WORKPLACE LEADERSHIP
A REVIEW OF PRIOR RESEARCH

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July 2014
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Almost twenty years ago, the last major review of management capability in Australian organisations, the Karpin Report, was released. Titled, Enterprising Nation, it focused on the question of whether Australian management could meet the challenges of the Asian Century. The report demonstrated the case for renewal—new skills and capabilities that would enable Australian industry to make the most of Asia’s growth.

Now, Australia is more integrated into the global economy than ever before, through flows of goods and services, capital, technology, and people. But, as the events of the global financial crisis have demonstrated, the incredible opportunities created by this process of globalisation have brought with them even greater challenges than Karpin could have anticipated.

Not surprisingly, Australia is not alone in facing these challenges. Around the world, there is growing concern over sluggish productivity growth, the need for more innovation, and how to boost competitiveness. While Australia’s economic performance has been buffered by the resources boom, our productivity performance and record on innovation will need to improve substantially if competitiveness is to be enhanced.

Consequently, Australian entrepreneurs and business leaders have faced greater competition as well as more uncertainty about their future sources of competitiveness and growth.

These challenges are evident in many developments that directly affect the workplace: the acceleration of product and service life-cycles; the emergence of new industries and the destruction of old ones; and new technologies that disrupt established business models and ways of organising work and production.

Society is also changing rapidly. The working population is ageing, and the values and expectations of consumers, employees, and communities are shifting. The general public places greater emphasis on holding business to account for the consequences that their production and market choices have for the community and the environment. This, in turn, requires business to demonstrate transparency in their dealings—though accredited standards, benchmarking, and the sustainability and ethics of their business practices.

There are of course many ways for productivity and innovation to be improved. One important means is through the management and leadership of our workplaces. Good leadership and skilled management have been shown to have significant positive effects on productivity, profitability, and the ability of organisations to adapt and change to meet emerging challenges. These challenges require a different set of management skills and capabilities: they will require management to be flexible, adaptive, and transparent. They will require industry leaders to see innovation as a core priority at the board level. Innovation is also increasingly dependent on the creativity of individuals—managers, employees, stakeholder representatives—and their ability to work collaboratively.

This implies that workplace leadership will not reside in senior management alone, but will come from interactions among managers, work teams, and employees, as well as employee representatives, all of whom bring new ideas and new ways of doing things to the task of improving workplace outcomes. This will involve new management approaches based on investments in skills, opportunities for employee voice and engagement in the workplace, and quality jobs that provide incentives for employees to contribute.

Understanding these challenges and identifying ways of responding to them is the primary aspiration of the Centre for Workplace Leadership. Established in June 2013, the Centre brings together efforts of industry, government, and academia in locating new ways of improving the competitiveness, innovation, and productivity of Australian workplaces.

This review of research on the role of leadership in contributing to better workplace outcomes has been the first research task of the Centre. It is intended to inform future activities by identifying what is already known and the gaps in research. It also identifies opportunities for new and innovative leadership development programs that can assist Australian workplaces to develop management and leadership capabilities required to meet current and future challenges.

In order to define the scope of our review of the research literature, a number of difficult choices and trade-offs have been made and it is important to make note of several of these.
First, our focus is primarily on contemporary theories and approaches. It is not our intention to provide a comprehensive historical overview of the evolution of leadership research. While there is no dispute that past studies have informed our current understanding of leadership, the review restricts consideration of the historical literature only to those points where it directly pertains to the particular facet of organisational leadership approaches under examination.

Second, this review is bound to theories and approaches that are explicitly leadership focused. We recognise that theories and approaches from a wide range of areas in the social sciences have important implications for leadership—for example, theories of managerial decision-making and cognition. While the different research projects undertaken as part of the Centre’s research agenda are informed by and draw upon theories outside of the domain of leadership theory, the scope of the current review has necessarily been constrained to focus solely on leadership theories and approaches.

Finally, the scope of the review has been informed by the original priority areas for research nominated as part of the proposal to establish the Centre for Workplace Leadership at the University of Melbourne. These four areas of research focus on:

1. the role of frontline leadership capability in driving workplace productivity, innovation and performance;
2. the role of leadership in creating and sustaining high performance workplace cultures;
3. the role of leadership in transforming workplaces through technological change and workplace innovation; and
4. investing in and developing the next generation of workplace leaders.

As will be seen in the chapters that follow, issues pertinent to each of these priority themes have been of concern to leadership scholars in many different ways.

In summary, the review submits that leadership skills and capabilities can be learned. It also reflects on the nature of these skills and how they can be developed using different types of approaches and interventions. It concludes that, despite the extensive work undertaken on leadership styles, further research is required to clarify the causes and effects of leadership styles, as well as how the styles are distinct from and/or related to one another. Such research is necessary in order to understand why it is that one style might be preferred over others.

Notwithstanding these conclusions, the weight of research evidence thus far does indicate that certain styles of leadership can have strong effects on a range of outcomes likely to enhance productivity and innovation. Conversely, destructive leadership can have disastrous consequences for followers and for organisations overall. Admittedly, the latter statement is true by definition—the real challenge for organisations is to identify how destructive forms of leadership can be identified and expunged. Thus, considering the various impacts of leadership, organisational investments to improve leadership are likely to pay off.

Finally, our review concludes that leadership in the workplace is becoming increasingly important for creating and sustaining the conditions for productivity and innovation. This in part reflects the emergence of new challenges that mean that the external environment is becoming increasingly complex and unpredictable. As a consequence of these developments, many workplaces face the need for deeper and more frequent change than experienced previously. Organisational change requires effective leadership at all levels of the organisation, incorporating strong technical, strategic, and relational skills, which in turn require effective employee and managerial development programs. Organisations, including universities and business schools, must consider how to operate such development programs more effectively, but best practices will be contingent on a range of contextual factors, including characteristics of the industry and the organisation.

Having summarised the motivations, aims, and some key findings, the review commences with an outline of the structure of the report and introduces some key terms and definitions.
CHAPTER 1. INTRODUCTION

‘Leadership’ has been a major focus for management and organisational researchers interested in understanding organisational performance. Over the course of the last quarter-century in particular, researchers have explored many dimensions of leadership and the role of leadership in improving workplace outcomes. In this report we provide a review and synthesis of the main themes and findings from this body of research.

WHAT IS LEADERSHIP?

Our starting point is to more closely define the concept of ‘leadership’ and, in particular, distinguish it from the related concept of ‘management’. Some have noted that definitions of leadership are nearly as numerous as the scholars of leadership (Stogdill, 1974; Yukl, 1989, 2013). We adopt Yukl’s (1989:253) definition of leadership as

> influencing task objectives and strategies, influencing commitment and compliance in task behavior to achieve these objectives, influencing group maintenance and identification, and influencing the culture of an organization.

This definition is broad enough to allow the incorporation of various leadership theories, as well as the more critical perspectives of management and sociology. We also emphasise the fact that leadership can refer to both formal and informal influence. Thus, organisational leaders—individuals in organisations who exhibit the influence described in the above definition—may include any employee, at any level, in any workplace. In other words, just as one does not have to hold formal power in order to exert influence on another person, one does not have to be a manager in order to be a leader. Likewise, while managers may indeed hold formal power and therefore the potential to be leaders, a significant proportion of managers do not actually realise this potential (as readers with any substantial organisational experience are probably aware).

We should also note that just as one may make a distinction between the concepts of leader and manager, one may also distinguish between the concepts of follower and subordinate. A subordinate refers to a person in a formally defined position that reports to a manager, while a follower simply refers to a person who acts according to the influence of a leader. This means that while many subordinates may indeed be followers, not all followers are necessarily subordinates. A subordinate with effective leadership skills may have substantial influence over their co-workers, and possibly even their manager. Additionally, if a manager is an ineffective leader, their subordinates are unlikely to also be their followers.

It is important to realise the complex relationships among the concepts of leader, manager, follower, and subordinate. Most leaders are also followers of someone else (Yukl, 2013), just as most managers are also subordinates of higher managers. Effective managers are generally effective leaders, and highly rated subordinates are often both devout followers and effective leaders. It would therefore be a mistake to consider any of these concepts to be the equivalent of the other. Not only that, it would also be a mistake to regard any two of them as simple opposites.

In fact, as has already been alluded to, the issue of what constitutes leadership effectiveness has itself drawn a great deal of attention and controversy. Just as there are many definitions of leadership, there are also many definitions of leadership effectiveness. However, it is important to understand that the specific effectiveness criteria of a given leader will depend upon the goals to be achieved and the values to be maintained (Yukl, 2013). With that said, in order to allow for a discussion and comparison of the effectiveness of various leadership styles, DeRue, Nahrgang, Wellman, and Humphrey (2011) proposed four broad criteria for leadership effectiveness:

- individual leader effectiveness (for example, ratings of the individual leader or the degree to which the individual leader is seen to influence the achievement of organisational objectives),
- performance of the group or organisation being led,
- followers’ satisfaction with the leader, and
- followers’ satisfaction with their jobs.
Studies of leadership effectiveness generally take into account one or more of these criteria, enabling some degree of comparison among studies and organisations. Further, this set of criteria is consistent with our conceptualisation of leadership as entailing influence that spans across different levels (i.e., individual, group, and organisation).

Finally, returning to the definition of leadership adopted at the beginning of this section, Yukl’s conceptualisation of leadership is notably free of any evaluative component. As we discuss later, some styles of leadership may indeed lead to positive outcomes for the individual, group, or organisation, but other styles may be destructive or even unethical, and still others may not have been examined sufficiently to make a conclusive statement either way. The Centre aims to determine the styles that lead to beneficial outcomes and to help organisations in Australia to foster and leverage those styles.

**STRUCTURE OF THE REPORT**

This review is divided into six chapters:

- **Chapter 1** introduces the concept of leadership, and how it has been defined by researchers working in the leadership field. This chapter provides a broad framework for understanding different approaches to leadership and the different levels at which the leadership concept has been examined.

- **Chapter 2** reviews research that address the question of what skills and capabilities individuals require to be effective leaders, and how these skills and capabilities can be acquired or developed through various training, interventions, and other activities designed for that purpose.

- **Chapter 3** then reviews theories of leadership styles. In many respects, theories of styles have been the core of much of the research surrounding leadership, especially where different styles can be associated with either positive or negative outcomes, whether for employees, teams, or organisations more generally. The leadership styles literature has also been the area of leadership research most widely understood outside academic debates and has had the most significant impact on popular notions of leadership.

- **Chapter 4** follows with a summary review of empirical research that evaluates the various consequences of different leadership styles. Given the relational nature of leadership, most work has been concerned with understanding the impact of leadership styles on employee attitudes, experiences, and behaviour. Nonetheless, the last two decades in particular have seen a considerable body of work focusing on followers, work teams, and organisations.

- **Chapters 5 and 6** then consider how this body of research can inform the Centre’s four priority themes to be addressed over the next three years. **Chapter 5** discusses important implications for the role of frontline leaders in driving workplace productivity, innovation, and performance. It also notes the role of Human Resource (HR) managers, connecting leadership research to the creation and maintenance of high performance workplace cultures. The chapter closes with a discussion of leadership in the midst of technological change and innovation. **Chapter 6** discusses the research as it relates to the development of capabilities to lead the workplace of the future, considering various challenges that leaders of tomorrow will face.

- **Chapter 7** concludes the review with some final observations and identifies a number of emerging concerns and questions in the academic leadership research which have direct relevance for industry.
CHAPTER 2. LEADER AND LEADERSHIP DEVELOPMENT

Traditionally, leadership has been conceptualised as an individual skill associated with the display of specific behaviours (i.e., leadership styles) aimed at increasing organisational performance. This tradition mainly utilises training programs to enhance the intrapersonal skills and capabilities of individuals (e.g., Neck & Manz, 1996). In the last decade, theory has separated leader development from leadership development to take account of the differences between the training of individuals to be leaders and the social development of leadership within an organisation (Day, 2000; Day & Zaccaro, 2004). One of Australia’s leading leadership researchers, David Day (2000) offered one of the first reviews on the theme, highlighting the differences between the two perspectives:

- Leader development focuses on the individual human capital; namely, the set of skills, knowledge, and capabilities necessary for a leader to perform their work. The focus is on the leader as an individual defined by intrapersonal skills.
- Leadership development, in contrast, focuses on the creation of quality interpersonal networks that enhance cooperation and resource exchange. Here, the focus is on leadership as a social process taking place within the organisation and involving all actors (e.g., leaders and followers, team leaders and team members).

Table 1 depicts the main differences between leader and leadership development. Leader development focuses on the individual development of intrapersonal skills aimed at the empowerment of the leader. This core aim leads to strategy and specific programs that enable leaders to become more effective in their leadership role (Kark, 2011). Leadership development focuses on the broader development of interpersonal skills aimed at the empowerment of the organisation. Consistent with this perspective, in this report we define leader development as the process aimed at enhancing the leader’s skills and abilities (i.e., human capital). In contrast, we define leadership development as the manifestation of these enhanced skills in the form of a leadership style that empowers the employee and, ultimately, impacts on the broader social context (i.e., social capital).

Table 1. Differences between leader and leadership development

<table>
<thead>
<tr>
<th>Capital Type</th>
<th>Leader Development</th>
<th>Leadership Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human capital</td>
<td>Social capital</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leadership Model</th>
<th>Leader Development</th>
<th>Leadership Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Relational</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competence Base</th>
<th>Leader Development</th>
<th>Leadership Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrapersonal</td>
<td>Interpersonal</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Core Skills</th>
<th>Leader Development</th>
<th>Leadership Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-awareness</td>
<td>Social awareness</td>
<td></td>
</tr>
<tr>
<td>Self-regulation</td>
<td>Social skills</td>
<td></td>
</tr>
<tr>
<td>Self-motivation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Day (2000:584)

Organisations train and develop their employees mainly to enhance their individual human capital, namely, the stock of individual-based knowledge, skills, and abilities necessary to produce value (Day, 2000). A number of skills associated with leader development include self-awareness (e.g., emotional awareness), self-regulation (e.g., self-control), and self-motivation (e.g., optimism) (Day, 2000). Unlike leader development, leadership development focuses on interpersonal competence that comprises two key components: social awareness (e.g., empathy) and social skills (e.g., conflict management) (Day, 2000; Day & Harrison, 2007). This competence can enable individuals to develop network relationships with other organisational members. Leadership development is framed in a relational model of leadership (Drath, 1998; Kark, 2011).
Leader and leadership development are not, however, isolated phenomena. Developing a leader’s individual skills may also have positive effects on the capabilities or social capital of an organisation (see Brass & Krackhardt, 1999). In particular, leader development may also benefit the organisation through its influence on the formation of a corporate culture and the establishment of high-quality relationships among organisational members. In this sense, social capital generates the creation of quality interpersonal networks that enhance cooperation and resource exchange (Day, 2000).

While human capital is embodied in specific individuals in the form of skills and abilities, by its nature social capital cannot be linked to specific individuals, but is articulated at a higher interpersonal or organisational level. It is useful to conceptualise social capital as the synergistic effect derived from linking the human capital of multiple individuals, or as the potential organisational advantage represented by quality networks cooperating under a shared vision.

This insight has more recently had a profound impact on our understanding of leader development —most significantly, the importance of taking a more holistic approach has been recognised. Consequently, in contrast to the traditional focus on individual personality traits, experiences and skills, contemporary frameworks for the development of successful leaders emphasise interventions that enhance relational skills that are critical to group and team performance (Day, Gronn, & Salas, 2004; Lord & Hall, 2005).

The remainder of this chapter examines how leader and leadership skills can be developed. We commence with examining the role of experience, and then go on to examine a variety of frameworks that examine the skills required for leadership.

**EXPERIENCE AND LEARNING**

Researchers have identified ways in which both personal experiences and job experiences contribute to leader development. Socially-learned leadership patterns—for example those learned by children and adolescents from their parents—start during childhood and are influenced by parental modelling (Zacharatos et al., 2000). These baseline leadership patterns are then developed and shaped through additional experiential paths. Hirst et al. (2004), for example, note how ‘action learning’ (a leader development practice we will discuss) allows leaders to learn from challenging and stimulating jobs.

Significantly for our understanding of the scope and impact of leadership development interventions, research indicates that the more experience a leader accumulates over the course of their personal and professional life, the less that leader will be inclined to reconsider their cognitive framework. That is, seasoned leaders tend to learn at a slower rate than young leaders, simply because their mental models and responses have, over time, been locked in and decision-making has become less flexible. For example, a leader that has solved a particular type of problem repeatedly over an extended period would be less inclined to adopt a new problem-solving technique, in comparison to a young leader less entrenched in a cognitive pattern of problem solving (Hirst et al., 2004).

This insight has been used to explain the need to understand the learning pace of individual leaders and tailor intervention, rather than using standard forms of interventions or investing only in rapid learners.

**FRAMEWORKS FOR EXAMINING LEADERSHIP SKILLS**

Experience is just one side of the coin and encompasses the skills learned and developed during a leader’s journey. Leader ‘types’, which are characterised by specific sets of skills, enable individuals to achieve higher performance and to move from junior to senior executive positions (Connelly et al., 2000).

The following sections outline four of the most influential frameworks for examining the different sets of leadership skills that are possessed by leaders at different levels within the organisation:

- the Wisdom, Intelligence & Creativity Synthesised (WICS) framework provides a holistic perspective defining leadership as the process of ideas generation, problem-solving, and judgement (Stemberg, 2008),

- the Big Five Personality defines different elements of individual personality traits that affect behaviour (Costa & McCrae, 1992; Goldberg, 1990),
the Cluster of Skills defines different types of leaders at different organisational levels depending on the skill sets possessed (Mumford et al., 2000a), and

the Strataplex builds on the Cluster of Skills framework to specify how junior, middle, and senior managers require different abilities to carry out their daily activities (Mumford et al., 2007).

Each framework and the associated skills are explained in more detail below.

THE WISDOM, INTELLIGENCE & CREATIVITY SYNTHESISED (WICS) FRAMEWORK

The Wisdom, Intelligence & Creativity Synthesised (WICS) framework conceptualises leadership as the process of successful decision-making arising from a combination of creativity, intelligence, and wisdom (Sternberg, 2008). Wisdom represents the ability to balance personal, interpersonal, and organisational interests in a way that allows effective, creative solutions to be implemented. Wisdom works as a catalyst for creativity and intelligence, but is hard to develop. Sternberg (2008) proposes five components for wisdom:

- factual knowledge learned by studying,
- experiential knowledge closely related to one’s life span,
- procedural knowledge to handle the events of life,
- relativistic knowledge of values, goals, and priorities in life, and
- uncertainty management.

Intelligence is used to determine if a creative solution is feasible and viable. Although intelligence can be variously defined, under the WICS framework it refers to the ability to memorise, recall, analyse, and evaluate information.

Creativity refers to the ability to generate ideas that are high in quality and novelty. According to Sternberg (2008:361), “creative individuals are good problem finders who devote their resources to solving problems that are worth solving in the first place”. Creativity leads to a set of sub-skills that are fundamental for leadership because they determine the generation and management of ideas that others will follow. These sub-skills are:

- problem redefinition according to one’s creative judgement,
- problem analysis,
- creation of an environment that stimulates creative thinking,
- willingness to take risks,
- toleration of ambiguity and uncertainty, and
- willingness to grow intellectually in a continuous way.

