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Leadership in Organizations, Psychology of

The primary focus of leadership in organizations is on managerial leadership as opposed to religious, political, and educational leadership, or informal leadership in peer groups.

1. *Leadership in Organizations*

Leadership in organizations is commonly defined as having and being seen to have the ability to influence, motivate, and enable others to contribute toward the effectiveness and success of a working group or an organization of which they are members. This conception is an essential component of most of the numerous definitions of organizational leadership that have been proposed in the literature (Yukl 2001). The same conception also emerged as a universal definition from discussions among scholars from about 60 countries worldwide as part of the Global Leadership and Organizational Effectiveness (GLOBE) cross-cultural research project (House et al. 1997).

The many definitions of leadership reflect serious disagreement, especially about the identification of leaders and leadership processes. Researchers who differ in their conception of leadership are likely to investigate different phenomena and to interpret empirical results differently. Yukl (2001) argues that at this point, it is neither feasible nor desirable to attempt to resolve the controversies on the appropriate definition of leadership. Leadership research should be designed to provide information relevant to the entire range of definitions.

Of equal importance is that particular initial definitions of leadership should not predetermine the answer to the central questions investigated in organizational leadership research, such as 'How to identify leaders?', 'What are leaders doing?', and 'What makes a leader effective?' Taking the identification of leaders as an example, a major proportion of leadership research was concerned with identifying personality dispositions, individual values, motives, and behavioral skills that would differentiate leaders from nonleaders or effective leaders from ineffective leaders. Smith (1995), speaking of leadership from a social psychological perspective, defines leadership as 'a quality attributed to people as a result of their

interrelations with others.' This definition implies that leadership is not inherent in people (e.g., personality characteristics like intelligence or strength of power motives) or in the positions that they occupy (e.g., role scripts and specifications of rights and duties attached to a particular leadership position). Personal characteristics and peculiarities of positions should be seen as conditions that facilitate or inhibit the expression of leadership and its effectiveness, and as such, they are matters for scientific discovery rather than defining constituents of the terms 'leader' and 'leadership.' An example in the field of leadership processes is that some theorists argue that individuals who rely on coercion and manipulation for influencing followers are not really 'leading' them if leadership is understood in terms of exercising influence which results in fervid commitment by followers. This conception of leadership, however, is too restrictive in situations when force and manipulation are recognized as legitimate means of exerting beneficial influence on followers due to, for example, corresponding cultural values, or the followers' later assessment that the use of coercion and manipulation in particular cases was the best option.

2. *Context of Inquiry*

Throughout history, proper identification of effective leaders has frequently determined the survival or demise of groups, organizations, and entire societal cultures. Thus, it is no wonder that leadership has been of concern to the foremost thinkers and social philosophers in history (e.g., Plato, Machiavelli). Today, identifying and developing effective leaders are major concerns of industry (and the military).

The scientific research on leadership did not begin until the twentieth century. It is informed by conceptions and methods of science, that is, terms are defined in observable and measurable ways, theoretical assumptions are tested with objective evidence and the desire to find general principles guides theory development as well as the design of empirical studies. Leadership research mainly focused on factors that determine how well a leader is able to influence followers and to accomplish group and organizational objectives (i.e., leadership effectiveness). Also of interest were the reasons why certain persons emerge as leaders, the determinants of the way leaders act, and the perception of leaders and leadership in the 'eye of the beholders.'

3. Approaches to the Study of Leadership

Three major categories of leadership research can be distinguished based on where they place their emphasis for explaining leadership effectiveness:

- (a) leader oriented trait and behavior approaches;
- (b) situational or contingency approaches that incorporate situational factors; or
- (c) approaches that address power and influence processes.

3.1 Trait and Behavior Approaches

The trait approach, focusing on a variety of relatively stable individual dispositions of personality, temperament, motives, and values, was dominant in early leadership research. However, the early trait approaches did not reveal a particular set of universally relevant traits to be successful (Stogdill 1948). Recently, personality traits have regained credibility in leadership research through advance in personality assessment. Today, traits such as high energy level, high self confidence, internal locus of control, emotional maturity, and integrity appear to be positively related to leadership effectiveness (cf. Yukl 2001).

