions that will produce successful outcomes over the long term.
X: Culture Building Leadership	Measures the extent to which a leader builds a culture based on shared values and beliefs that facilitate effective performance.

In Sum

Leadership involves the will to act, to use power in a positive or prosocial manner, and to think through the consequences of actions, over time. Leaders who possess these characteristics are able to determine and to carry out the specific actions needed to transform followers into more capable self-leaders and to construct the sort of transformational organizational culture we have described.

Simple as this prescription may sound, it is far from simple in action. Understanding of the real, underlying nature of leadership, as described here, is sorely lacking both in organizations and among leadership experts. And the development of leaders who are capable of leadership that will truly make a difference and matter to people and organizations remains an abiding challenge.

But it is crucial to remember that it is character that is at the heart of transformational leadership, that drives transformational leadership behavior, and that enables such leaders to construct transformational organizational cultures. This is why we close by returning, briefly, to the essential nature of leadership. The three personal characteristics, based in the underlying aspects of human nature, seem to be at the heart of everything we do to develop and improve leadership. They are so important that they deserve a final emphasis, by means of a true anecdote.

Some years ago dancer Ray Bolger, the scarecrow in *The Wizard of Oz* movie, was asked what he thought was the underlying lesson or theme of the story. He replied that a person who saw *The Wizard of Oz* should leave with the understanding that *every* person has a heart, a mind, and the potential for courageous action. These are, of course, the three personal characteristics at the core of this presentation and of our understanding of the nature of leadership. They are, Bolger also observed, the essential gifts that make us human.

Leadership matters because it makes a difference. This difference occurs in the lives of followers, in a group or organization. There's also a difference in group or organizational performance. And there is an important difference in the organization itself as a result of leadership that matters. Thus, our approach to leadership differs from others most basically in our view of the *purpose* of leadership. The English author and essayist Samuel Johnson said, "The only aim of writing is to enable the readers better to enjoy life or better to endure it." This happens, we think, because great authors lead readers to find or make meaning in their own lives. The same can be said of good leaders in general.

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