Sternberg asserts that through wisdom, intelligence, and creativity, successful leaders are able to develop different narratives that can appeal to their followers and provide insights, experiences, and inspiration. Narratives are the stories articulated by leaders to present themselves as driven by a coherent and unifying motivation. Leadership narratives ‘elevate’ the leader to a platonic archetype embodying strong and clear attributes to attract followers and distinguish the leader in the minds of the followers. According to Sternberg (2008), a leadership narrative is successful when it:

- fits the needs of followers,
- is compelling,
- is succeeding, and
is persuasive that is achieving what it was meant to achieve.

That is to say, leaders deploy narratives (or cognitive frames) with a plot and characters which communicate the contribution the leader is willing to make in bringing stated aims to fruition. As each story is socially constructed and different people can interpret it in different ways, the leader who is successful is the one who is able to convince followers to accept the leader’s own version of the story. Table 2 provides a summary of the key leader archetypes and their associated narratives as identified by Sternberg (2008).

### Table 2. Leader archetypes and associated narratives

<table>
<thead>
<tr>
<th>Archetype</th>
<th>Narrative</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Conqueror</td>
<td>The leader that can defeat all enemies</td>
</tr>
<tr>
<td>The Conserver</td>
<td>The leader that will keep things as beautiful as they are</td>
</tr>
<tr>
<td>The Diplomat</td>
<td>The leader that can make everyone work together</td>
</tr>
<tr>
<td>The Organiser</td>
<td>The leader that can plan and create order</td>
</tr>
<tr>
<td>The Scout</td>
<td>The leader that will explore new directions</td>
</tr>
<tr>
<td>The Saviour</td>
<td>The leader that will save the organisation from failure</td>
</tr>
</tbody>
</table>

*Source: Sternberg (2008)*

The WICS framework has been tested in education as an alternative to conventional university admission tests and other assessment instruments (Sternberg et al., 2012). The authors found it to be a more comprehensive assessment tool that reduces the influence of ethnic and socioeconomic differences and predicts leadership behaviours. Findings from Kolodinsky and Bierly (2013) further confirm that the WICS framework is a comprehensive assessment tool for use in an executive context.

### BIG FIVE PERSONALITY

Prior research has suggested that personality traits influence the leadership effectiveness of leaders (DeRue et al., 2011). Individual traits, as part of interpersonal attributes, determine the approach that one uses in social interaction (Bass & Bass, 2008). The Big Five Personality is widely used to study the relationship between leader traits and leadership behaviour. The Big Five consist of openness, conscientiousness, extraversion, agreeableness, and neuroticism (Goldberg, 1990; Costa & McCrae, 1992). Table 3 describes each element of the Big Five.

Of the traits that comprise the Big Five Personality, prior studies found that only extraversion and agreeableness are consistently related with leadership effectiveness (e.g., Judge et al., 2002). Research apart from that relating to the Big Five Personality has found that traits such as resilience, hope, optimism, as well as communication skills are significant to leadership (Klimoski & Hayes, 1980; Peterson et al., 2009).
Table 3. Big Five Personality

<table>
<thead>
<tr>
<th>Traits</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neuroticism</td>
<td>The tendency to be depressed, anxious, insecure, vulnerable, and hostile.</td>
</tr>
<tr>
<td>Extraversion</td>
<td>The tendency to be sociable and assertive and to have positive energy.</td>
</tr>
<tr>
<td>Openness</td>
<td>The tendency to be informed, creative, insightful, and curious.</td>
</tr>
<tr>
<td>Agreeableness</td>
<td>The tendency to be accepting, conforming, trusting, and nurturing.</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>The tendency to be thorough, organized, controlled, dependable, and decisive.</td>
</tr>
</tbody>
</table>

Source: Goldberg (1990)

CLUSTER OF SKILLS

Mumford et al. (2000a) surveyed the skills of junior and senior military officers to assess the combinations of personality traits, motivation, cognitive skills, and social skills that were more likely to lead to senior positions.

Personality traits were measured using the Myers-Briggs Type Indicator (MBTI), a psychometric assessment concerned with the way people perceive the world and carry out decisions (Briggs-Myers & Briggs, 1985). The inventory comprises of four, opposing dyads:

- introversion-extraversion,
- thinking-feeling,
- sensing-intuition, and
- perception-judgement.

Motivational characteristics were measured using two constructs drawn from the Personality Research Form, a standard measure of personality traits (Jackson, 1989). The first characteristic, achievement, describes the desire of the leader to succeed and reach his or her goals. The second characteristic, dominance, describes the propensity of the leader to exert power and influence over others.

Cognitive skills included planning, openness to new ideas, generation of ideas, propensity to revise ideas, and critical thinking. Moreover, a battery of ability tests measured verbal reasoning and writing skills.

Drawing on this list, Mumford et al. (2000a) identified seven clusters of skills associated with different types of leaders:

- struggling misfits,
- limited defensives,
- disengaged introverts,
- concrete achievers,
- social adaptors,
motivated communicators, and

thoughtful innovators.

The least effective leadership types are the struggling misfits. They have neither exceptional skills nor high motivation, while possessing low intuition, low critical thinking, low openness, and limited verbal reasoning, planning, and judgement skills. Struggling misfits may enter junior leadership positions but almost none will reach senior executives positions.

Two clusters of skills were common at junior levels, although they tended to disappear at senior executive positions: limited defensives and concrete achievers. Limited defensives are introverted thinkers who struggle in communicating their vision. They score high on introversion, sensing, thinking, and judging, but low on intuition, planning, and verbal reasoning. Disengaged introverts, on the other hand, are planners and generators of ideas but lack motivation. They score high on introversion, intuition, perception, planning, and ideas generation, but low on responsibility, achievement, dominance, and extroversion. This suggests that possessing good cognitive skills alone is not enough to become a great leader.

Concrete achievers in contrast are pragmatic and straight to the point. They score high in achievement, motivation, and planning, but low in openness, intuition, perception, and verbal reasoning. Concrete achievers are the most heavily represented group at junior executive levels. High motivation is a necessary factor, but on its own is not sufficient to reach top level positions of leadership. As a result, only half of concrete achievers advance to senior executive positions.

Social adaptors are equally likely to be found at junior and senior executive positions, demonstrating how good relational skills may compensate for a lack of deep critical thinking. They score high in extroversion, feeling, perception, openness, and verbal reasoning, but low on thinking, judging, and sensing.

The most successful skill combinations are possessed by motivated communicators and thoughtful innovators and are more common at senior executive positions.

Motivated communicators are dominating and capable communicators who score high in achievement, dominance, extroversion, responsibility, and verbal reasoning, but low in intuition, feeling, and perception.

Thoughtful innovators are highly motivated thinkers who are result-driven at the cost of a lack of empathy. They score high on intuition, thinking, achievement, dominance, openness, verbal reasoning, planning, and generation of ideas, but low in sensing and feeling.

This first study on the skills needed at different organisational levels led the way to the formalisation of a general framework, the Strataplex, which categorised the various skills and focused on three macro-organisational levels.

**STRATAPLEX**

The Strataplex concept, also developed by Mumford and colleagues, is a valuable tool for assessing skills that are needed by leaders at different levels within an organisation (Mumford et al., 2007). According to this framework, leaders at junior, mid-level, and senior positions need different combinations of cognitive, relational, business, and strategic skills:

- **Cognitive skills** refer to basic information processing and communication abilities, including reading, writing, and oral presentation. They also include adaptive abilities and critical thinking.

- **Relational skills** refer to the set of social abilities necessary to interact with others. They include empathy, judgement, persuasiveness, and negotiation skills.

- **Business skills** refer mainly to operations management and the management of personnel, material, and financial resources. They can be considered higher-order cognitive skills.

- **Strategic skills** refer to the set of conceptual skills necessary to have a global perspective and influence the organisation. They include articulation of a vision, strategic planning and understanding around the causal paths affecting the organisation, perception of changes, problem-solving skills, and evaluation of alternatives.
The Strataplex framework highlights how cognitive and relational skills are more relevant at junior and middle levels, while business and strategic skills fully emerge only at senior levels. For example, Kunthia and Suar (2004) observed that junior level leaders draw more heavily on cognitive skills to manage daily routines. In contrast, middle-managers bridge the ranks of junior leaders and senior executives and require high levels of relational skills. Their job is mainly to manage the activity flow and the effective operation of systems and processes. Senior level executives plan, solve, and coordinate, and thereby need higher level business and strategic skills. Figure 1 depicts this uneven partition of skills depending on the role of the leader in the organisation.

Thus far, four different leadership frameworks have been reviewed, each of which broadly categorises the skills and capabilities that must be possessed by successful leaders at different organisational levels. Building on this discussion, the section that follows provides a deeper examination of current perspectives on the cognitive-technical, relational-social, and strategic skills associated with effective leadership.

**Figure 1. Strataplex**

![Strataplex Diagram](image)

**LEADERSHIP SKILLS**

The effectiveness of a leader can be defined as his or her ability to apply general and specific skills that respond to the expectations and demands of the organisation. Leadership skills develop following a cluster approach, such that basic skills are learned first and then combined to form higher-order skills (Lord & Hall, 2005). For example, a leader may develop self-regulation, self-monitoring, motivation, and empathy as individual skills. Together, the aggregation of these abilities defines the emotional intelligence of the leader (Ferris et al., 2008).

**COGNITIVE SKILLS AND MOTIVATIONAL TRAITS**

The entry-level requirement for a good leader lies in their cognitive skills, namely the ability required to carry out a task without necessarily interacting with other organisational members. Basic cognitive skills are manifested at a practical and/or motivational level. As the Cluster of Skills framework shows, leaders at the junior level either possess strong technical backgrounds or are highly motivated to achieve.
Cognitive skills

At junior level positions, a leader is mainly required to carry out specific tasks that require several technical skills, depending on the business activity, including:

- Information processing skills are a common requirement in most organisations, for example, written and verbal reasoning, critical thinking, judgement, and priority setting.

- Effective communication skills are equally necessary, since the sharing of information is vital for any organisation. Effective communication concerns both eloquence and the ability to promote a free flow of information within the organisation. Eloquence refers to charismatic talking and powerful rhetorical skills that can translate abstract concepts into tangible directions and ideas that followers recall and comply with (Conger & Kanungo, 1998). Free information flow refers to the promotion of a culture where information circulates and fosters creativity and communication (Fairholm, 2004).

- Specific technical skills refer to all the specialised capabilities necessary to perform a highly-technical task, for example, programming in C++ for a software engineer, speaking in Japanese for an interpreter, or analysing data for a researcher.

Motivational traits

Successful leaders are highly motivated and committed to their objectives—they feel they are able to achieve them and control themselves in most situations. In this context, the term motivation is a comprehensive one, referring to the leader’s tendency to achieve effectiveness through their high levels of energy, self-efficacy, and self-regulation.

- Energy is needed to develop passion for the job and persistence, which in turn are used to promote organisational commitment among followers. Without high levels of energy, it is hard to act as a role model and convince followers to work hard (Shamir et al., 1998).

- Self-efficacy allows the leader to face challenges knowing that they are hard but winnable. Self-efficacy describes the leader’s confidence, determination, character, and inner direction (Shamir et al., 1998), all of which help the leader to cope with uncertainty and make it easier to take risks.

- Finally, self-regulation refers to the ability of the leader to control emotions and impulses that may be detrimental to carrying out his or her objectives.

Relational skills

Cognitive abilities like analytical reasoning and technical skills like business planning or statistics form the basis of a leader’s human capital and are commonly associated with high performance (Goleman, 1998). However, technical skills mainly matter as threshold capabilities to access junior executive positions. At higher levels, leaders must possess a distinct set of relational skills to cope with organisational conflict, unexpected opportunities, and unforeseeable change.

Effective leaders can articulate a compelling vision and appeal emotionally to their followers to reach it. To do so, leaders need well-developed relational skills including empathy, extraversion, persuasiveness, social astuteness, and the ability to forge strong ties and networks. However, some of these relational skills require the leader to possess motivational skills including self-regulation and self-efficacy. The following examines relational skills using different frameworks that highlight this interaction.

Emotional Intelligence

The broad construct of ‘Emotional Intelligence’ has been found to be twice as important as cognitive and technical skills in predicting performance, with teams led by emotionally intelligent leaders outperforming their annual goals by 20 per cent (Goleman, 1998). Emotional Intelligence represents a complex construct formed by three self-management abilities (self-awareness, self-regulation, and motivation), and two relational abilities (empathy and social skills). Table 4 sets out the components of emotional intelligence according to Goleman (1998).
<table>
<thead>
<tr>
<th>EI Component</th>
<th>Definition</th>
<th>Hallmarks</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self-awareness</strong></td>
<td>Knowing one's emotions, strengths, weaknesses, drives, values, and goals — and their impact on others</td>
<td>Self-confidence Realistic self-assessment Self-deprecating sense of humour Thirst for constructive criticism</td>
<td>A manager knows tight deadlines bring out the worst in him. So he plans his time to get work done well in advance.</td>
</tr>
<tr>
<td><strong>Self-regulation</strong></td>
<td>Controlling or redirecting disruptive emotions and impulses</td>
<td>Trustworthiness Integrity Comfort with ambiguity and change</td>
<td>When a team botches a presentation, its leader resists the urge to scream. Instead, she considers possible reasons for the failure, explains the consequences to her team and explores solutions with them.</td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td>Being driven to achieve for the sake of achievement</td>
<td>A passion for the work itself and for new challenges Unflagging energy to improve Optimism in the face of failure</td>
<td>A portfolio manager at an investment company sees her fund tumble for three consecutive quarters. Major clients defect. Instead of blaming external circumstances, she decides to learn from the experience—and engineer a turnaround.</td>
</tr>
<tr>
<td><strong>Empathy</strong></td>
<td>Considering the feelings of others, especially when making decisions</td>
<td>Expertise in attracting and retaining talent Ability to develop others Sensitivity to cross-cultural differences</td>
<td>An American consultant and her team pitch a project to a potential client in Japan. Her team interprets the client's silence as disapproval and prepares to leave. The consultant reads the client's body language and senses interest. She continues the meeting and her team gets the job.</td>
</tr>
<tr>
<td><strong>Social skill</strong></td>
<td>Managing relationships to move people in desired directions</td>
<td>Effectiveness in leading change Persuasiveness Extensive networking Expertise in building and leading teams</td>
<td>A manager wants his company to adopt a better internet strategy. He finds kindred spirits and assembles a de facto team to create a prototype web site. His company forms an internet division—and puts him in charge of it.</td>
</tr>
</tbody>
</table>

*Source: Goleman (1998)*

- **Self-awareness** is the extent to which a leader understands their feelings and emotions and how they impact on themselves and other people. Self-aware leaders are neither overly critical nor excessively optimistic: just realistic. They are self-confident, knowing how to leverage their strengths and how to avoid venturing into situations where they are weak. Moreover, they talk plainly about their feelings and are able to recognise their failures and learn from them.

- **Self-regulation** concerns the capacity to control moods and feelings and direct them in useful ways. Self-regulated leaders are able to ignore their instinctive impulses, suspending judgement and action for the sake of thinking and planning. Calm and regulated leaders generate a climate of trust and openness to change, in which each idea can be discussed with tolerance for ambiguity. Moreover, self-regulated leaders foster a climate of integrity, saying no to impulsive urges.

- **Motivation** concerns the willingness to achieve for the sake of achievement, the propensity to challenge oneself and improve, and the tendency to pursue objectives with passion. Motivated leaders love to learn, are willing to improve the way things are done, and are energised by intrinsic factors that go above and beyond monetary rewards and desire for status. Because of this, motivated leaders remain optimistic even in the face of adversities because they see them as opportunities.
Empathy is the ability to feel the emotion of others and react accordingly. Empathy is crucial in building and retaining successful teams and to bridge cultural differences. An empathic leader may also sense emotions and read the body language of people from different cultures (see example in Table 4).

Social skill refers to general mastery in managing relationships and creating networks. Social skill is not a synonym for being sociable, but rather friendliness with a purpose. Socially skilled leaders move followers in the desired direction and can access multiple networks of acquaintances to benefit from different skill sets.

Once the concept of Emotional Intelligence is understood and its importance acknowledged, the next question from the perspective of leadership development is, can it be learned?

Empirical evidence supports both genetic and learned components of Emotional Intelligence, so that people can be born with a specific propensity for it and then their supporting environment can either increase or hinder the development of that propensity. Moreover, Emotional Intelligence increases with age and is associated with the brain’s limbic system that regulates feelings and emotions (Goleman, 1998). The reason why several developmental programs fail in developing Emotional Intelligence is because they assume it is a skill that can be learned at the same pace and with the same techniques used to develop technical skills. Instead, Emotional Intelligence requires hard training and the breaking of habits, as well as listening to feedback and internalising it—all over a prolonged period of time.

Emotional Intelligence has attracted researchers for further studies as well as a substantial level of attention from practitioners in the past two decades (e.g., Caruso & Wolfe, 2004; Goleman, 1998; Mayer et al, 2000; Shankman & Allen, 2008). While Goleman’s (1998) concept of Emotional Intelligence has been extensively used in most popular management books and even text books, his work has been criticised by of a number of scholars due to its flawed methodology e.g., the measure and self-report format (Antonakis et al., 2009).

From a research point of view, Salovey and Mayer's conceptualisation of Emotional Intelligence—of emotional maturity and stability—is favourably acknowledged as the more rigorous approach to individual measurement. Arguing that Emotional Intelligence is part of social intelligence, Salovey and Mayer (1990:189) define it as “the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them, and to use this information to guide one’s thinking and actions”. The concept of emotional intelligence employed by Salovey and Mayer is described in Figure 2.

Figure 2. Conceptualisation of Emotional Intelligence

According Salovey and Mayer (1990), Emotional Intelligence enables individuals to accurately assess and express their feelings. The mental process includes:

- appraisal and expression of emotion,
- regulation of emotion, and
- utilisation of emotion.
Emotion can also be utilised by individuals to manage their flexible planning, creative thinking, attention, and motivation. The Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT) was developed to measure the concept.

While study on Emotional Intelligence is progressing, it is important to note that the vast majority of leadership and organisation researchers have demonstrated serious concerns regarding its effect on leadership and work performance (e.g., Conte, 2005; Zeidner et al., 2004). The opponents of Emotional Intelligence have cited a lack of empirical support in the past 20 years since Salovey and Mayer's introduced the concept (Antonakis et al., 2009). Furthermore, the predictive capability of Emotional Intelligence on work performance is almost non-existent (Antonakis et al., 2009).

Nonetheless, proponents continue to study and use more rigorous approaches examining the relationship between Emotional Intelligence and leadership effectiveness (Dashborough & Ashkanasy, 2003). Recent research found that, while its effects are rather weak, Emotional Intelligence is useful in high-stress workplaces where the cognitive ability of the leaders has limited application (Salas et al., 1996). In summary, it is important that researchers and management practitioners are careful not to over emphasise the significance of Emotional Intelligence in a workplace context (Antonakis, 2004; Jordan et al., 2006).