A widely accepted research program on managerial motives was introduced by McClelland (1965) who suggested identifying unconscious individual motives with the projective Thematic Apperception Test (TAT) (see *Projective Methods in Psychology*). The optimal pattern of managerial motives, namely a moderately high need for achievement, a strong (socialized) power orientation, and a low need for affiliation, was shown to correspond with managerial advancement in various studies and somewhat less clearly with managerial effectiveness.

The research focus has changed from abstract traits to particular personal attributes that relate more directly to specific behaviors required for effective leadership, termed 'skills,' that is, the ability to do something in an effective manner. Leadership skills can be classified into technical skills concerned with things, conceptual skills concerned with ideas and abstractions, and interpersonal skills concerned with people (cf. Yukl 2001). Particular leadership traits and skills increase the likelihood of success but they don't guarantee it. For developing sound theories about how traits and skills affect leadership effectiveness, we need to understand how traits and skills are expressed in actual behavior.

Leadership behavior has been more widely researched than any other aspect of leadership. Throughout the 1950s and 1960s descriptions of leadership behavior and styles and their relationship to followers' attitudes and performance were investigated. Research at Ohio State University sought to classify relevant aspects of leadership behaviors and found that subordinates perceived the behavior of their leaders primarily in terms of two independent dimensions,

initiating structure (i.e., task-oriented behaviors) and consideration (people-oriented behaviors). The questionnaire used in this research, called the Leader Behavior Description Questionnaire (LBDQ), is a hallmark in the history of leadership research. Various theoretical models capitalized on these two conceptions of leadership style, however, they perceive them to be two antagonistic poles of one dimension (bipolar models), by contrasting for example, theory X vs. theory Y, democratic vs. autocratic, participative vs. directive, or task vs. group maintenance oriented leadership behaviors.

A taxonomy of a variety of specific leadership behaviors was suggested by Yukl and associates (cf. Yukl 2001) distinguishing between task behaviors (e.g., clarifying role expectations), relations behaviors (e.g., mentoring), and transformational behaviors (e.g., empowering people to implement new strategies). Specific leadership behaviors seem to be better predictors of leadership effectiveness than abstract dimensions. For example, the cumulative empirical evidence speaks for 'clarifying role expectations,' in particular, the setting of specific challenging but realistic goals, as strongly predicting leadership effectiveness on followers' motivation and performance (Locke and Latham 1990).

Trait and behavioral approaches have the tendency to look for simple answers to complex problems. Particular leadership styles and behaviors may be effective only in certain situations or at some point in the leadership process but not at others. For example, monitoring behavior is useful for discovering problems, however, unless something is done to solve problems when discovered, it will not contribute to leadership effectiveness. By looking at situational conditions and patterns of behavior rather than at traits and isolated behaviors it is possible to predict leadership effectiveness in organizations to a higher extent.

3.2 Situational and Contingency Approaches

Situational approaches emphasize the role of contextual factors and how they either influence leadership behavior directly or moderate the relationship between leadership and measures of leader effectiveness (i.e., contingency). Several theories have been proposed, each of which stresses the importance of a particular array of situational factors (for reviews, see Bass and Stogdill 2001, Yukl 1998). There is no unified theory from which the most critical situational factors for leadership can be derived.

Fiedler's *Contingency Theory* concentrates on three situational factors (task structure, quality of leader-member relations, power inherent in the leader's position) that affect the leader's ability to influence followers depending on whether the leader prefers a task-oriented or a people-oriented leadership style.

Although the conceptions of Fiedler's theory and the empirical evidence are controversial, overall his work suggests that people-oriented leadership is more influential in moderately favorable situations than task-oriented leadership which works best in very favorable (high task structure, high quality of leader-member relations, high power) or very unfavorable situations.

Path-goal Theory by Robert House concentrates on an array of situational factors (task ambiguity, characteristics of followers, and the work environment) and suggests a situation-sensitive use of either directive, supportive, participative, or achievement oriented leadership styles in order to clarify for subordinates the path between performance and reward. The assumption is that the clearer the path is laid out, the higher is the followers' task motivation and performance. Despite inconclusive research results and conceptual deficiencies, path-goal theory provides a valuable conceptual framework for identifying situational factors relevant to leadership effectiveness.

Vroom and Yetton's *Contingency Theory* focuses on characteristics of short-term decision-making tasks. Their normative model prescribes the use of different leadership behaviors, ranging from autocratic, through consultative, to group decision-making, depending on the extent to which there is an objectively 'good' task solution available and the extent to which the followers' acceptance is required for proper enactment of the decision made. This approach received considerable empirical support and has been successfully used for leadership training purposes.

Implicit Leadership Theory developed by Lord and Maher (1991) is concerned with the cognitive processes of the led when confronted with leaders and leadership attempts. The theory posits that when a certain set of conditions and events is observed (or not), then individuals attribute that leadership has occurred (or not). Thus, leadership is regarded as a subjectively perceived rather than an objective construct. Individuals not only hold conceptions of prototypical leaders and evaluate actual leaders accordingly, but they also use their implicit leadership theories to judge the degree of leadership effectiveness. In so doing, they derive judgments about behavior that they actually have not observed. Implicit leadership theory poses a problem for the assessment of leadership through questionnaires such as the LBDQ because it underlines the long-ignored fact that we don't know whether such questionnaires measure the actual behavior of the leader or the leadership conceptions of the raters. Implicit leadership theory is to be viewed as a contingency approach because it suggests that the better the match between perceived leader attributes and behaviors, and the leadership concept held by the perceivers (the led), the more likely it is that the perceivers actually 'see' an individual as a leader (or an excellent leader) and allow the leader to exert leadership influence on them.

One basic message of these and many other situation-oriented approaches is that leaders must be able to flexibly adapt and cope with different and changing circumstances, otherwise they lose their influential status. However, adaptation and coping do not mean accepting situational factors as unchangeable conditions. Thus, we finally turn to power and influence approaches that address the issue of transforming attributes of the led, and the issue of transcending values and concepts so as to create an appealing vision (or a narrow-minded ideology) via leadership influence.

3.3 Power and Influence Approaches

Power approaches seek to explain leadership effectiveness in terms of the amount and type of power possessed and exercised by leaders. A classic distinction of forms of power was presented by French and Raven (1960): reward and coercive power, that is, the capability to offer incentives and to make use of organizational sanctions; legitimate power, when followers believe that the organizational or positional power over them is rightful; expert power, when high experience, knowledge, or ability are attributed; and referent power, when a person is referred to, or group norms are identified with, due to appealing personal qualities or values systems. Yukl (2001) describes three qualitatively different outcomes for the followers that result from employing these sources of power: commitment is most likely to be associated with referent and expert power, compliance with legitimate and reward power, and resistance with coercive power. The link between the use of power and behavioral approaches of leadership influence has been established by research on so-called influence tactics, for example, rational persuasion, consultation, ingratiation, exchange, coalition building, or pressure (cf. Yukl 1998).

Leader-member Exchange Theory (LMX) by Graen and his associates focuses on the development and the quality of the mutual relationship between leader and follower. Leaders are assumed to differentiate their followers according to their competence, trustworthiness, and motivation to assume ever more responsibility. Followers whom the leader perceives to display these attributes are categorized as so-called in-group members and in exchange are given more attention, support, and sensitivity by their leaders. The other, so-called out-group members, attract the more routine tasks and maintain a formal relationship with their leaders who in return exert influence with formal authority. Three 'currencies of exchange' between follower and leader, namely personal contribution, loyalty, and affect, have been identified. A meta-analytic review of LMX has been presented by Gerstner and Day (1997).

Transformational Leadership (Bass 1998) describes leaders to transform followers' attitudes and values, to activate their higher order motives and to stimulate them to transcend the organizations' higher order goals by their self-interests. The four components of transformational leadership (idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration) are measured in the Multifactor Leadership Questionnaire (MLQ) and were found to be empirically distinguishable and to relate to work unit effectiveness. Transformational leadership is often contrasted with transactional leadership which is based primarily on compliance and norms recognized through leader-follower exchanges, that is, reward and praise are given by the leader for task completion and loyalty given by the follower.

Charismatic leadership is defined more narrowly than transformational leadership. It specifies an idolized leader's characteristics as perceived and attributed by followers. Behaviors typical of charismatic leaders are for example, the articulation of appealing visions, communication of high expectations, and expression of high confidence in followers. Some evidence of the principally positive relationship between personal charisma and effectiveness, especially in situations of crisis, was presented by House et al. (1991) in an investigation of US American presidents and various measures of national effectiveness during each president's term.