Political skills

As mentioned above the construct of social skill is comprehensive, encompassing several interpersonal skills (Goleman, 1998). Political skill refers to the idea of sociability with a purpose, namely, ‘the ability to understand social interactions at work and to use this understanding to influence others to act in ways that enhance one’s personal or organisational goals’ (Ferris et al., 2005:127). Political skill is a complex social variable composed of:

- **Social astuteness** is the leader’s ability to observe the social environment. Socially astute leaders know which social interactions are going on in the workplace and are able to interpret the behaviours of other people.

- **Interpersonal influence** is the leader's ability to adapt their behaviour to the situation in order to move people toward the desired goals. The combined abilities of social astuteness and interpersonal influence allow the leader to forge relationships easily.

- **Networking ability** provides the leader with information and social support, guaranteeing the leader a privileged position in the social network.

- **Apparent sincerity** refers to the leader’s ability to be seen as an authentic and integrity-oriented person. This dimension is extremely important since the leader’s ability to influence the behaviour of others depends on this façade of integrity: if people perceive that the persuasive attempt derives from other motives they may label it as coercive and react defensively.

Leaders possessing high-level political skills are generally more effective at managing conflict and utilising influencing tactics. They are less likely to utilise assertiveness and generally obtain support from their followers, their peers, and those higher in the organisational hierarchy (Ferris et al., 2007; Kipnis et al., 1980). Recent findings suggest that the ability to create high quality leader-member exchange is responsible for increased performance as rated by both the leader and the followers (Erdogan & Bauer, 2014). Moreover, political skill increases job satisfaction and facilitates access to high hierarchical position within the organisation (Ferris et al., 2008).
Ferris et al. (2008) investigated empirically which leadership skills are essential to developing good political skill. Self-efficacy defines the extent to which the leader feels confident in different situations. Leaders high in self-efficacy are socially astute, influential, and are perceived as more sincere. Affability defines the degree of extraversion of a leader. Extraverted, talkative, and social leaders are socially astute, influential, and are able to develop networks easily. As a result, extraverted leaders have broader social networks and also receive more social support from their followers (Ferris et al., 2008). Finally, mentoring experiences allow leaders to develop their political skills and become more socially astute, build broader and more effective networks and be perceived as more sincere. Mentored leaders learn about organisational issues faster and are able to understand both formal and informal power structures more quickly (Ferris et al., 2008). Given the importance of understanding politics in the workplace, junior leaders should be mentored with an emphasis on political skill. The components and antecedents of political skills are summarised in Table 5.

**Table 5. Political Skill (PS) components and their antecedents**

<table>
<thead>
<tr>
<th>PS Component</th>
<th>Definition</th>
<th>Antecedents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social-astuteness</strong></td>
<td>Ability to observe the social environment</td>
<td>Self-efficacy, affability, mentoring</td>
</tr>
<tr>
<td><strong>Interpersonal influence</strong></td>
<td>Ability to change behaviour according to the social environment</td>
<td>Self-efficacy, affability, self-monitoring</td>
</tr>
<tr>
<td><strong>Networking ability</strong></td>
<td>Ability to forge relationships and build partnerships</td>
<td>Affability, mentoring</td>
</tr>
<tr>
<td><strong>Apparent sincerity</strong></td>
<td>Ability to be perceived as fair and authentic</td>
<td>Self-efficacy, mentoring</td>
</tr>
</tbody>
</table>

*Source: Ferris et al. (2008)*

**Conflict management**

Conflict is defined as an ‘interactive process manifested in incompatibility, disagreement, or difference within or between social entities’ (Rahim, 2002:371). Conflict is facilitated when social entities—individuals, teams, or organisations—need to collaborate as part of their activities. In particular, conflict is triggered when a social entity:

- is required to do something incompatible with its goals or preferences,
- wants resources that are desired by another party and that are not plentiful enough to satisfy all parties, or
- has values, skills, and goals that are perceived to be exclusive of the values, skills, and goals of the other party.

Conflict can happen at different organisational levels:

- interorganisational conflict occurs between two or more organisations, whereas
- intraorganisational conflict occurs within an organisation, usually between two or more departments, teams, or individuals (Rahim, 2002).

Organisational conflict management requires an accurate diagnosis of the nature of the conflict and the best way to handle it. According to Smith and colleagues (2012), three skills can be vital in managing organisational conflicts. The first is the acceptance of competing demands as a part of organisational life. In order to do so, a leader must adopt an abundance mentality, seeing resources as regenerative and enabling rather than limited and limiting, and accepting the contradictions of conflicting demands. The second is the differentiation between the unique contribution provided by each alternative involved in the conflict. The third is the integration of the alternatives, exploiting the synergies that can arise from them.
In particular, Rahim (2002) suggests five conflict management styles to be employed depending on the contingencies:

- **Integration** (win-win, joint problem solving) requires parties to cooperate, sharing information, resources, and ideas to successfully overcome conflicts. Through open communication and problem solving, both parties can develop creative solutions.

- **Obligation** (lose-win, accommodative) requires parties to minimise differences and accentuate similarities between them. Usually one of the two parties is in a weaker position and is willing to sacrifice part of its interests to settle the conflict.

- **Domination** (win-lose, competitive) implies a win-lose situation, where one party takes a decision regardless of the other party’s expectations.

- **Avoidance** (lose-lose) translates into ignoring or not acknowledging an issue.

- **Compromise** (no win-no lose) involves a mutually acceptable decision, in-between ‘obligation’ and ‘domination’ in relation to what is given to the other party, and in-between ‘integration’ and ‘avoidance’ in regard to the depth of the exploration of the issue.

These five styles of conflict management and the situations in which they are found to be most effective are summarised in Table 6.

**Table 6. Appropriate conflict management style depending on contingencies**

<table>
<thead>
<tr>
<th>Conflict management style</th>
<th>Situations where most effective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Integration</strong></td>
<td>› Complex issues&lt;br› Integration of ideas and resources from both parties are needed to create a better solution&lt;br› Both parties need to be involved to solve the conflict</td>
</tr>
<tr>
<td><strong>Obligation</strong></td>
<td>› Willingness to give up something in exchange for something&lt;br› Dealing from a position of weakness&lt;br› Important to preserve relationships</td>
</tr>
<tr>
<td><strong>Domination</strong></td>
<td>› Trivial issues&lt;br› Time pressure&lt;br› Dealing from a position of weakness&lt;br› Conflict can be costly/damaging</td>
</tr>
<tr>
<td><strong>Avoidance</strong></td>
<td>› Trivial issues&lt;br› The costs of confronting the issue outweigh the benefits</td>
</tr>
<tr>
<td><strong>Compromise</strong></td>
<td>› Goals from parties are mutually exclusive&lt;br› Parties are equally powerful and cannot reach consensus&lt;br› Temporary solution needed</td>
</tr>
</tbody>
</table>

*Source: Adapted from Rahim (2002)*

Conflict management is particularly important when managing newborn teams (Tekleab et al., 2009). Team conflict is a normal phase in the team-building process, as it allows the clarification of roles and the development of independence, and ultimately enhances team cohesion. In a recent study, Tekleab et al. (2009) found that effective leaders should use different levels of conflict management skills depending on the nature of the conflict. When the conflict concerns tasks or technical issues, a swift resolution focused on roles and objectives clarification is suggested. In contrast, when the conflict concerns relational issues, a more empathic approach is required, ensuring that there is clear communication between the parties and that frequent meetings are organised to settle the conflict.

The general suggestion is that in the case of task conflict, it is better to act quickly and clearly to avoid degeneration into relational conflicts and an excessive focus on relatively minor technical details, all of which can be perceived as a loss of time by followers. However, in the case of relationship conflict, a leader must be sure to have the required relational skills to manage the situation to avoid it getting worse and to prevent the perception that management is unable to handle the situation.
STRATEGIC SKILLS

Strategic skills, which are associated with effective leadership, are typically required by more senior leaders within an organisation. Senior executives must have a global perspective of their organisation and must be able to exert influence over its entirety. Top-level leaders should articulate a compelling vision that motivates their followers. Moreover, top-level leaders need to be effective problem solvers and planners, able to plan the strategic steps necessary to achieve their vision and ready to face any unexpected challenge or complexity.

Articulation of a vision

Senior executives are responsible for setting the corporate vision; namely, a long-term view of how the organisation wants to be perceived. To set a compelling vision, the leader must first emphasise corporate values and make sure they are accepted and shared between followers, possibly integrating the values of the followers in the process (Fairholm, 2004). After this phase of value setting is completed, the core values must inform the corporate vision which then must be shared and internalised at each level within the organisation. This requires technical skills in the form of effective communication and relational skills in the form of empathy, networking, and social astuteness.

Problem solving

Problem-solving skills predict the performance of leaders (Mumford et al., 2000c). Problem solving defines the ability to find solutions to problems of varying complexity. To be an effective problem solver, a leader needs to be motivated and disciplined in looking for a solution, must possess sufficient cognitive ability to approach and solve the problem, and must feel able to do so. Heppner and Petersen (1982) describe problem solving as a combination of self-regulation, critical thinking, and self-efficacy. That is, problem solving, along with most other strategic skills, can be seen as higher-order technical skills that are developed through the successful combination of multiple basic technical abilities.

Planning

Planning is the ability to mentally simulate future scenarios and develop action strategies accordingly (Marta et al., 2005). In planning, leaders identify a specific goal to attain, consider threats and opportunities, specify actions, resources, and contingencies, and then use the plan to forecast possible outcomes. The plan is then refined to include backup plans and additional strategies to cope with uncertainty (Marta et al., 2005).

Effective planning requires multiple cognitive skills. First, it requires judgement and the ability to understand the organisational environment and foresee future scenarios. Second, planning requires the ability to conceptually order ideas, contingencies, threats and opportunities along an ordered and simplified continuum. Last, planning requires adaptive flexibility to react to unforeseen changes and adapt the original plan to the new contingencies.

According to findings from Marta et al. (2005), planning increases performance only under conditions of high complexity. Because planning is time consuming and resource intensive, the authors suggest that planning be employed to structure and foresee complex tasks, leaving a margin of flexibility for routine and simple tasks.

DEVELOPMENTAL PRACTICES AND PROCESSES

Several organisational practices aimed at leader and leadership development have been observed and studied (Day et al., 2013). Six types of developmental practices are most commonly implemented in an organisation:

- 360-degree feedback,
- coaching,
- mentoring,
- network creation,
job assignments, and
action learning.

Table 7 depicts these developmental practices, highlighting the intended developmental target (Day, 2000). Starting with Day’s categorisation, we review the traditional practices using the latest findings and techniques drawn from both the academic and corporate worlds.

### Table 7. Practices in human capital and social capital development

<table>
<thead>
<tr>
<th>Practice</th>
<th>Description</th>
<th>Development Target</th>
<th>Human Capital</th>
<th>Social Capital</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>360-degree feedback</strong></td>
<td>Multi-source ratings of performance, organised and presented to an individual</td>
<td>Self-knowledge</td>
<td>✓</td>
<td>✗</td>
<td>Comprehensive picture</td>
<td>Overwhelming amount of data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Behavioural change</td>
<td></td>
<td></td>
<td>Broad participation</td>
<td>No guidance on how to change</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Time consuming</td>
</tr>
<tr>
<td><strong>Coaching</strong></td>
<td>Practical, goal-focused form of one-to-one learning</td>
<td>Self-knowledge</td>
<td>✓</td>
<td>?</td>
<td>Personalised</td>
<td>Perceived stigma (remedial)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Behavioural change</td>
<td></td>
<td></td>
<td>Intensive</td>
<td>Expensive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Career development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mentoring</strong></td>
<td>Advising/developmental relationship, usually with a more senior manager</td>
<td>Broader understanding</td>
<td>✓</td>
<td>?</td>
<td>Strong personal bond</td>
<td>Peer jealousy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Advancement catalyst</td>
<td></td>
<td></td>
<td></td>
<td>Over-dependence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lessons learned/avoid mistakes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Networks</strong></td>
<td>Connecting to others in different functions and areas</td>
<td>Better problem solving</td>
<td>?</td>
<td>✓</td>
<td>Builds organisation</td>
<td>Ad hoc</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Learning who to consult for project help</td>
<td></td>
<td></td>
<td></td>
<td>Unstructured</td>
</tr>
<tr>
<td><strong>Job Assignments</strong></td>
<td>Providing 'stretch' assignments in terms of role, function, or geography</td>
<td>Skills development</td>
<td>✓</td>
<td>?</td>
<td>Job relevant</td>
<td>Conflict between performance and development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Broader understanding of the business</td>
<td></td>
<td></td>
<td>Accelerates learning</td>
<td>No structure for learning</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Action Learning</strong></td>
<td>Project-based learning directed at important business problems</td>
<td>Socialisation</td>
<td>✓</td>
<td>✓</td>
<td>Tied to business imperatives</td>
<td>Time intensive</td>
</tr>
<tr>
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Source: Day (2000)
360-DEGREE FEEDBACK

360-degree feedback refers to the collection of multiple points of view regarding an employee’s performance (Day, 2000). Peers and supervisors provide feedback to enhance the individual’s understanding of their work and prompt a behavioural change. This practice aims at developing the human capital of the leader by enhancing their understanding of their performance and taking actions aimed at improving the weak areas.

Strengths and weaknesses

The strength of 360-degree feedback is that it provides a comprehensive picture on each individual’s performance, helping the development of human capital. That is, leaders receiving accurate information on their performance increase their self-awareness and improve their behaviours more effectively (Solansky, 2010). This approach is sometimes criticised, however, for taking a more task-oriented, transactional form of human capital development. Since feedback can lack consistency or the intended recipient may not be able to understand the full implications of the feedback, they are usually complemented with more relational practices such as mentoring and coaching. Moreover, feedback requires time and effort to develop the intended behavioural change (Day, 2000).

Evidence from practice

The 360-degree feedback approach has been adopted by many successful organisations. Research indicates that leaders receiving feedback frequently perform better than their counterparts (Seifert & Yukl, 2010) and leaders who meet to discuss feedback from followers are more likely to understand the critical areas to be developed and to improve their performance (Walker & Smither, 1999). Feedback is useful only when the leader is willing to listen. Research evidence indicates that feedback is associated with decreased performance where leaders react defensively and this was found to occur in one third of cases (Kluger & DeNisi, 1996). This work indicates that leaders must be open to feedback, recognising the intrinsic utility of this developmental practice and committing to improve accordingly (Linderbaum & Levy, 2010). Leaders that perceive feedback as useful have been found to be motivated to develop their skills and recognise that feedback can be used to increase social awareness (Linderbaum & Levy, 2010). One way to decrease negative reactions to feedback is to adopt a holistic measurement of performance rather than a quantitative one (Fairholm, 2004). According to this view, accurate feedback does not focus only on technical skills, but also on relational skills such as emotional intelligence, interpersonal abilities, conflict management, and empathy.

COACHING

Coaching refers to an ongoing process of personalised and intensive one-to-one learning aimed at increasing performance (Day, 2000). Coaching aims at developing the leader through intensive support and may have a positive effect on the leader’s social capital if the skills and knowledge developed are shared with the organisational network. A typical coaching process involves:

- the leader being assessed on the feedback received,
- the creation of a development program to address the weakest areas, and
- the implementation and delivery of the program in a continual way.

Strengths and weaknesses

The advantage of coaching is the personalised and intense nature of the program. Typically, external consultants are hired by the organisation to assist the recipient of the training program. Coaching programs, however, are often based on feedback regarding areas of improvement and thus coaching is generally seen as a remedial technique associated with the lack of a specific skill. This leads to the potential risk of stigmatisation of the program. Although an alternative approach could be the coaching of an entire team rather than the single individual to ‘cover’ this stigmatisation effect, Day (2000) suggests avoiding this approach as it creates discontent in the team when members are able to quickly identify the ‘real’ recipient of the coaching program.
Evidence from practice

Coaching is considered to be generally beneficial and linked to increased productivity (Olivero et al., 1997). Two types of coaching have been identified: executive coaching and developmental coaching. Executive coaching is a time-limited activity where a consultant—usually external—provides executives important feedback that they would normally never get about personal, performance, career and organisational issues (Hall et al., 2000:40). Developmental coaching refers to the daily social exchange between a leader and a follower, where the leader offers suggestions for improving performance and creates opportunities for the follower (Yukl, 2013). Research highlights how developmental coaching is more effective when applied to junior and middle-managers and when the coaches are formally trained in a class rather than self-taught through vicarious learning. In contrast to several organisational behaviours, leaders need to be trained how to coach through tailored interventions (Agarwal et al., 2006).

MENTORING

Mentoring pertains to the formal or informal tutoring from a senior member of the organisation, aimed at leadership development (Day, 2000). The typical mentoring program assigns a junior manager to a senior manager so that the former can develop a more comprehensive perspective on the organisation. Mentoring aims at developing the leader and at the same time offers an evaluative tool and catalyst to understand if a particular leader is ready for a promotion.

Strengths and weaknesses

The advantage of mentoring lies in the creation of strong relational bonds between the mentor and the protégé that help develop a more complex and strategic perspective on the organisation and, ultimately, may support career advancement. However, mentoring can degenerate into over-dependence, meaning that the protégé may become too aligned with the mentor. This may reduce the ability of the protégé to act autonomously, may generate jealousy between the mentored individual’s peers, and may backfire in the instance that the mentor ‘falls from grace’ within the organisation (Day, 2000).

Evidence from practice

Informal mentoring is generally considered to be more beneficial (Chao et al., 1992; Ragins & Cotton, 1999). Few studies have examined the skill set of successful mentors in organisations, although there is a general understanding that an effective mentor should possess good communication skills, patience, organisational knowledge, empathy, and trustworthiness (Day, 2000). Having a mentor, however, is not sufficient to guarantee the quality of the relationship (Solansky, 2010). Mentors need to spend time with the protégé and communicate with them openly to create an environment for positive discussion, rather than merely focusing on training and monitoring.

NETWORKING

Networking aims at creating connections between individuals within (and outside) the organisation, so that people know not only what and how to do it, but also who can do it (Day, 2000). The same logic can also be applied to an inter-organisational context, where multiple organisations create strong ties to mutually access resources and expertise. Networking enhances the understanding of who to consult for specific projects (social capital) and develops problem-solving skills through fruitful interactions (potential human capital).

Strengths and weaknesses

The value of networking resides in the creation of peer relationships based on mutual obligation. These relationships usually last long than coaching and mentoring, developing and shaping the social capital of the organisation. The main weaknesses of networks derive from their lack of structure and the difficulties in forcing the creation of a network, since most networks originate spontaneously.
Evidence from practice

Networking directly impacts human and social capital, extending the web of relationships of each organisational member and leading to organisational citizenship behaviours and affective commitment (Bowler & Brass, 2006; Lee & Kim, 2011). Moreover, broad social networks where the leader has many direct ties with a multitude of organisational members can convey resources and information that facilitate the promotion of leaders to higher organisational positions (Podolny & Baron, 1997). To harness these benefits, organisations can facilitate and promote the creation of social networks, either by arranging networking events or by creating informal groups that share expertise and problem-solving techniques between leaders of similar backgrounds.