There is also a 'dark side' to charismatic leadership. Problems that can occur with 'negative' charismatics are, for example, that they seek to induce commitment to narrow-minded ideological goals or to themselves, start projects with often unrealistic premises, omit properly investing in the implementation of their visions, and fail to develop competent successors.

4. Issues of Concern for the Future

The current body of leadership research includes over 5,000 studies and we know much more about leadership than is usually recognized (cf. Yukl 2001). However, there is a lack of research integrating the different aspects outlined above (leadership traits, skills, behaviors, situational factors, power, and influence processes). Today, a general theory of leadership is not available, but some authors have described the basic conceptual components that should be part of it (e.g., Yukl 2001).

On the way to developing general theories of leadership, two issues seem to be of particular importance. First, the psychological theories of personal leadership which dominate the field should be complemented by social psychological and sociological theories of 'shared' leadership which integrate situational factors within the social context and consider the social interactive nature of leadership processes. Second, the prevailing 'western' style leadership

theories should be complemented by culture-specific and cross-cultural theories which are more appropriate for different societal cultures and for informing expatriate managers and a multicultural work force.

4.1 Personal vs. Shared Leadership

Most theories of leadership favor conceptions of unilateral influence by a single leader who is perceived as a person with outstanding characteristics. In order to understand how leadership is embedded in the dynamics of the social systems that constitute an organization, the unrealistic expectation of an 'heroic leader' who is more informed and confident than anyone else in an organization needs to be complemented by the view that leadership in organizations is a reciprocal influence process (cf. Smith 1995) involving many people from the various social systems in an organization. Bradford and Cohen (1984), speaking of 'shared' leadership, contend that the predominant conception of an 'heroic leader' undermines the principally positive effects of shared responsibility for leadership functions and empowerment of followers on leadership effectiveness. The questions of how power and leadership can be shared in organizations, and of identifying the conditions that increase the effectiveness of shared leadership deserve more research. However, this kind of research needs to employ social psychological and sociological conceptions of social interaction processes, leadership, and power as well as more elaborate research methodologies for investigating the complex nature of leadership within social systems that have been developed for studying the unilateral relationship between a single leader on followers.

4.2 Cross-cultural Leadership Research

The quantity of leadership research performed in cultures other than 'western' societies (e.g., USA, Canada, Western Europe) is very limited. This leaves it open as to whether the currently available leadership theories are universally applicable. We have good reasons to assume that there are some similarities but also marked differences in conceptions about leadership across cultures (House et al. 1997), even within particular regions that share a common market, like Europe (Brodbeck et al. 2000). For example, the GLOBE research program found that differences in the implicit leadership theories (Lord and Maher 1991) held by middle level managers are linked to the degree of societal cultural differences of the nations studied (Brodbeck et al. 2000, House et al. 1999). To move beyond a formal role in influencing others, one must first be perceived as a leader (or an effective or a trustworthy leader etc.). It is unlikely that someone

not perceived as a leader can exercise the influence on others necessary for performing effectively. With regard to culturally endorsed implicit leadership theories, it is expected that the less they overlap in terms of cross-cultural leader–follower relationships, the less likely it is that the leader will be accepted and the respective interpersonal relationships will be characterized by trust, motivation, and high performance.

The removal of trade barriers and the growth of global markets increases the permeability of organizational and national cultures. Managing a culturally diverse workforce and the transitions it entails requires that insights derived from research inform participants in a multicultural workforce, as well as the trainers and consultants facilitating them in accommodating values, skills, and behavior and adjusting the managerial context in suitable ways. Thus cross-cultural leadership research is clearly an important issue for future research.

See also: Educational Leadership; Hierarchies and Markets; Leadership in Organizations, Sociology of; Leadership, Psychology of; Organizational Behavior, Psychology of; Organizations, Sociology of; Psychological Climate in the Work Setting; Trust: Philosophical Aspects; Well-being and Burnout in the Workplace, Psychology of

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Leadership in Organizations, Sociology of

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. 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 of Leadership* (Bass 1990). Reading through this gargantuan tome, however, is a sobering and often bewildering experience. The content of the book demonstrates that the popularity of leadership research is not always equaled by its relevance. 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.

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