JOB ASSIGNMENT

Job assignment refers to the experience gained as a result of specific roles and tasks allocated to a leader (Day, 2000). This developmental practice focuses on learning from challenging tasks to develop human capital and potentially transfer the leader’s experiences to broader social capital in the form of shared experiences. These tasks range from working with unfamiliar people or situations to leading significant change projects. Job assignment is often used as a means to promote junior and middle managers, assigning high-potential leaders to tasks for which they are not fully prepared (the ‘hard, but doable task’).

Strengths and weaknesses

Challenging job assignments accelerate learning due to usually tight deadlines and organisational pressure. Moreover, they have the advantage of being relevant to the job performed by the leader, reducing time needed for other development programs. However, job assignment is a targeted developmental practice whose impact on the social capital depends on the circumstances. For example, if a leader is given a challenging task and uses it as a chance to network with other people within the organisation, this positively influences the organisational social capital. In other circumstances, however, a leader may need to carry on the task alone, with little impact on the overall social capital. Given the blurred line between the job to be performed and the learning opportunity, it is also difficult to structure the learning experience in a way that maximises the leader’s long term development along with their short term performance. That is, job assignment is what is commonly known as ‘learn by doing’ and the quality of learning depends mostly on the attitude of the learner.

Evidence from practice and theory

Several companies utilise this technique of assigning unfamiliar roles and/or heavy responsibilities to ‘stretch’ their leaders and develop their human capital. For example, both Coca-Cola and Gillette send their most promising leaders overseas for 1 to 3 years. Challenging assignments are associated with the highest learning (McCauley et al., 1996) and in particular failure and negative experiences both hold a great deal of potential for the development of judgement, planning, and relational skills (Day, 2000).

ACTION LEARNING

Action learning is a generative practice that goes beyond classroom training and focuses on continuous learning from organisational challenges. Through the collective construction of meaning, participants are able to create a shared set of practices and develop an enduring behavioural change (Day, 2000). In action learning, people acquire knowledge by working together on current organisational issues.

Strengths and weaknesses

Action learning is tied to business imperatives, that is, the development of human and social capital is highly targeted toward a current issue that is deemed to be paramount for the organisation. Because it is action oriented and often performed collectively, it enables leaders and followers to get feedback and support from their peers, enhancing the learning experience. However, action learning is a time intensive activity with a high level of risk that it will be focused more on the final result than on the collective learning process. As a consequence, the leadership lesson is not always clear. Moreover, action learning programs should match the right people with the rights tasks, since ‘certain types of people may need a particular environment in which to develop, while others develop regardless of the environmental conditions with which they are presented’ (Mumford et al., 2000c:116).
Evidence from practice

Action learning has been used both by successful businesses, such as General Electrics and Whirlpool, and by many public sector agencies.

ARE LEADERS BORN OR MADE?

The question of whether leadership skills and qualities are born or made has occupied a considerable degree of attention among leadership scholars. While this work indicates that hereditary acquisition of certain traits explains some leadership capability, there is widespread agreement that the emergence of leaders is largely influenced by environmental factors rather than one's genetic make-up.

An important study was conducted by Avolio (2005) to investigate whether one’s leadership role and effectiveness is heritable or developed. He used identical twins in Sweden and extensive longitudinal study. It is important to note that identical twins as a sample are important given that they relatively share 100% genetic endowments. In the study, it was found that heredity (or the ‘genetic’ side) contributes approximately one-third to leadership effectiveness, while two-thirds of this is contributed by the ‘developed’ side. The significance of environmental factors rather than heritability in determining one’s emergence and performance as a leader has also been supported by subsequent research (e.g., Arvey et al., 2006; Arvey et al., 2007). These recent studies support the conclusion that leadership roles and effectiveness are influenced by life experience as well as deliberate interventions such as training programs, education, or behavioural modelling.

Van Wart (2003) has argued that given that this debate has been generally resolved, the real question should now be: ‘how are leaders made?’ That is to say, the consensus among researchers indicates that leadership can be learned and developed mainly through experiences. He concluded that research must therefore focus on the inter-relationship between innate abilities, experience, and formal training as the driver of leadership development.

THE ROLE OF BUSINESS SCHOOLS

Empirical research has demonstrated that business schools have not yet achieved the ‘right’ teaching curriculum on key matters important to organisations, such as ethical practice and decision-making (Bazerman & Moore, 2009; Ghoshal, 2005). This is also the case for leader and leadership development (Klimoski & Amos, 2012). While most business schools claim they are producing leaders who make a significant difference, there is limited evidence that they actually fulfil what they promise (Pfeffer, 2009). In particular, while many business school faculty members are up to date with current research in leader and leadership development, there is an insufficient supply of relevant programs that strengthen students in this area (Mintzberg & Gosling, 2002).

The importance of preparing students not only as skilful graduates but also as future leaders has forced a number of business schools to establish leadership development programs. For instance, Harvard Business School requests their new students to attend a foundation program that provides leadership and teamwork skills. Stanford University Graduate School of Business has launched the Centre for Leadership Development and Research that runs leadership labs. Some other business schools offer leadership sessions, leadership assessment, and other experiential activities. Pfeffer (2009) argued that effective leadership programs should cover two key themes: (a) leadership competencies and (b) leadership self-efficacy. He also added that while educational institutions have tried to run leadership development programs, there has still been scant effort directed at evaluating which interventions, programs, or formats work best, and which are less effective. The lack of evaluation clearly impedes assessments of the efficacy of leadership development programs.

It is clear that the objective of identifying more effective ways to develop both leaders and leadership cultures is also the job of education and research institutions. These organisations play key role in transforming students into leaders (see DeRue & Ashford, 2010; Ibarra & Barbulescu, 2010). To achieve this goal, Klimoski and Amos (2012) suggested that business schools should make a clear commitment to better prepare students as leaders.
CONCLUSION

In the course of the chapter, we have described distinct sets of skills that positively impact upon leadership performance, many of which are distributed in different ways across the organisational hierarchy. The development of these skills is partly helped by innate predispositions; however, effective and targeted training is needed for the development of highly-skilled leaders. Once a leader possesses a relevant skill set, they are able to draw on particular skills according to the situation and deploy them as a leadership style within the organisation. That is, the skills define what the leader can do, whereas the leadership style defines who the leader wants to be.

Figure 3 depicts the process of skill development and how these skills combine to form a leadership style (as discussed so far). In the next chapter, we review some of the most discussed leadership styles in the literature.

Figure 3. Leader and leadership development road map
CHAPTER 3. STYLES OF LEADERSHIP

THE LEADER-MEMBER EXCHANGE

Central to concepts of leadership style is the assertion that the relationship between leaders and followers should be viewed as a social exchange. This view has placed the concept of ‘leader-member exchange’ at the heart of contemporary categorisation of different leadership styles.

The theory of leader-member exchange (LMX) posits that the quality of the relationship depends on the level of mutual positive influence (Graen et al., 1982). High-quality LMXs are characterised by trust, loyalty, reciprocity (Graen & Uhl-Bien, 1995), and improved resource exchanges (Wilson et al., 2010). In contrast, low-quality LMXs are characterised by transactional exchanges, task allocation, formal authority, and the fulfilment of contractual obligations (Liden & Maslyn, 1998).

The resource-based LMX by Wilson et al. (2010) provides a clear hierarchy of what is tangibly exchanged within an organisation, representing a valuable tool for leaders wishing to increase the quality of their relationships with their closest collaborators. Leaders contribute to the social exchange by accessing and distributing a wide array of resources, while members contribute to the social exchange through commitment and performance (Wilson et al., 2010).

The theory of LMX postulates that the level of reciprocal positive influence between leaders and followers determines whether a leader exhibits task-oriented behaviours or relationship-oriented behaviours.

Figure 4 depicts how this framework articulates the exchange of different types of resources between leaders and followers, from a low to a high quality level. In a high-quality LMX, leaders provide members with pay raises and bonuses, additional office resources, favourable job assignments, improved internal communication, status symbols (for example, reserved parking), and emotional support. In return, members provide leaders with increased performance, lateral information, esteem, positive word of mouth, citizenship behaviours, commitment, and loyalty (Wilson et al., 2010).

The nature of the resources exchanged varies depending on the quality of the relationship: at low levels, the exchange is limited to money, information, and goods. At high quality levels, however, more particular resources are exchanged: services, status, and affiliation behaviours.

High-quality exchanges lead to positive outcomes both for the followers and the leaders. For the followers, high-quality LMXs are positively related to a range of attitudinal and behavioural outcomes, including:

- job satisfaction (Schyns & Croon, 2006),
- job performance (Jackson & Johnston, 2012),
- organisational commitment (Gerstner & Day, 1997),
- corporate citizenship behaviours (Ilies et al., 2007), and
- the emergence of informal leaders when a team vision is shared (Zhang et al., 2012b).

For the leaders, high-quality LMX has been associated with:

- higher job satisfaction,
- better job performance,
- higher organisational commitment,
more promotions (Wilson et al., 2010; Wakabayashi & Graen, 1984).

According to LMX theory, the constraints of time and limited resources mean that leaders are able to forge only a limited number of close, high-quality relationships (Graen, 1976). Given this limitation, leaders find it more productive to focus on relationships with followers who are more similar to them in terms of objectives (Avolio et al., 2009b), personality (Phillips & Bedeian, 1994), and self-identity (Jackson & Johnson, 2012).

TRANSACTIONAL LEADERSHIP

Transactional leadership assumes that leaders and followers have different goals and the convergence of these different goals occurs through the strategic use of monetary rewards. Generally, researchers have conceptualised transactional leadership as the bottom end on a continuum or hierarchy of social exchanges. Transactional leadership also draws heavily on task-oriented behaviours (Yukl, 2013; Northhouse, 2009).

Determinants of transactional leadership

Transactional leadership relies on the fulfilment of contractual obligations by rewarding achievements and punishing deviations from acceptable standards (Rainey, 2009). The transactional leader is expected to ‘set goals, articulate explicit agreements regarding what the leader expects from organisational members and how they will be rewarded for their efforts and commitment, and provide constructive feedback to keep everybody on task’ (Vera & Crossan, 2004:224).

Transactional leadership is based on two dimensions of contingent reward and management by exceptions (Bass, 1985). Contingent reward refers to the extent to which expectations and rewards are clarified such that rewards are contingent on the follower’s effort and performance in achieving the described goals. Management by exceptions refers to the approach whereby if performance meets expectations and goals are achieved, a transactional leader does not step in. However, when standards are not met and corrective actions are needed, the transactional leader has to take action to correct the ‘exception’ (Bass & Avolio, 1989). Management by exceptions can be characterised by an active or a passive approach depending on the timing of the leader’s corrective action (Howell & Avolio, 1993). An active approach is proactive: the leader monitors the situation, anticipates problems, and deals swiftly with deviations to minimise disruption. A passive approach is reactive: the leader waits for a problem to occur before taking any corrective action.

Expected outcomes

As one may expect from a task-oriented leadership style, transactional leadership has a positive influence on performance (Bass et al., 2003). In particular, the increased quality of internal communication through goal setting, monitoring, and feedback ensures that knowledge is exploited at the organisational level and converted into assets that generate revenues (Bryant, 2003).

The technical nature of a transactional approach allows both leaders and members to critically examine each facet of this leadership style. The more the leader and the followers agree on the transactional aspects of the job, the higher the positive influence on performance, organisational commitment, trust in the leader, and corporate citizenship behaviours (Whittington et al., 2009). Moreover, the contingency reward aspect of transactional leadership contributes to the creation of a climate of procedural justice, which in turn determines satisfaction and organisational commitment. That is, followers who perceive that routines and tasks are managed consistently and fairly are more committed and satisfied (Walumbwa et al., 2008).

Although transactional leadership emphasises task performance over relationships, it is particularly effective in increasing organisational identification when the followers are characterised by high levels of interdependence with other organisational members (Epitropaki & Martin, 2005). It has been noted, however, that followers subject to transactional leadership exhibit less sense of obligation towards their leader and less desire to reciprocate, often using hard tactics such as direct confrontation and upward appeals to access resources not implied in their contract (Epitropaki & Martin, 2013).

Practical applications

Transactional leaders operate well in structured environments, where goal setting and efficient routines can lead to positive outcomes. As a result, transactional leaders work well in medium to large companies that need to reach maturity through the establishment of operations efficiency and the standardisation of practices. Moreover, transactional leadership is effective in crisis situations, when a clear direction is needed for the common good and deviance is not tolerated.
Figure 4. The theory of leader-member exchange (LMX)

TRANSFORMATIONAL LEADERSHIP

Transformational leadership aims at inspiring and motivating followers to align their goals and beliefs to those of the organisation and perform more than what is expected from their contracts (Bass, 1985). In contrast to transactional leadership, some researchers have generally conceptualised transformational leadership as the top end of a continuum or hierarchy of social exchange, in which the high-quality exchange mutually stimulates and elevates leaders and followers, transforming ‘followers into leaders and (...) leaders into moral agents’ (Burns, 1978:4). There is also a body of research that argues that transformational leadership is based on the process approach to leadership (Northouse, 2009).

Generally, transformational leadership has been viewed as a higher-order construct that shares some aspects with transactional leadership. However, by communicating an appealing vision and the need for positive change, it also persuades employees to go beyond their individual interests (Yukl, 2013). As such, it is a leadership style that draws heavily on relationship-oriented behaviours and has also been found to be highly effective in times of turbulent changes (Yukl, 2013; Northouse, 2009).

Determinants of transformational leadership

Transformational leaders act as role models, promoting a shared vision that can be achieved by paying attention to the followers’ needs and by intellectually stimulating each of them (Yammarino & Bass, 1990). Transformational leadership is based on four dimensions:

- **Idealised influence**, represents the leader’s charisma (Bryant, 2003). The leader provides a clear mission and appeals emotionally to his followers by becoming a source of admiration and identification (Bass & Avolio, 1989).

- **Inspirational motivation** represents the extent to which the transformational leader can act as a role model. The leader articulates clearly an appealing vision and provides meaning and a sense of purpose regarding what needs to be done (Bass & Avolio, 1989).

- **Individualised consideration** concerns the process of mentoring, coaching, feedback, and organisational alignment (Bass, 1985; Bass & Avolio, 1989). After attracting and inspiring followers through charisma and motivation, the transformational leader needs to help his followers to realise their full potential.

- **Intellectual stimulation** relates to the extent to which the transformational leader promotes creativity and new ideas in spite of old paradigms and dogma (Bass & Avolio, 1989). To keep his followers motivated and sharp, the leader provides intellectual challenges and creates work structures that empower employee participation.

Expected outcomes

By clearly sharing a mission and a vision and by promoting personal empowerment, transformational leadership allows the implementation of structural interventions that result in increased autonomy, higher self-efficacy, and enhanced employee influence on work outcomes (Sun et al., 2012). In turn, followers’ empowerment, appreciation, and involvement in the decision-making process result in increased job satisfaction and higher performance (Burns, 1978; Kotter, 1999; Dvir et al., 2002; Judge & Piccolo, 2004; Park & Rainey, 2008; Wang et al., 2011).

Recent findings highlight more specific effects of transformational leadership on employee-related outcomes. In general, transformational leadership facilitates communication, allowing employees to speak out to their peers and to their leaders without fear of retaliation (Liu et al., 2010). Braun et al. (2013) found that transformational leaders that promote an open climate for discussion are more trusted both at the individual and the team level, resulting in higher job satisfaction.
Regarding internal communication and resource access, Epitropaki and Martin (2013) found that transformational leaders foster smoother and more relaxed communications and negotiations. When the leader exhibits transformational traits, followers were found to be more prone to use tactics that reciprocate this relations-oriented leadership style, such as ingratiation, rather than abrasive forms of influence such as coalition or direct confrontation (Epitropaki & Martin, 2013). Transformational leadership also mitigates the detrimental effect that conflicts have on morale and performance (Ayoko & Konrad, 2012), and are able to exploit the shared vision and their relationship-orientation to settle conflicts and re-group their followers toward the intended goal.

Transformational leaders, however, have to deliver on promises—in this case, the vision or narrative deployed to motivate others. Grant (2012) highlights several failures in the implementation of transformational leadership in banks and military settings as the result of a gap between the articulation of an appealing vision (the narrative) and the incapacity to translate that vision into reality. Transformational leadership leads to positive outcomes only when the inspiring vision is made tangible, for example through job designs that enhance the salience of the vision’s impact (Grant, 2012). Moreover, transformational leaders must avoid the risk of being seen as so convinced of their vision and ideas that others fear to contradict them or share their own (Detert & Burris, 2007).

**Practical applications**

Transformational leadership is probably the most discussed style in recent literature, with a general consensus on a few specific behaviours that transformational leaders perform:

- articulation of a future vision,
- building credibility and commitment to the vision, and
- creating emotional challenges and encouragement for followers.

As such, training programs should focus on the development of communication skills to enhance the ability of leaders to articulate a clear mission and an appealing vision, and to encourage and support subordinates. Leaders should also reorganise their work units, promoting autonomy and empowerment that in turn increase trust, participation, and performance.

**EXTENSIONS TO THE CORE THEORY OF LEADERSHIP STYLES**

**CHARISMATIC LEADERSHIP**

The concept of the charismatic leader conceptualises the role of leaders as ‘acting as a role model for followers, displaying a sense of power and confidence, and making bold, unconventional decisions. Furthermore, charismatic leaders develop and communicate an emotionally captivating vision, foster the acceptance of shared goals, and motivate followers for the achievement of common aspirations’ (Walter & Bruch, 2009:1428).

We have already noted that the skill and behavioural attributes associated with charismatic leadership are similar to transformational leadership (Bass, 1985). Some researchers see these two concepts as convergent. In this report, we consider transformational leadership as the broader leadership perspective, which includes charismatic leadership as one form that it may take. Charismatic leadership comprises the transformational traits of idealised influence and inspirational motivation. That is, charismatic leaders communicate an idealised vision and motivate their followers by appealing to their values and beliefs (Yukl, 2013). Their vision is usually different from the status quo and relies on the idea that the organisation is not realising its full potential (Conger & Kanungo, 1998). Charismatic leaders tend to draw on relationship-oriented behaviours (Yukl, 2013; Northouse, 2009).
Determinants of charismatic leadership

Charismatic leaders need to be credible, eloquent, self-confident, motivated, and willing to take risks. Credibility is paramount in convincing followers that the advocated vision is the most beneficial for the organisation as a whole (Yukl, 2013). To be credible, the charismatic leader needs to be eloquent. That is, they must possess rhetorical skills that allow them to translate abstract concepts into a concrete and memorable vision that followers can identify with (Bennis & Nanus, 1985). Charismatic leaders are confident in their skills and communicate determination and motivation, inspiring followers to cope with uncertainty. Their high motivation is translated into a willingness to work hard (Shamir et al., 1998) and to take risks (House & Aditya, 1997) to challenge the status quo and accomplish their vision. In this sense, charismatic leaders are entrepreneurial, making sacrifices and taking risks to achieve what they believe is the most beneficial outcome for the organisation.

Expected outcomes

Like the broader concept of transformational leaders, charismatic leaders have been found to be more effective than transactional leaders, and increase followers' performance, satisfaction, and commitment (DeGroot et al., 2000). Conger et al. (2000) found that the positive effect of charismatic leadership on trust and performance is mediated by the degree of reverence followers have for their leader.

Practical applications

Given that charismatic leadership is more focused on idealised influence than transformational leadership, it may be more effective in less formal settings associated with small to medium companies, or start-ups that require an appealing vision in their initial phase of operation. It has also been suggested as potentially important for businesses of any size facing a crisis and requiring fresh motivation to improve employee performance.

However, Heifetz (1994:251) notes how the idealistic and self-sacrificial narrative of a charismatic leader can also lead to negative consequences. In particular, charismatic leadership can stifle dissent and perpetuate ‘the myth of the lone warrior: the solitary individual whose heroism and brilliance enable him to lead the way’. Thus, the very focus on idealised influence may become a risk if the charismatic leader starts exhibiting narcissistic and exploitative behaviours and finds an environment conducive to those behaviours (see destructive leadership).

STRATEGIC LEADERSHIP

Strategic leadership is defined as the ability to ‘anticipate, envision, maintain flexibility, think strategically, and work with others to initiate changes that will create a viable future for the organization’ (Ireland & Hitt, 1999:43). The strategic leader is able to influence followers to make autonomous decisions on a daily basis in a way that maintains short-term stability while ensuring long-term viability of the organisation (Rowe, 2001). By definition, strategic leadership refers to the people at the top of the organisation (Vera & Crossan, 2004), who must transcend their role and lead the self in terms of personal strength development and awareness, lead the followers in terms of interpersonal influence, and lead the organisation in terms of aligning the competitive environment, strategic movements, and organisational goals (Crossan et al., 2008).

Through strategic leadership, top executives can develop their companies in such a way that the human and social capital can anticipate and cope with opportunities and threats at any time (Boal & Schultz, 2007). Consistent with the Strataplex framework proposed by Mumford et al. (2007), and research on companies’ upper-echelons, strategic leadership combines skills and attitudes that are mostly needed by top executives in charge of the strategic direction of an organisation.

Determinants of strategic leadership

Strategic leadership has been described as the synergistic integration of high levels of transactional (technical) and transformational (visionary) skills. The resulting leadership style does not sit in-between a transactional and a transformational style, but is instead something that goes above and beyond high levels of both.
Where transactional leaders preserve order and short-term stability and ensure that no deviation from standards occurs, transformational leaders are future oriented and articulate a vision that is shared through socialisation and common values. Strategic leadership combines transactional and transformational leadership in that it focuses on the short-term stability but with a willingness to take risks that will result in a long-term benefit for the organisation (Rowe, 2001). The strategic leader acts in the present to shape the future, to create what can be, starting from what is.

In addition to the technical and relational skill sets possessed at junior and mid-level, the top executive leader possesses strong problem-solving and planning skills. The strategic leader is able to plan the future with an eye to both day-to-day activities and strategic responsibilities, implementing strategies that have both an immediate and a long-term impact on survival, growth, and competitive advantage. Moreover, the strategic leader has strong and clear expectations from followers, peers, and superiors, acts in an ethical way, and exerts financial and strategic control within the organisation (Rowe, 2001).

Research has also attributed the effects of CEO career variety (Crossland et al., forthcoming), top team management composition, and structural interdependence (Hambrick et al., 1996; Hambrick et al. forthcoming), as antecedents of strategic leadership.

**Expected outcomes**

Strategic leadership as the integration between transactional and transformational leadership has a positive effect on organisational learning, namely the change process driven by the exploration and exploitation of new knowledge within the organisation. The strategic leader impacts learning through 'organisational ambidexterity'. That is, the ability to simultaneously explore through learning and exploit existing knowledge (Vera & Crossan, 2004). By managing novelty and ensuring continuity, the strategic leader is able to achieve strategic renewal within an organisation (Vera & Crossan, 2004).

Similar to organisational learning, strategic leadership has a positive influence on organisational innovation regardless of the size of the organisation and the specific personality traits of the top executives (Elenkov et al., 2005). Innovation within an organisation usually occurs in the form of new product or market development, or new administrative systems (e.g., strategic planning, training, promotions). Given their privileged position at the top of the organisation, strategic leaders are able to:

- communicate effectively with organisational members,
- create a compelling vision specific to a future where the innovation is implemented,
- select and promote the followers that display high potential as agents of change, and
- create a culture where productive work and relationships are rewarded (Elenkov et al., 2005).

Strategic leaders are also concerned with the present stability and future viability of the organisation. Their decisions focus on achieving competitive advantage and performance (Hinterhuber & Friedrich, 2002) that in the long-term translate into increased profitability and wealth for the organisation (Rowe, 2001).

**Practical applications**

Strategic leadership must be adopted by top-level executives and is best applied in dynamic, highly competitive, and complex markets and environments (Hinterhuber & Friedrich, 2002; Vera & Crossan, 2004). Recent research has also found that the impact of strategic leadership through the effect of individual CEOs on firm performance has significantly increased over the last 60 years (Quigley & Hambrick, forthcoming). Given the flexible nature of this leadership style, top executives can foresee and adapt to unexpected change, deciding how to act depending on the contingencies. When the situation is stable, the company is performing well, and/or the firm is in the growth stage, the strategic leader must exploit existing procedures to achieve maximum efficiency. When the situation is complex, the company is performing poorly, and/or the firm is in the birth or decline stage, the strategic leader must explore new directions, leverage interpersonal connections, and motivate followers with a revitalising vision (Crossan et al., 2008).
DISTRIBUTED LEADERSHIP

Distributed leadership shifts the focus from the hero-type of leader (Badaracco, 2001) to a more systemic perspective in which leadership emerges among followers in a collective social process (Uhl-Bien, 2006). Bennett and colleagues (2003:3) suggest that distributed leadership is ‘a group activity that works through and within relationships, rather than individual action.’

Parry and Sinha (2005) argued that many people possess innate leadership capabilities and thus their leadership can be developed. Effective leaders would be able to develop the leadership capability of others around them, including their followers, so that they also can become leaders. In distributed (or shared) leadership, leaders empower their followers to lead. This perspective views leadership not as a role but as an activity (or a function) which can therefore be shared and delegated to others. In this context, followers are not merely the ‘recipients’ of leadership, but the ‘co-workers’ or ‘co-producers’ of leadership (Jackson & Parry, 2008). Leadership scholars have recently suggested that leadership be understood as a collective phenomenon which is distributed among people within the group or organisation (Denis et al., 2012).

Determinants of distributed leadership

Whereas most leadership styles adopt a typical ‘leader-centric’ approach, the distributed leadership style shares leadership roles among followers by providing them with the opportunity to take the initiative and lead others. Research on distributed leadership in the business context is still scarce, and thus scholars continue to identify its determinants. Nevertheless, limited research has identified plausible determinants such as empowerment (Conger & Kanungo, 1988), leader-follower relationship (Kerr & Jermier, 1978), and self-management (Manz & Sims, 1980).

Expected outcomes

As distributed leadership views leadership as a thing that is enacted among followers in an organisation, it has generally been associated with leadership development and the formation of professional learning communities (Stoll & Louis, 2007). A number of studies have also shown the positive impacts of distributed leadership on effective organisational change (Iandoli & Zollo, 2008).

Practical applications

The changing nature of work and management in contemporary organisations has been associated with increased complexity and ambiguity, teamwork, and inter-dependency, both within and between organisations. In this context, it is perhaps unsurprising that distributed leadership has gained support in practice. From this perspective, distributed leadership provides new agility and adaptability for organisations by enabling followers to lead and make decisions.

VALUES-BASED LEADERSHIP STYLES

The recent systemic failure of corporate leadership in Australia and elsewhere has been largely attributed to a lack of ethical and moral leadership (Schaubroeck et al., 2012). Furthermore, alarming and systemic issues such as bullying, abusive supervision, unethical practices, and toxic emotions are also prevalent in organisations today (Aasland et al., 2010). It is therefore not surprising that the focus of leadership research has shifted away from the traditional focus on identifying leadership styles associated with performance outcomes to a consideration of the ethics and moral foundation of leadership. This has resulted in a proliferation of new leadership-style concepts, including:

- ethical,
- spiritual,
- authentic, and
- servant leadership.
ETHICAL LEADERSHIP

Ethical leadership is defined as the ‘demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making’ (Brown et al 2005:120). As such, an ethical leader is one who influences subordinates’ ethical behaviour by encouraging them to behave ethically. Ethical leadership arises from both personal traits (i.e. integrity, honesty), as well as the specific behaviours that the leader engages in (i.e. establishing high ethical standards, rewarding ethical conduct, punishing unethical actions; Ogunfowora 2013).

Determinants of ethical leadership

A number of antecedents of ethical leadership have been identified, namely career mentoring and role modelling for younger leaders (Brown & Treviño, 2013), the leaders’ personal moral identity (Mayer et al., 2012), conscientiousness and emotional stability (Kalshoven et al., 2011), and the leader’s cognitive moral development (Jordan et al., 2013).

Expected outcomes

Kacmar et al. (2013) found that ethical leadership influenced both organisational and individual outcomes by reducing politics in the workplace. This is consistent with past research that reveals a leader’s political skills moderated the relationship between leadership and organisational outcomes (Brouer et al., 2013). Similarly, Zhang et al., (2013) also found that ethical leadership is negatively related to the perception of politics in the workplace. Employee voice and psychological ownership have also been identified as the mechanisms through which ethical leaders influence their followers (Ave et al., 2012).

Ethical leadership has been found to influence employees through a trickle-down mechanism, in that leaders embed shared understanding by influencing the ethical culture of military units across several levels (Schaubroeck et al., 2012). Past research also indicates that ethical leadership:

- positively influences work engagement and negatively influences organisational misbehaviour (Demirtas, 2013),
- increases employee creativity through knowledge sharing and self-efficacy (Ma et al., 2013),
- improves employee well-being (Avey et al., 2012),
- reduces emotional exhaustion in the workplace and increases organisational citizenship behaviour (Zhang et al., 2013),
- influences employees’ innovative work behaviour by increasing their intrinsic motivation (Yidong & Xinxin, 2013), and
- influences extra-role compliance behaviour and affective commitments of employees (Neubert et al., 2013).

Practical Applications

The ethical leadership theory highlights the importance of ethical leader behaviour on employees (Brown & Treviño, 2006). Specifically, it reinforces the important contribution that ethical considerations have on employees’ behaviour and attitudes (Resick et al., 2013; Stouten et al., 2013). However, research has found that ethical leadership does not always result in ethical behaviours throughout the organisation. A study among Chinese public sector employees revealed a curvilinear relationship between ethical leadership and unethical pro-organisational behaviour, which are unethical behaviours that benefit the organisation (Miao et al., 2013). This is consistent with a study that found that at lower levels in the organisation, ethical leadership was beneficial for organisational citizenship behaviour, but at higher levels these behaviours decreased as followers’ perception of moral reproach increased (Stouten et al., 2013).
AUTHENTIC LEADERSHIP

Another leadership theory that has gathered much attention due to the lack of ethical conduct among leaders is authentic leadership (Gardner et al., 2011; Nichols & Erakovich, 2013). The sharp trajectory of research interest toward this style is due to its popularity among both leadership researchers and practitioners (Avolio & Gardner, 2005; Gardner et al., 2011). Unfortunately, this interest has led to a number of competing conceptions of authentic leadership that has caused confusion (Gardner et al., 2011). Broadly speaking, there is consensus that leader authenticity is important, but there is less consensus on how to define it or measure it effectively (Avolio & Gardner, 2005; Avolio et al., 2009b; Walumbwa, Avolio et al., 2008).

The most commonly used conceptualisation of authentic leadership defines it as a pattern of positive leadership behaviour that is both based on, and promotes, positive psychological capacities and a positive ethical climate. Authentic leaders are characterised by having greater self-awareness, an internalised moral perspective, balanced processing of information, and relational transparency when leading (Walumbwa, Avolio et al., 2008).

Determinants of authentic leadership

Much empirical work has been done on authentic leadership across various organisational and occupational contexts such as nursing, education, non-profit, and project management among others (Gardner et al., 2011; Giallonardo et al. 2010; Laschinger et al., 2013; Lloyd-Walker & Walker, 2011). Empirical support has been found that leader psychological capital (Jensen & Luthans, 2006b), ethical leadership (Walumbwa, Avolio et al., 2008), leader self-knowledge and self-consistency (Peus et al., 2012), and elements of transformational leadership such as idealised influence, individualised consideration, and inspirational motivation (Spitzmuller & Ilies, 2010) were antecedents of authentic leadership. Furthermore, personal mastery (Dhiman, 2011), leader emotional expressiveness, and behavioural and relational authenticity have also been identified as engendering authentic leadership (Ilies et al., 2013).

Expected outcomes

Authentic leadership has been empirically associated with a range of positive outcomes for followers such as reducing burnout (Laschinger et al., 2013), psychological empowerment (Woolley et al., 2011), job satisfaction (Giallonardo et al., 2010; Jensen & Luthans, 2006a), commitment (Jensen & Luthans, 2006a; Leroy et al., 2012; Peus et al., 2012), engagement (Giallonardo et al., 2010; Vogelgesang et al., 2013), organisational citizenship behaviour (Walumbwa, Avolio et al., 2008), happiness (Jensen & Luthans, 2006a), and trust (Clapp-Smith et al., 2009). It has also been found to engender positive LMX relationships (Hsiung, 2012; Wang et al., 2012) and followers’ satisfaction with their supervisor (Peus et al., 2012). The presence of authentic leadership has also been found to sustain employees’ motivation and trust in their leaders (Avolio et al., 2004).

Authentic leadership has also been linked with a number of organisational performance outcomes, such as firm financial performance (Clapp-Smith et al., 2009; Hmieleski et al., 2012) and team effectiveness (Peus et al., 2012). Evidence has also been found that authentic leadership contributes to the development of psychological capital and creativity among employees (Rego et al., 2012; Woolley et al., 2011), and work role performance (Leroy et al., 2012; Wang et al., 2012). Further Nielsen et al. (2013) also found that authentic leadership is important for safety perception among safety critical organisation.

Practical applications

The authentic leadership theory highlights the importance of the role played by the personal values and integrity of the leader (Hannah et al., 2011). The host of positive outcomes associated with authentic leadership highlights the value that organisations may potentially gain from a leadership style that is ethical and authentic. To a certain extent, this theory also shows that the impact of followers’ perception of the leader cannot be discounted (Costas & Taheri, 2012; Diddams & Chang, 2012). This then raises the importance of both leadership development practices that encourage authenticity, and more importantly, organisational structures that allow authentic leaders to operate.
**SPIRITUAL LEADERSHIP**

Workplace spirituality is a new concept in the organisational leadership literature (Dent et al., 2005; Luckcock, 2008; Phipps, 2012). Many scholars argue that spirituality is a necessity in organisations as it potentially leads to ethical behaviour, job satisfaction, employee commitment, productivity, and competitive advantage (Benefiel, 2005; Dent et al., 2005; Phipps, 2012; Rozuel & Kakabadse, 2010; Tourish & Tourish, 2010). It needs to be emphasised that this work makes a distinction between religion and spirituality, in that spirituality is concerned with the experience of transcendence through the work process, whereas religion is a theological set of beliefs (Hicks, 2002; Kriger & Seng, 2005).

Spiritual leadership is defined as leadership that is rooted in the values, attitudes, and behaviours of the leader in intrinsically motivating both themselves and their subordinates such that they experience meaning, have a sense of making a difference, and feel valued and understood (Fry, 2003; Fry et al., 2005). The purpose of spiritual leadership is to 'create vision and value congruence across the strategic, empowered team and individual levels and, ultimately, to foster higher levels of organisational commitment and productivity' (Fry et al., 2005:836). It is a leadership style that draws heavily on relationship-oriented behaviours (Yuki, 2010; Northouse, 2009).

**Determinants of spiritual leadership**

As leadership research shifts towards a values-centric approach, research interest in spiritual leadership has grown (Avolio et al., 2009b). Scholars agree that the main drivers of spiritual leadership are the personal values and attitudes of the leader (Fry et al., 2005; Rozuel & Kakabadse, 2010). Further, Dent et al. (2005) propose that similar to the cognitive or moral development process of leaders, spiritual leadership can be developed through workplace spirituality education and training. This is consistent with the leadership development literature which argues that leadership development is focused on building the capacity of leaders to address unforeseen challenges (Day & Sin, 2009). Furthermore, contextual factors such as challenging circumstances which led leaders to overcome their ego (ego-transcendence) have also been identified as key drivers to spiritual leadership (Parameshwar, 2005).

**Expected Outcomes**

Spiritual leadership has been linked with a number of desirable organisational outcomes such as organisational openness, self-efficacy, and organisational commitment (Dent et al., 2005). The presence of spiritual leadership also contributes to workplace spirituality, which is often positively linked with employee attitudes such as commitment and job satisfaction (Hicks, 2002), and have been linked to work performance among hospital staff (Duchon & Plowman, 2005). Recently, links between spiritual leadership and psychological empowerment (Rasouli et al., 2013), team productivity (Jeon et al., 2013), organisational citizenship behaviour (OCB) (Chen & Yang, 2012), ethical standards and unit performance (Essounga-Njan et al., 2013), and job satisfaction (Marschke et al., 2011) have been found.

**Practical applications**

The spiritual leadership theory makes a number of significant contributions, in that it reinforces the importance of satisfying the individual need for connectedness and contribution (Dent et al., 2005; Kriger & Seng, 2005; Tourish & Tourish, 2010). Leaders who satisfy these needs are able to motivate their employees to go beyond their self-interests, and encourage higher levels of organisational commitment and productivity. Organisations should also start adopting spiritual leadership measures as performance indicators, and these can be done through the spiritual leadership balanced scorecard (Fry et al., 2010; Fry & Slocum Jr, 2008).

**SERVANT LEADERSHIP**

Servant leadership emphasises leadership as service, focusing on the development of followers (Parris & Peachey, 2013; Sendjaya et al., 2008; van Dierendonck, 2011). Yoshida et al. (2013:1) argued that servant leadership can be defined as "a holistic approach to leadership that encompasses the rational, relational, emotional, moral, and spiritual dimension of leader-follower relationship such that followers enhance and grow their capabilities, as well as develop a greater sense of their own worth as a result". This style of leadership draws heavily on relationship-oriented behaviours (Northouse, 2009).

**Determinants of servant leadership**

The empirical research on the determinants of servant leadership has highlighted a range of personality attributes, including:
a low need for power (Graham, 1991),
agreeableness (Washington et al., 2006),
a motivational state to serve as a leader (Ng et al., 2008),
self-determination,
moral cognitive development, and
capacity for cognitive complexity (van Dierendonck, 2011).

Adherents to the servant leadership model have also suggested that it may rely on a number of cultural attributes (such as power distance and humane orientation) and situational factors, including:

- a strong leader-member exchange relationship (Ng et al., 2008), and
- a positive psychological climate in the organisation (Ehrhart, 2004).

**Expected Outcomes**

A number of empirical studies provide some support that links servant leadership with positive outcomes at different levels. For followers, these outcomes include:

- organisational commitment (Hoveida et al., 2011; Jaramillo et al., 2009b; West et al., 2009),
- organisational citizenship behaviour (Ehrhart, 2004; Ng et al., 2008; Walumbwa et al., 2010),
- commitment to change (Kool & Van Dierendonck, 2012),
- goal focus (Neubert et al., 2008),
- creativity (Neubert et al., 2008; Yoshida et al., 2013),
- trust (Joseph & Winston, 2005; Senjaya & Pekerti, 2010),
- organisational identification and work-family enrichment (Zhang et al., 2012a),
- psychological needs satisfaction (Mayer et al., 2008),
- life satisfaction (Hakanen & Van Dierendonck, 2011),
- sales force performance (Jaramillo et al., 2009a),
- team potency and team effectiveness (Hu & Liden, 2011; Irving & Longbotham, 2007a, 2007b),
- procedural justice climate and service climate (Walumbwa et al., 2010), and
- organisational performance (De Waal & Sivro, 2012; Hu & Liden, 2011; Melchar & Bosco, 2010).

**Practical Applications**

The servant leadership literature provides evidence to support the role of value-based leadership promoting both organisational and individual outcomes. More importantly, it suggests the need to incorporate these elements in leadership training (Eva & Sendjaya, 2013; Quatro et al., 2007).
PUBLIC SECTOR LEADERSHIP

Public sector leadership, also known as administrative leadership, is a broad term used to define the leadership styles employed in public organisations. According to Van Wart (2003), public sector leadership entails:

- providing the results required by authorised processes in an efficient, effective, and legal manner,
- developing and supporting followers, and
- aligning the public organisation with the goals of the broader environment.

Several researchers have noted that public sector leadership may differ from the leadership styles employed in the public sector because of the different constraints that public leaders have to face (Rainey & Bozeman, 2000; Rainey, 2009; Orazi et al., 2013).

Determinants of public sector leadership

Fernandez et al. (2010) propose an integrated leadership style, such that a public sector leader must be not only be transactional and transformational, but also earnest and incorruptible. However, public sector leadership is better explained in terms of organisational differences from the private sector. These differences reflect a range of factors, including:

- mandatory requirements to operate in a transparent way and be accountable to internal and external stakeholders (Van Slyke & Alexander, 2006),
- significantly higher levels of process regulation ('red tape') (Rainey & Bozeman, 2000),
- constraints on the use of employment practices that improve the quality of hires, or enable leaders to motivate or discipline employees through promotion, remuneration, or other incentives (Rainey, 2009), and
- the pursuit of public value, rather than profitability or other business objectives (Thach & Thompson, 2006).

Expected outcomes

Evidence from the public sector supports the general notion that elements of both transactional and transformational leadership styles had led to increased performance. Fernandez (2005) found that the effort to monitor the organisation’s external environment and leader’s experience had a positive effect on performance, especially when the tasks were difficult. Moreover, transformational leadership in the public sector decreased performance when the task was easy (i.e. when it required technicality and precision) but increased performance when the task was difficult (i.e. when it required personal support). Park and Rainy (2008) surveyed 6,900 U.S. federal employees, finding that performance, job satisfaction, and quality of work were higher when the leader displayed a combination of intrinsic motivation rewards and transformational leadership style.

Practical applications

In the last decade several national programs have been established, with the purpose of training and developing civil servants. For example, the Integrated Leadership Strategy developed in 2004 for the Australian Public Sector (APS) is a comprehensive document that explains how to monitor, train, and develop public sector leaders from the low executive levels to the senior ones. The program focuses on (i) shaping strategic thinking; (ii) achieving results; (iii) cultivating productive working relationships; (iv) promoting personal drive and integrity; and (v) communicating with influence. Table 8 provides an extract from the document that explains how each public leader’s capability is linked to a specific leadership component.
## Table 8. The APS Integrated Leadership System

<table>
<thead>
<tr>
<th>Capability</th>
<th>Leadership component</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shapes strategic thinking</strong></td>
<td></td>
</tr>
<tr>
<td>♦ Inspires a sense of purpose and direction</td>
<td>Demonstrates and develops a vision and strategic direction for the branch/organisation</td>
</tr>
<tr>
<td>♦ Focuses strategically</td>
<td>Understands the organisation’s role within government and society, including the whole-of-government agenda</td>
</tr>
<tr>
<td><strong>Achieves results</strong></td>
<td></td>
</tr>
<tr>
<td>♦ Ensures closure and delivers on intended results</td>
<td>Strives to achieve, and encourages others to do the same</td>
</tr>
<tr>
<td><strong>Cultivates productive working relationships</strong></td>
<td></td>
</tr>
<tr>
<td>♦ Values individual differences and diversity</td>
<td>Capitalises on the positive benefits that can be gained from diversity and harnesses different viewpoints</td>
</tr>
<tr>
<td>♦ Guides, mentors, and develops people</td>
<td>Offers support in times of high pressure and engages in activities to maintain morale</td>
</tr>
</tbody>
</table>


### DESTRUCTIVE LEADERSHIP

Although traditional leadership research tends to focus on the positive aspects of leadership, there is a growing stream of work that focuses on destructive leadership, where the outcomes are detrimental to both the organisation and followers (Karakitapoglu-Aygün & Gumusluoglu, 2013; Krasikova et al., 2013). Practices such as tyranny, strategic bullying, abusive supervision, coercive power, social undermining, aversive leadership, and supervisor verbal abuse, among others, have been conceptualised as falling into this category of leadership (Aasland et al., 2010; Schyns & Schilling, 2013; Shaw et al., 2011). Furthermore, the prevalence of such behaviours in the workplace has been increasing (Aasland et al., 2010).

Einarsen et al. (2007:2) defined destructive leadership as “the systematic and repeated behaviour by a leader, supervisor, or manager that violates the legitimate interest of the organisation by undermining and/or sabotaging the organisation’s goals, tasks, resources, and effectiveness and/or the motivation, well-being, or job satisfaction of subordinates”. The important distinction here is between repeated, systematic behaviours which violate the interests of the organisation and isolated acts of misbehaviour (for example, an uncharacteristic outburst of anger). A number of scholars concur on the importance of this distinction (Krasikova et al., 2013; Schyns & Schilling, 2013; Shaw et al., 2011; Thoroughgood et al., 2012b).
Determinants of destructive leadership

Krasikova et al. (2013) argue that destructive leadership is a product of both dispositional and contextual factors. A leader's 'trait negative affectivity' has been identified as an antecedent to destructive leadership (Schaubroeck et al., 2007). Aryee et al. (2007) found that authoritarian leadership style is an antecedent for abusive supervision, in that individuals who have an underlying need for control and are unable to manage their emotions are predisposed to engage in abusive supervision. Mumford et al. (1993) also found that individuals tend to engage in destructive behaviours when self-efficacy is low.

Among a number of traits, charisma has been especially highlighted as a potential antecedent to destructive leadership (Karakitapoglu-Aygün & Gumusluoglu, 2013; Samnani & Singh, 2013). While charisma in itself is not destructive, a number of studies have shown that charisma is often a tool used by destructive leaders to manipulate their followers (Einarsen et al., 2007; Ferris et al., 2007; Padilla et al., 2007; Pelletier, 2012). Krasikova et al. (2013) further proposed the ‘dark triad’ traits of Machiavellianism, narcissism, and psychopathy as potential predictors of destructive leadership. The authors argued that Machiavellian individuals are ‘dispositionally prone to pursuing goals that reflect their self-interest even if it is harmful to the organisation and make their followers achieve goals they value using harmful methods of influence’ (p.1323).

Further, situational and contextual factors such as experiencing goal blockage (Krasikova et al., 2013), perceived support from higher authorities (Mumford et al., 1993), and having susceptible followers (Thoroughgood et al., 2012a) have also been argued to be antecedents of destructive leadership.

This is consistent with the toxic triangle model for destructive leadership (Padilla et al., 2007), which points to the interactions of three factors: destructive leaders, susceptible followers, and conducive environments. Padilla et al. (2007) used the example of Fidel Castro’s leadership in Cuba to showcase the interactions between these elements. This is consistent with the perspective of leadership as a complex process of leaders, followers, and contexts converging to produce observed organisational outcomes (Thoroughgood et al., 2012a). More recently, Thoroughgood and Padilla (2013) applied this model to the leadership failure that allowed a child sex abuse scandal to be covered up at Penn State University in the United States.

Figure 5. The toxic triangle of destructive leadership
In the model, Padilla et al. (2007) characterised destructive leaders as having charisma, personalised power, narcissism, negative life themes, and an ideology of hate. Further, coupled with susceptible followers, who may be seen as either conformers (individuals with unmet needs, low core self-evaluations, and low maturity) or colluders (individuals with ambitions, similar world-views as the destructive leader, and bad values), and conducive environments (unstable, existence of perceived threat, lack of checks and balances, and ineffective institutions), creates the deadly combination that is destructive leadership. Thoroughgood et al. (2012a) further expanded on the role of susceptible followers, and classified them into five types: lost souls, authoritarians, bystanders, opportunists and acolytes.

In particular, Thoroughgood et al. (2012a:903) identified conformers as:

- **lost souls**—individuals “attracted to charismatic leaders who they believe can provide them clarity, direction, and increased self-esteem”;
- **authoritarians**—individuals who feel an obligation to obey based on the status and position of the leader; or
- **bystanders**—individuals who are passive and motivated by fear.

On the other hand, there are also colluders, who can be conceptualised as:

- **opportunists**—individuals whose personalities tend to be similar to that of the destructive leader, and who carry out orders in a transactional belief that they will get something in exchange; or
- **acolytes**—individuals who “share congruent values and goals with the leader”, and follow the destructive leader as it is consistent with their own personal values (Thoroughgood et al., 2012a:910).

Interestingly, in an experimental study, Pelletier (2012) found that participants who were favoured by the leader tended to be more open to the destructive behaviour displayed to others, whereas those in the out-group showed higher intent to challenge the leader. This affirms the importance of the role that followers play in destructive leadership.

**Expected outcomes of destructive leadership**

In a meta-analysis of prior research on destructive leadership, Schyns and Schilling (2013) found that destructive leadership is consistently related to a host of interpersonal, employee, job-related, and organisational outcomes. The study shows that destructive leadership leads to negative attitudes toward the leader. Due to past studies revealing that employees with negative attitudes towards their supervisors also show negative attitudes toward their organisation (Burris et al., 2008), the authors argued that destructive leadership may have a broader impact on the organisation. There is a very strong correlation between destructive leadership and turnover intention, as well as counterproductive work behaviour. Turnover can be costly for organisations (Hausknecht & Trevor, 2011), and counterproductive work behaviour can be seen here as an act of retaliation, or even as a sign of the presence of a negative organisational culture which allows destructive leadership to exist (Schyns & Schilling, 2013).

The impact of destructive leadership on the individual employee is alarming, with a high negative correlation between destructive leadership and stress (Schyns & Schilling, 2013). The loss of control among subordinates of destructive leaders has been found to be the cause of stress (Ferris et al., 2007). Furthermore, the presence of destructive leadership is negatively related to employee well-being and commitment to the organisation, and is also negatively related to individual performance (Schyns & Schilling, 2013).
Practical application

The literature on destructive leadership, although nascent when compared to other leadership theories (e.g. transformational leadership), further echoes the notion that leadership is indeed a complex process that involves not only the leader, but also followers and the contexts in which it operates (Thoroughgood et al., 2012a). At a time when the prevalence of destructive leadership behaviour is on the rise (Aasland et al., 2010), organisations should in particular understand the implications of the toxic triangle model of destructive leadership. This model implies that the blame cannot be put squarely on the shoulders of leaders, as other factors such as the role of followers and organisational contexts contribute in allowing destructive leadership to function in organisations (Padilla et al., 2007). As such, care should be taken not only in the recruitment and selection of both leaders and followers, but also in the implementation of training that emphasises ethical decision-making processes (Schaubroeck et al., 2012). Further, the importance of the development of an ethical climate, and organisational systems and practices which enable accountability through checks and balances cannot be ignored (Schminke et al., 2005). This is echoed by Gagnon and Collinson (2014), who argue that there is a need to re-think leadership development programs in light of the understanding of the interrelated significance of power, context, and identity.
CHAPTER 4. CONSEQUENCES AND OUTCOMES OF LEADERSHIP

POSITIVE CONSEQUENCES OF LEADERSHIP

Research has linked leadership to a variety of positive outcomes, ranging from improved financial performance to higher productivity and increased employee job satisfaction (Braun et al., 2013; Wang et al., 2011). Leadership has an impact on employee attitudes, cognition, behaviour, and performance, with different styles of leadership, as outlined in the previous sections, linked to particular outcomes. To capture this range of outcomes, this section examines the consequences of leadership at the individual, group, and organisational level, drawing on the frameworks of Zaccaro et al. (2001), as well as Hiller et al. (2011). This section also considers the mechanisms through which leadership generates these outcomes, particularly using insights from the social identity model of leadership (Hogg, 2001).

INDIVIDUAL OUTCOMES

Leadership has been shown to improve the attitudes, thinking, and behaviour of individual employees by shaping organisational culture and policy, as well as modelling behaviour for followers (Dinh et al., 2013). Studies have found that where managers exhibit particular styles of leadership, employees demonstrate:

- higher levels of engagement,
- psychological empowerment,
- job satisfaction,
- happiness,
- motivation,
- effort,
- openness,
- organisational citizenship behaviours,
- organisational commitment and engagement,
- reduced turnover intentions,
- trust in management, and
- increased psychological capital (i.e., self-efficacy, hope, optimism, and resilience).

These effects have been evident across a range of leadership styles profiled in this report including: transformational, strategic, authentic, spiritual, and servant leadership. (See: Barling et al., 1996; Braun et al., 2013; DeGroot et al., 2010; Giallonardo et al., 2010; Hicks, 2002; Jensen & Luthans, 2006a; Leroy et al., 2012; Park & Rainey, 2008; Peus et al., 2012; Rasouli et al., 2013; Vogelgesang et al., 2013; Walumbwa et al., 2010; Wang et al., 2011; Woolley et al., 2011).
GROUP OUTCOMES

Studies have established that leadership has a beneficial impact on employee behaviours and attitudes at the group level, including:

- the creation of a positive team climate,
- increased learning,
- increased team effectiveness,
- lower levels of absenteeism,
- improved conflict resolution,
- more open communication, and
- the creation of informal leaders.

Again, these effects have been found across a number of leadership styles. (See: Ayoko & Konrad, 2012; Chen & Yang, 2012; De Waal & Sivro, 2012; Edmonson, 1999; Epitropaki & Martin, 2013; Ehrhart, 2004; Hu & Liden, 2011; Liu et al., 2010; Ng et al., 2008; Rego et al., 2012; Seltzer et al., 1989; Vera & Crossan, 2004; Whittington, et al., 2009; Woolley, et al., 2011; Yammarino & Bass, 1990; Yammarino & Dubinsky, 1994; Zhang et al., 2012).

ORGANISATIONAL OUTCOMES

A large number of empirical studies have found a significant positive relationship between leadership and a range of organisational and employee performance measures, including:

- productivity,
- financial performance,
- organisational innovation,
- organisational renewal,
- work quality, and
- customer and client satisfaction.

These effects are also evident across leadership styles, including spiritual, servant, transformational, strategic, authentic, and charismatic leadership. (See: Ahearne et al., 2005; Avolio et al., 1988; Barling et al., 1996; Bryant, 2003; Burns, 1978; Clapp-Smith et al., 2009; Duchon & Plowman, 2005; Dvir et al., 2002; Elenkov et al., 2005; Hmieleski et al., 2012; Howell & Frost, 1989; Hu & Liden, 2011; Irving & Longbotham, 2007a; Judge & Piccolo, 2004; Kotter, 1999; Leroy et al., 2012; Masi & Cooke, 2000; Park & Rainey, 2008; Rowe, 2001; Peterson et al., 2012; Wang et al., 2011; Wang et al., 2012; Wilderom et al., 2012; Yammarino & Dubinsky, 1994; Zacher & Jimmieson, 2013).
NEGATIVE CONSEQUENCES OF LEADERSHIP

Destructive leadership, discussed in Chapter 3 of this report, has been connected to a number of detrimental employee and organisational outcomes. These negative outcomes have been found to occur when followers perceive that leaders are treating them unfairly and disrespectfully, undermining them, violating their trust, breaching the psychological contract between them, or exhibiting psychologically abusive behaviour (Erkutlu & Chafra, 2013; Schyns & Schilling, 2013). Destructive leadership can be conceptualised as both individual and group phenomena, where either one or a few employees perceive they are particular targets, or where a leader behaves in a destructive way with all employees (Schyns & Schilling, 2013).

INDIVIDUAL OUTCOMES

Destructive leadership can damage the attitudes and thinking of individual employees. In particular, it has been linked to:

- behaviours intended to harm the organisation (unscheduled absences, theft, under-performance, sabotage, and disobedience),
- an absence of organisational citizenship behaviours,
- reduced goodwill towards the organisation and amongst work colleagues,
- increased resistance to managerial direction,
- increased employee burnout,
- stress,
- higher turnover intention,
- negative attitudes towards the particular leader and the organisation more broadly,
- lower levels of job satisfaction,
- decreased work motivation,
- decreased discretionary effort,
- poor performance ratings,
- weakened organisational commitment, and
- a reduced sense of wellbeing and trust in management.

(See: Aryee et al., 2007; Burris et al., 2008; Chen & Kao, 2009; Duffy & Ferrier, 2003; Elangovan & Xie, 2000; Ferris et al., 2007; Harvey et al., 2007; Hobman et al., 2009; Schyns & Schilling, 2013; Tepper, 2000; Tepper et al., 2004).

These negative attitudes and behaviours occur when there are poor quality relationships between leaders and followers, where employees feel they lack support and trust, and do not have a sense of obligation to the leader and the organisation (Erkutlu & Chafra, 2013). In particular, negative attitudes arise after a period of time where the leader's behaviour is abusive, coercive, undermining, or unsupportive (Schyns & Schilling, 2013). Employees can perceive destructive leadership as a source of injustice, making them feel morally outraged, and this can lead to negative reciprocity (Detert et al., 2007; Mitchell & Ambrose, 2007). Negative behaviours can occur as a means for employees to resist destructive leadership by retaliating or taking revenge against the harm that they perceive themselves to have suffered (Skarlicki & Folger, 1997). Such retaliation can either be direct and active or through more subtle, passive means.
GROUP AND ORGANISATIONAL OUTCOMES

Research has established that destructive leadership negatively impacts on employee behaviour at a group level and damages organisational performance. It is specifically associated with:

- higher levels of customer dissatisfaction,
- higher turnover levels,
- an increase in counter-productive work behaviours at the group level (unscheduled absences, theft, under-performance, sabotage, and disobedience),
- stock loss and wastage, and
- lower levels of financial performance.

(See: Ayree et al., 2007; Burris et al., 2008; De Hoogh & Den Hartog, 2008; Detert et al., 2007; Harris et al., 2007; Schyns & Schilling, 2013; Zellars et al., 2002).

These outcomes have been linked to the creation of a toxic environment and dysfunctional workplace culture that allows particular leaders to behave in a damaging way (Burris et al., 2008; Schyns & Schilling, 2013).

MECHANISMS

Researchers have also explored the mechanisms through which leadership creates these different outcomes. This work suggests that leadership creates these outcomes through a number of mechanisms, including:

- shaping organisational culture and policies,
- creating an alignment between the organisation’s values and followers’ values, and
- the actions of leaders in being role models for their followers.

(See Avolio et al., 2004; Brown & Treviño, 2006; Dinh & Lord, 2012; Mayer et al., 2009; Tyler & Blader, 2005).

Individual leaders influence the attitudes of followers by creating a personal connection with them, engaging in open communication, developing mutual trust between themselves and their followers and serving as a prototype or model for the group, encouraging personal and social identification (Avolio et al., 2004). In behaving this way, leaders strengthen their followers’ identification with themselves and their groups, changing how followers perceive them and encouraging followers to adopt their values (Avolio et al., 2004; Braun et al., 2013; DeGroot et al., 2010; Hicks, 2002; Park & Rainey, 2008). As leadership is a social and interactional process, followers also play a role in leadership outcomes through the way they perceive the leader and the attitudes they develop based on those perceptions. Theories such as social learning theory and social identity theory explain the impact of leadership on these outcomes. Social learning theory states that the behaviour of individuals is developed through their observations, imitation, and internalisation of the behaviour of role models, such as leaders (Bandura, 1977). Social identity theory conceptualises leadership as a group process based on social identity, in which groups form around shared social categories, and the leader is the group member that most personifies the values and attributes of the group (Ashforth & Mael, 1989; Hogg, 2001; Tajfel & Turner, 1986). Leaders exercise influence as other group members are drawn to their ideas and suggestions through their identification with the leader and the group, and through the perception that the leaders’ actions will benefit the group (Hogg, 2001; Van Knippenberg & Hogg, 2003). In this way, leadership affects the behaviour of employees, as individual leader behaviours are observed and reflected by followers or subordinates, or supported based on their social identity.
Leadership has an important impact on employee and organisational outcomes. In particular, leaders shape organisational culture, model behaviour for employees and develop personal relationships between themselves and their followers. Depending on the type of leadership exhibited and the quality of the interactions between leaders and followers, leadership can either engender positive outcomes or negative outcomes. The outcomes of leadership occur across three levels, i) the individual level, ii) the group level, and iii) the organisational level. These outcomes are important as they include factors such as employee job satisfaction, employee work effort, financial profit, and work quality.
CHAPTER 5. LEADERSHIP IN THE WORKPLACE

INTRODUCTION

This chapter analyses the role of workplace leaders in relation to specific initiatives. The chapter first examines management, considering the different functions, skills, and capabilities of managers in different levels of the organisation, as well as the role of Human Resources managers, and the impact of different types of managers on organisational performance. This chapter then focuses on the influence of leaders on the introduction of particular Human Resources practices known as ‘High Performance Work Practices’ (HPWP). The chapter specifically examines the functions of Human Resources managers and line managers, as well as barriers that managers can present to the adoption of HPWP. Finally, this chapter considers the importance of leaders to the adoption of new technology, examining the antecedents of new technology adoption, the role played by leaders, as well as leadership in a virtual context.

DIFFERENT LEVELS OF MANAGEMENT

Research has identified three distinct levels of management: frontline, middle, and executive managers (Kaiser et al., 2011). Management researchers have largely focused on organisational leadership, including CEOs and senior managers, while lower level management research is dominated by organisational psychologists (DeChurch et al., 2010). While most leadership literature focuses on senior managers or CEOs, studies are increasingly examining the role of frontline managers, though research on middle managers remains limited (DeChurch et al., 2010; Liu & McMurray 2004; Purcell & Hutchinson, 2007).

Key areas of research are the roles of management, leadership skill differences between separate management levels, the links between different levels of management and productivity, and transitions into more senior management.

ROLE OF FRONTLINE, MIDDLE, AND SENIOR MANAGERS

Generally, researchers distinguish between three levels of management:

- executives, responsible for the creation of organisational structure,
- middle managers, who interpret the structure, and
- frontline managers or supervisors, who apply the structure.

Using this distinction, management research has identified various ways in which these different levels of management undertake tasks that vary in complexity. In particular, researchers have identified clear distinctions in the functions of their tasks:

- Top executives and senior managers engage in strategic planning, liaise with external stakeholders (such as shareholders and politicians), lead their team, set organisational culture, monitor the broader economic environment, allocate company resources, identify trends and new opportunities, and release information to the public (Finkelstein et al., 2009; Groysberg et al., 2006; Kraut et al., 1989). In his seminal study, Mintzberg (1973) found that executives have ten roles, which can be conceptualised into three categories: i) interpersonal (figurehead, leader, and liaison), ii) informational (monitor, disseminator, and spokesperson), and iii) decisional (entrepreneur, disturbance handler, resource allocator, and negotiator).

- Middle managers are responsible for aligning coherent goals for different units, implementing and promoting a particular organisational culture, ensuring a flow of information, helping employees to cope with change, and developing strategy by coordinating feedback, as well as coordinating frontline managers (Ahearne et al., 2014; Huy, 2002; Ekaterini, 2011; Kraut et al., 1989; Sharma & Good, 2013; Valentino & Brunelle, 2004; Viitanen & Konu, 2009).
Frontline managers and supervisors undertake people management and oversee day-to-day operations through recruiting, training, and motivating their followers, and conducting performance management (Ahmed et al., 2010; Brewer, 2005; Kraut et al., 1989; Purcell & Hutchinson, 2007; Risher, 2010). Many frontline supervisors also have a sporadic technical role filling for absentees, particularly in areas where recruitment focuses on entry level employees, such as in the public service and manufacturing (Brewer, 2005; Liu & McMurray, 2004).

Australian research investigating the role of different types of managers within various organisations and industries has identified comparable differences.

Liu and McMurray (2004) found that frontline leaders in manufacturing can be best described as exercising a ‘transformational’ style of leadership as they are responsible for motivating and coordinating their team members.

Kramar and Steane (2012) studied line managers in a range of organisations, discovering that they are increasingly responsible for HR functions such as recruitment, induction, salary reviews, performance reviews, conflict resolution, and developing staff.

Kantabutra and Vimolratana (2010) report that frontline managers in retail stores exhibit ‘visionary’ leadership, in which they develop a vision and use it to guide their management decisions, which suggests they are involved in some level of strategic planning.

Some researchers have suggested that middle managers are increasingly important, particularly where companies have sought to institute a less hierarchical organisational structure. In this context, middle managers play a significant role in stabilising change and help articulate company strategy (Dauphinais & English, 1996).

Densten and Sarros (2012) studied Australian CEOs and their leadership behaviour, including articulating vision, expressing high performance expectations, negotiating with followers, acceptance of group goals, use of intellectual stimulation, providing a role model, providing individual support, and use of punishment and reward. They found that these behaviours are somewhat affected by organisational and personal context, but there are not consistent links (Densten & Sarros, 2012). Other Australian studies have examined the leadership styles of managers at particular levels or their response to company practices, however these studies have focused more on the prevalence of certain leadership traits, rather than examining the role of these leaders (Ayoko & Konrad, 2012; Hunt, 2010; Nankervis et al., 2012).

This work has also highlighted capability and skills gaps for managers at different levels within the organisation. In examining female middle managers in universities, for example, Wallace and Marchant (2009) found that many did not receive adequate training for their role and had few development opportunities, which is problematic given projected labour skills shortages and the importance of effective middle managers.

Most of these Australian studies have been qualitative and focused on one particular context. The implication of this is important to emphasise. In particular, because of the specific contexts in which these studies were undertaken, it is difficult to generalise from the findings of specific studies to conclude anything meaningful about managers operating at different levels or the diverse workplace and industry context in which managers manage. This suggests the need for larger-scale and more systematic studies that gather data across different workplace settings and industries.

DIFFERENTIATING MANAGEMENT LEVELS

As we have already noted, researchers have examined the different leadership skills and capabilities required by frontline, middle, and senior managers. While various models have been advanced (see Chapter 2 above), and there is a broad acceptance that the type of work that different managers do at different levels varies in terms of the time horizons and the scope of their responsibilities, there is less consensus around the extent of these differences (Dai et al., 2011; Kaiser et al., 2011; Tonidandel et al., 2012).

Some scholars suggest, for example, that similar skills and leadership competencies are important at all organisational levels (Gentry et al., 2008; Sparks & Gentry, 2008). Those who contend that leadership skills differ depending on management level are divided. While some suggest that skills are continuously developed as managers change roles, others posit that there is skill discontinuity, in which some skills become less important (or redundant) as managers progress in the organisational hierarchy (De Meuse et al., 2011).
Australian research has contributed to the argument regarding leadership skill differences by describing the skills of managers in certain context. In manufacturing, Liu and McMurray (2004) studied the strengths and weakness of frontline managers, finding they had strong technical knowledge and were generally hardworking and committed to the company. However, they also report that managers lacked teamwork and communication skills, and focused on short-term decisions. In a qualitative study consisting of interviews with senior executives, Dauphinais and English (1996) found that middle managers required technical skills, the ability to influence followers and senior leaders, as well as the capability to train others. Densten and Sarros’ (2012) study of CEOs shows that the skills needed by CEOs varies dependent on organisational culture, with reward cultures linked to the development of vision, articulation of group goals, and provision of rewards contingent on performance, while performance oriented cultures benefit from vision, group goals, role models, intellectual stimulation, high performance expectations, and individual support.

THE ROLE OF HR MANAGERS

Researchers have examined the role of Human Resources (HR) managers in different contexts, including both their importance to the organisation and criticisms of their function. Traditionally focused on administrative functions related to the management of personnel systems, HR managers are increasingly playing a strategic role within organisations, aligning management systems with business strategy (Payne, 2010; Sheehan & Scafidi, 2005; Ulrich, 1998). However, the role of HR managers is dependent on organisational context, including the size and sector of the organisation. Many small to medium enterprises lack a dedicated Human Resources manager and responsibility for HR systems is often devolved to business owners or line managers, who may have limited formal knowledge of HR systems (Cardon & Stevens, 2004; Klaas et al., 2012; Kotey & Slade, 2005). Sectoral differences and labour market conditions influence the HR strategies adopted by managers, with some opting for high-road systems, where competitive advantage is created by innovation and increasing productivity, while others choose low-road strategies where they compete on price by reducing costs, including labour costs (Gill & Meyer 2008; Michie & Sheehan 2005).

Studies have shown that HR managers create value for the organisation by:

- liaising between managers and employees;
- communicating information efficiently to employees;
- providing voice mechanisms for employees and raising their concerns with senior managers; and
- helping shape policy strategy.


In addition, HR managers boost organisational performance by instituting programs to develop the knowledge, skills, and abilities of employees, while motivating employees and providing them with opportunities to contribute (Appelbaum et al. 2000; Combs et al., 2006; Liu et al., 2007).

However, HR managers have been criticised for:

- being complicit in corporate excess and workplace inequality through the creation of large reward packages;
- imposing constraints on the prerogative of frontline managers;
- being disconnected from commercial realities;
- being distant, inefficient, and slow; and
- promoting policies that are difficult to implement.

Researchers have posited that these criticisms can be addressed if HR managers institute a new ‘social contract’ (Lansbury & Baird, 2004: 149) designed to develop the human capital of employees, while also considering issues of work-life balance, diversity, and corporate social responsibility (Kochan, 2004; Lansbury & Baird, 2004). In addition, HR managers can better liaise with both frontline and more senior managers, be consistent in their application of policies, and demonstrate the performance impact of HR practices, which may enable them to play a more strategic role within the organisation (Sanders & Frenkel, 2011; Whittaker & Marchington, 2003).

LINKS BETWEEN MANAGEMENT LEVEL AND ORGANISATIONAL PERFORMANCE

There are a small number of studies that have found positive associations between the roles of different managers and employee and organisational performance. For example, in a longitudinal study of frontline managers in a UK department store, Purcell and Hutchinson (2007) found that employees’ positive perceptions of frontline managers increase their commitment and improve some elements of their job experience, including job autonomy and sense of achievement and challenge. Frontline supervisor status and supervisor competence were also found to be positively related to the performance and service delivery of employees in US government agencies (Brewer, 2005).

There are also a limited number of Australian studies in this area. This work has focused particularly on leadership styles or HR practices and performance. In comparing how managers perceive the links between workplace practices and organisational performance, Nankervis et al. (2012) found that executives were more supportive of performance management systems, perceiving them to be linked to organisational performance, while middle and line managers were more concerned with the operational and implementation issues concerning performance management. Casimir et al. (2006) examined the relationship between leadership style and employee performance in Australia, finding that transformational leadership is positively associated with employee performance relating to hard work, completion of work on time, and making good use of working time.

SUMMARY

Research into the different levels of management has tended to focus on CEOs, with more recent studies examining middle and front line management. This research has examined the roles that different managers have and how their necessary skills differ, and the link between different types of managers and productivity. Limited Australian research has been undertaken in these areas, so further research is necessary to examine the experience of Australian managers at different levels of the organisation.

ROLE OF MANAGERS IN IMPLEMENTING HIGH PERFORMING WORK PRACTICES

High Performing Work Practices (HPWP)—also referred to as High Performing Work Systems, High Commitment Management, and High Involvement Work Systems—are ‘bundles’ of HR practices intended to enhance organisational performance through recruiting, developing, motivating, and retaining employees (Posthuma et al., 2013). Specifically, they are designed to increase employee productivity, decrease labour turnover, and lower absenteeism (Gollan, 2006). Much of the research on HPWP has focused on the presence and outcomes of HPWP, rather than the process through which they were implemented (Lengnick-Hall et al., 2009). Research on the role of managers in implementing HPWP has examined how Human Resource managers influence the adoption of HPWP, the importance of frontline managers to HPWP, leadership as a moderator in the links between HPWP and organisational performance, and the barriers that managers face and present to the implementation of HPWP.

ROLE OF HR MANAGERS IN THE ADOPTION OF HPWPS

Studies have established that intended HRM programs are substantially different from what is actually implemented. Factors that may influence the effective implementation of HPWP include the importance that HR managers place on networking skills, HR group climate, and the role of organisational leadership (Khiiji & Wang, 2006; Murphy & Southey, 2003). There have been few empirical studies on the role of HR managers in the implementation of HPWP, but the research that has been conducted has established that HR managers are important to the implementation process.

In a study of Australian small to medium enterprises, Wiesner et al. (2007) report there is a significant correlation between the adoption of HPWP and the presence of an HR manager.
Murphy and Southey (2003) argue that HR managers have a central role in the adoption of HPWP because of their ability to influence management strategy through their social capital, credibility, and networking resources, as well as their knowledge, skills, and abilities to identify relevant High Performance Work Practices.

Wickramasinghe and Gamage (2011) report that HR managers largely play a ‘steering’ and ‘facilitating’ role in the implementation of HPWPs, while senior managers, the board, and production managers are responsible for ‘driving’ HPWP strategy.

In their model of the factors necessary for the successful implementation of HPWP, McAlearney et al. (2013) found that key factors include HR commitment, particularly having skilled staff able to focus solely on HPWP, as well as management support and the presence of an organisational champion, who may be an HR manager.

In the broader context of strategic Human Resource practices, the innovation literature suggests that HR managers play a significant role in the development, implementation, evaluation, and facilitation of strategic management programs (Lengnick-Hall et al., 2009).

Key factors for how successfully HR managers can execute programs include support from senior management, their understanding of the organisation’s strategic plan, and differences in perceptions of HR programs among senior executives (Bartram et al., 2007; Boswell, 2006; Sheehan et al., 2007).

IMPORTANCE OF FRONTLINE MANAGER BEHAVIOUR FOR HPWP

There has been limited research on the role of frontline managers in implementing HPWP. However, studies suggest that frontline managers may play a significant role in the facilitation of HPWP. In particular, these studies have found that frontline managers are increasingly responsible for Human Resource management functions, particularly communicating HR policies to their team members (Alfes et al., 2013; Larsen & Brewster, 2003; Kramar & Steane, 2012; Liu & McMurray, 2004). For example, Kramar and Steane (2012) found that frontline managers in Australia are progressively engaging with their HR function in a more strategic way, seeking to recruit more effectively, develop the skills of their employees, and retain talented team members.

Line managers’ interactions with their direct employees are also important for how HPWP work. In examining employee engagement, an outcome usually associated with the use of HPWP, Alfes et al. (2013) found that engagement was positively correlated with employee perceptions of frontline manager effectiveness, equity, and integrity. Similarly, Rabey (2008) found that frontline managers play a role in encouraging employee involvement, by ensuring that team members are informed of organisational strategy and improving workplace systems. Furthermore, frontline managers are responsible for motivating their followers, necessitating strong communication skills and effective communication between them (Ahmed et al., 2010).

These findings are significant in that they suggest that the day-to-day behaviour of line managers and their interactions with their team members is a critical mechanism through which HPWP are likely to create positive outcomes.

Nonetheless, further research is needed to specifically examine the role of frontline managers in implementing and promoting HPWP. In particular, research could examine the extent to which frontline managers are involved in the initiation and adoption of HPWP within organisations, as well as the tasks they are responsible for and contextual differences between the responsibilities of frontline managers and those of HR managers, as well as differences between various organisations.

BARRIERS TO IMPLEMENTING HPWP

Studies have found that managers confront a number of barriers to the successful operation of HPWP. Factors that constrain the ability of managers to enact HPWP include a lack of financial and Human Resources, including having staff dedicated solely to HPWP, as well as limited support by senior managers and differences in the priorities of HR managers, senior managers, and the board (Bartram et al., 2007; Kroon et al., 2013; Patterson et al., 2004).

Managers themselves have also been found to present as a problem for the implementation of HPWP. This is so for a number of reasons, including:

- a tendency to focus on short-term time horizons and discount future benefits,
► a lack of knowledge of the benefits of HPWP,
► a lack of skills or training on how to implement HPWP, or
► reluctance to devolve decision-making to front-line management (Appelbaum & Batt, 1995; Erickson & Jacoby, 2003; Gill & Mayer, 2012).

SUMMARY

There has been limited research into the role of managers in the implementation of High Performance Work Practices. Studies suggest that HRM and line managers may have an important role in implementing policies of HPWP, as well as facilitating practices through their interactions with employees. However, more research is needed in this area. Leadership has been identified as a mediating factor and transmission mechanism in the implementation HPWP, suggesting a need for more research on the process through which managers introduce, develop, and maintain HPWP. In addition, research has examined the barriers that managers face in implementing HPWP, as well as the problems they may present to its successful operation in organisations.

LEADERS AND NEW TECHNOLOGY

Research on the introduction of new technology in the workplace has found that leaders play a highly important role in its successful implementation. Few studies have specifically examined the role of leaders in introducing new technology, instead examining leadership and new technology, or the introduction of new technology in organisations (Avolio et al., 2014). While still an emerging area of research, key themes include predictors and reasons why leaders commence using new technology, the significance of leaders in the use of new technology within organisations, and the virtual context of leadership.

ANTECEDENTS OF NEW TECHNOLOGY INTRODUCTION

Research has examined why leaders do or do not introduce new technology. Humphreys (2001) found that differences in leadership styles influence the likelihood of leaders’ support for new technology. In particular, there is a strong correlation between leaders who exhibit ‘transformational’ leadership characteristics and support for emerging technology. In contrast, there is a significant negative correlation between those who enact ‘transactional leadership by exception’ (finding faults and enforcing rules) and those who display ‘laissez-faire’ leadership and their support for a particular type of new technology, e-commerce (Humphreys, 2001). More broadly, studies have found that traits and demographic factors, including gender, self-efficacy, and extraversion, influence the how new technology is adopted and used, which may in turn influence how leaders introduce technology into the workplace (Avolio et al., 2014; Furutani et al., 2009; Jackson et al., 2003; Orr et al., 2009; Venkatesh & Morris, 2000). In particular, men have been found to be more likely to use technology based on usefulness, while women focus on ease of use (Venkatesh & Morris, 2000). Greater internet use has been linked to self-efficacy and mixed results have been found as to whether extroverted or introverted people are likely to use the internet (Furutani et al., 2009; Jackson et al., 2003; Orr et al., 2009).

Some organisational leaders may be opposed to technological changes. Research has found that middle managers in particular have been reluctant to embrace innovations in information technology, because of fear that it may reduce their status and threaten their job security and promotion opportunities, though evidence suggests that this has not occurred (Pinsonneault & Kraemer, 1997; Watad & Will, 2003; Wiesenfeld et al., 1999). Alternatively, managers may be unsupportive of technological change if they are unaware of the additional benefits of updates (Peansupap & Walker, 2006). Manager resistance to new technology remains a sensitive issue, with Davis and Fisher (2002) finding mixed and inconclusive evidence on its occurrence, suggesting that managers largely do not resist technological change overtly, but passive resistance (such as not using the technology) may occur. This is more difficult to identify, however.
In examining why new technology is introduced, economic reasons have been identified as the primary motivation. Studies have found that the introduction of new technology is driven by increasing productivity, reducing costs, ensuring competitive advantage, diversifying capabilities, improving customer service, and responding to pressure from competitors and customers (Brown & White, 2008; Hollenstein, 2004; Roberts, 2009; Ross, 2009; Shosham & Perry, 2009). Furthermore, new technology can enable employees to work flexibly and from home, which may help retain skilled employees and lower utility and rental costs for employers (Whitehouse, et al., 2002). However, Brown and White (2008) highlighted that upgrading to new technology may incur significant costs for organisations and it can be difficult for them to choose from a wide variety of choices among technology products. Economists have conducted modelling on the best time to upgrade technology, taking into account the trade-off with cost, and have concluded that the choice depends on profit estimates, information levels, and pressure from competitors and customers (Mamer & McCardle, 1987; McCardle, 1985; Oliva, 1991; Roberts, 2009).

Australian research has examined the adoption of new technology in the contexts of telecommunications, government departments, wineries, universities, corporations, the construction industry, manufacturing, and small businesses (Duan et al., 2012; Hawkin et al., 2004; Pearsupap & Walker, 2006; Pratt, 2005; Roberts, 2009; Ross, 2009; Troshani et al., 2011; Yetten et al., 1997). However, many of these studies do not explicitly examine the role of leaders in introducing new technology, or they focus solely on the implementation and impact of one particular change. An exception is the work of Sarros et al. (2008) who examined the link between leadership behaviour and an organisational culture of innovation, finding that two behaviours were positively correlated with an innovation culture, namely articulating vision and providing individual support. Further Australian research on leadership is necessary to examine the decision-making factors that drive leaders in Australian organisations to adopt new technology, as well as the contextual and demographic factors that influence their decisions to introduce new technology or not.

ROLE OF LEADERS IN INTRODUCING NEW TECHNOLOGY

Studies have established that managers, in particular senior managers, play a crucial role in the introduction and establishment of new technology in the workplace. Models of managing the introduction of new technology have highlighted the need for each change to be supported by executive management sponsors (Peterson et al., 2005; Shoham & Perry, 2009). Empirical research has shown that successful implementation of new technologies depends on the support and commitment of workplace leaders, as found in a variety of contexts, including small businesses, sales work, manufacturing companies, universities, and government departments (Duan et al., 2012; Leonard-Barton & Deschamps, 1988; Mathieu et al., 2007; Peterson et al., 2005; Troshani et al., 2011; Weinstein & Mullins, 2012). However, Xu and Quaddus (2004), in their study of West Australian companies, found no significant correlation between managerial support and the success of new knowledge management systems. Nonetheless, the majority of research suggests that managerial support is important to the success of new programs. Conversely, studies of unsuccessful technology implementation have found that, in many cases, a lack of support from managers is a key reason why implementation does not work (Fitzgerald et al., 2013; Pearsupap & Walker, 2006).

The support of leaders particularly affects whether or not their followers will embrace the newly introduced technology (Lilly & Durr, 2012; Mathieu et al., 2007; Weinstein & Mullins, 2012). This may be attributed to the power and authority of leaders to mandate that new technology must be used, their ability to draw on discursive structures of legitimacy, or their social influence as role models in encouraging their team members to follow their example (Chatterjee et al., 2002; Homburg et al., 2010; Leonard-Barton & Deschamps, 1988).

Australian empirical research in small to medium enterprises, telecommunications, and the public sector has found that the support of leaders is important for the successful implementation of new technologies (Duan et al., 2012; Ross, 2009; Troshani et al., 2011). The study by Whitehouse et al. (2002) of telework across Australian organisations found that there were consistent problems with implementation, particularly confusion about the role of the manager in overseeing performance and monitoring, as well as a lack of formal systems to establish working conditions, selecting telework jobs on an ad hoc basis, and a lack of familiarity with organisational culture. These problems can be overcome through the development of clear policies and strategic, rather than ad hoc, use of telework (Whitehouse et al., 2002). In examining change across a range of private Australian firms, Savery and Luks (2000) found that senior managers were most often responsible for initiating changes in technology, more so than for any other organisational changes. Building on this, further studies could examine the role of leaders at different levels of the organisation in implementing new technology and the process through which managers adopt and introduce new technology.
LEADERSHIP IN A VIRTUAL CONTEXT

A new body of research has developed known as ‘e-leadership’, which focuses on the social process of leadership using information technology (Avolio et al., 2014). E-leadership research highlights the iterative nature of the relationship between leadership and new technology, examining how leaders adopt new technology and how new technology changes leadership (Dasgupta, 2011). However, much of the research has concerned the effect of technological change on leadership so the process through which new technology is introduced in organisations has not yet been fully understood, with no empirical studies on the way in which social and physical context influences the adoption of new technology (Avolio et al., 2014). Theoretically, Avolio et al. (2001) have used the concept of ‘adaptive structuration theory’ to conceptualise the way technology is adopted in the workplace, with technological and organisational structures influencing the adoption of new technology and the introduction of technology changing the nature of those structures. For instance, new technology is designed for a specific purpose within an organisational hierarchy, but may be appropriated by the users in ways different to those intended, such as the use of Facebook and Twitter during the ‘Arab Spring’ protests (Avolio et al., 2014).

Much of the research in e-leadership has focused on the efficacy of different forms of technology and how they are used in organisations, including teleworking and virtual teams, mobile phones, the internet, gamification, social media, apps, and instant messaging (Cameron & Webster, 2005; Fitzgerald et al., 2013; Golden, 2009; Hoch & Kozlowski, 2013; Korzynski, 2013). In particular, Kahai (2013) and colleagues (Avolio et al., 2014) note organisational changes as a result of new technology, including increased transparency, greater use of social networks, constant contact, and use of monitoring technology, as well as increased online collaboration and communication across distance.

Further research is needed into the process through which technology is adopted by leaders and how the process varies by leadership style, traits, and context. Studies could examine how leaders establish policies and structures for the use of new technology, and how they are interpreted by managers at different levels in the organisation.

SUMMARY

There has been some research into the introduction of new technology by leaders, but most research on new technology has examined particular innovations in certain sectors. Studies have found that leader support and commitment is highly important to the successful implementation of new technology, with other research examining the reasons why leaders introduce new technology, its effect within organisations, and developments in leadership through new technology. Further research could examine the process through which leaders introduce new technology, with an emphasis on the Australian context.

CONCLUSION

Research has established that leaders play an important role in the workplace and in developing work practices and systems. Three levels of management have been conceptualised, i) frontline, ii) middle, and iii) executive managers, each with different roles and skill-sets. Depending on the organisational context, HR managers and frontline managers have responsibility for the development of people management strategies and systems, including the introduction of High Performance Work Practices. Research has found that the successful implementation of HPWP is reliant on the support of both HR managers and frontline managers, but a lack of skills and knowledge as well as a short term focus among management can act as a barrier for the introduction of HPWP. Studies examining the introduction of new technology have highlighted the importance of senior managers in this process, as their support influences whether resources will be allocated to implementation and if followers will embrace the technology. However, further studies are necessary in these areas, particularly in the Australian context, to examine the process through which HPWP and new technology are introduced, the role of leaders in this process, and the barriers and enablers faced by leaders.
CHAPTER 6. LEADERS OF THE FUTURE

INTRODUCTION

This chapter considers workplace leadership for the future, by examining how organisations plan for future leaders, as well as the development and values of young leaders, and the experiences of leaders from diverse backgrounds. The chapter starts by analysing the sustainability of leadership, examining the preparedness of organisations for leadership changes through succession planning. It specifically reviews the link between succession planning and organisational performance, key features of effective succession plans, differences in succession planning depending on organisational context, and the role of organisational culture in succession planning. The chapter then considers the role of young leaders into the future. It analyses leadership development for young leaders, the experiences of young managers and the characteristics and working preferences of Generation Y. Finally, the chapter considers the increasing diversity of leaders. It examines the barriers faced by leaders from diverse backgrounds, specifically designed leadership development programs, the experiences of leaders from diverse backgrounds, cross-cultural leadership, and diversity amongst followers.

SUSTAINABLE LEADERSHIP

The continuation of organisations through the systematic identification, training, and assessment of future leaders was first recognised as an emerging area of research in the early 1990s and studies in this area have expanded since then (Kesner & Sebora, 1994; Giambatista et al., 2005). While much of the research focuses on the succession of CEOs, other studies examine broader organisational leadership capabilities and managerial succession planning (Hutzschenreuter et al., 2012). This section will focus on succession planning more broadly, examining the importance of succession planning, features of succession management, the extent to which different organisations engage in succession planning, and how organisational culture is linked to succession planning.

SUCCESSION PLANNING AND ORGANISATIONAL PERFORMANCE

Research has shown that leader succession planning is important for organisational sustainability, establishing links with the continuity of businesses and increased economic performance. Studies have found that formal succession plans are associated with higher financial performance, because they help establish a better fit between leaders and organisations, reduce investor uncertainty, and minimise disruption (Friedman, 1986; Gupta & Govindarajan, 1984; Shen & Cannella, 2003). In addition, organisations that promote internal candidates have been found to make higher profits than those that do not (Shen & Cannella, 2002; Zhang & Rajagopalan, 2004; 2010b). Conversely, unplanned succession or poorly planned succession has been linked to lower organisational performance (Fabianic, 1994; Lauterbach et al., 1999). Succession planning is important for competitive advantage as it enables organisations to maintain a continuously high standard of leadership by drawing from a pool of able potential leaders (Elkin et al., 2011). Furthermore, scholars have highlighted that succession planning is needed to grapple with the impending leadership deficit brought on by demographic factors, including the ageing population and approaching retirement of many current leaders (Galbraith et al., 2011; Hardy, 2004). There is however some research suggesting that succession planning does not necessarily lead to better Human Resource management outcomes, such as lower turnover and higher morale (Huang, 2001).

There has been limited Australian research on the link between succession planning and the performance of Australian organisations, with studies focused instead on the prevalence and patterns of succession management plans in different organisational contexts (Crethar et al., 2011; Santora et al., 2011; Taylor & McGraw, 2004). One recent study by Varhegyi and Jepsen (2009) found a link between succession planning of non-profit boards and the effectiveness of those boards, however future research may be necessary to further examine the link between succession planning and organisational performance in Australia, both in terms of economic performance and HR indicators.
KEY FEATURES OF SUCCESSION PLANNING

Research on succession planning, in particular for leadership roles in the organisation, ranges from a focus on replacing CEOs to improving the performance of individual teams and divisions by developing employees capable of replacing outgoing managers over time (Groves, 2006; Hutzschenreuter et al., 2012; Rothwell & Poduch, 2004). Kur and Bunning (2002) describe succession planning as a process that does not only involve the development of the capabilities of individual leaders at the top, but which also relates to how organisations can develop cultures of leadership development more broadly.

In studying successful organisations, scholars have highlighted that positive succession is facilitated by the identification of future leaders, mentoring, experience working at the firm, a predecessor delegating some of their responsibilities prior to their departure, and an overall assessment of an organisation’s leadership capabilities and needs (Kim, 2012; Kim, 2003; Zhang & Rajagopalan, 2010a). Much of the research on succession planning has been conducted in the context of family businesses. Cabera-Suárez (2005) found that high performing sustainable family businesses share common succession practices, including a good relationship between predecessor and successor, a successor’s experience in a subordinate role in another company, the successor assuming real responsibility gradually, an organisational atmosphere of consultation and tolerance for mistakes, and the successor’s level of commitment to the firm.

Research has also been conducted on the different types of succession planning. Taylor and McGraw (2004:748) have conceptualised three different types of succession management plans:

- a ‘pool’ approach developing qualified employees capable of filling leadership vacancies,
- a ‘react’ approach where successors are sought once a position becomes vacant, and
- an ‘heir’ approach where one individual is trained to be able to take over a particular role.

Limited comparative research has been conducted examining the type of approach that organisations take to succession planning, but qualitative Australian research suggests that some organisations use leadership practices that combine these approaches, rather than consciously embarking on one particular type of succession management (Crethar et al., 2011). Future research is necessary to examine the nuanced differences of the programs that companies use to engage in succession planning. Giambatista et al. (2005) have argued that too much of the research on succession planning has used quantitative secondary analysis methods, leaving gaps in the literature concerning what occurs in the early stages of succession planning, which could be elucidated through interviews and surveys.

DIFFERENCES IN SUCCESSION PLANNING

Much research has examined the prevalence of succession planning within different organisations. Studies suggest that succession planning is more common in large, private sector organisations (Paradise, 2010). For instance, a UK study of 279 of publicly listed companies in the top 500 found that 90 per cent engaged in succession planning (HRM, 2000 cited in Taylor & McGraw, 2004), while in Taiwan, Huang (2001) found that 65 per cent of the 166 companies studied had succession plans. In comparison, studies have found that few family businesses have succession plans (Berman-Brown & Coverly, 1999; Kirby & Lee, 1996; Kuratko, 1993). This may be due to the tendency of leaders in family businesses to see their personality and connections as integral to the operation of the business, or their fear of retirement (Berman-Brown & Coverly, 1999; Smyrnios & Dana, 2010).

Research has also been conducted on succession planning in the non-profit sector, healthcare, libraries, education, and the public sector more generally (Elkin et al., 2011; Galbraith et al., 2011; Kim 2012; Santora et al., 2011; Zapeda et al., 2011). Studies have found that these organisations tend to lack succession plans (Froelich et al., 2011; Santora & Sarros, 2001). In particular, Sinclair (1996, cited in Santora & Sarros, 2001) found that 69 per cent of the 750 non-profit organisations surveyed did not have a succession plan. This may be explained by Hardy’s (2004) argument that succession planning is easier in the private sector than the public sector, as those organisations focus more on identifying and developing future leaders, rather than concentrating predominantly on hiring. Indeed, Hardy (2004) cautions that succession management planning may breach equal opportunity laws, by pre-selecting candidates for leadership positions and risking favouritism.
Australian research suggests that leader succession plans are becoming more common among businesses. While Rylat (1993) found that only 3 per cent of surveyed HR managers engaged in succession planning and management, Taylor and McGraw’s comparable (2004) study found that 44 per cent of the 711 organisations they studied had a succession management plan. However, most of these plans were less than five years old and the tendency to engage in succession planning varied across industry type and ownership, with companies in manufacturing, transportation, communication, and retail businesses more likely to engage in succession planning, as were multinational companies (Taylor & McGraw, 2004). Though this research is useful, it is now ten years old and focused mainly on larger companies or companies with designated HR managers. This suggests that updated research is needed to examine the current state of succession planning across Australian businesses and organisations, with particular emphasis on small and medium enterprises.

**SUCCESSION PLANNING AND ORGANISATIONAL CULTURE**

An emerging area of research is examining the link between organisational culture and succession planning. Studies have shown that changes in organisational leadership can often be linked with a change in workplace culture (Hutzschenreuter et al., 2012). Valentine (2011) hypothesises that succession planning is sometimes designed to ensure that successors maintain the same organisational values and practices, however no empirical research has established this link to date. Other scholars posit that succession planning is only possible within some organisational cultures. Conger and Fulmer (2003) suggest that openness and risk taking are necessary for organisations to engage in succession planning, with Kur and Bunning (2002) arguing that succession planning needs a supportive culture. Florea et al. (2013) link succession planning with the value that workplace leaders place on altruism, arguing that leaders must engage in some degree of altruism to develop the careers of subordinate employees with the risk that they may leave the organisation, though it also serves the organisation’s interest to attract and train the best possible leaders. Further research is needed on the socio-political factors that impact on workplace succession planning and its effectiveness and prevalence in organisations.

**SUMMARY**

Research into the continuation of organisations through succession planning has included a focus on the importance of succession planning and its link to organisational performance, the types of succession plans, the prevalence of succession planning, and its association with workplace culture. This research has most often been undertaken in a US setting, so further research is necessary to examine Australian organisations’ experience of succession planning and organisational sustainability.

**YOUNG LEADERS**

There are three overlapping areas of research that provide insights into the needs of young leaders in the workplace. The first focuses on how leadership is developed, the second on the experiences of young managers, and the third on the generational characteristics of young workers and their working preferences.

**LEADERSHIP DEVELOPMENT**

Leadership development has recently emerged as an important area of study, with scholars arguing that it is an ongoing process that involves developing the skills of individual leaders as well as implementing effective leadership practices within organisations (Avolio & Gardiner, 2005; Day et al., 2013). Longitudinal studies have examined how leadership is developed through childhood and adolescence, including leadership tasks, skills, and processes that develop future leaders (Murphy & Johnson, 2011). Research on traits has found that personality predicts leader emergence, especially extraversion, but intelligence is not correlated with leadership potential in later life (Guerin et al., 2011; Reichard et al., 2011). Context and environment are also important in predicting leadership emergence, with positive parenting and self-esteem associated with leadership potential (Li et al., 2011; Oliver et al., 2011).

Academic and co-curricular leadership development programs in secondary schools and universities have been identified as key sites for developing the skills of future leaders (Eva & Sendjaya, 2013). These programs have been shown to positively affect students’ decision-making skills, increase their respect for other cultures, strengthen their ethical values, and broaden their understanding of leadership styles (Cress et al., 2001). However, there have been concerns that many programs which claim to develop future leaders are not grounded in leadership theories and research, making it difficult to measure their goals and effectiveness (Hollander, 2011; McNae, 2010).
Studies have been conducted on the skills learnt in academic programs on leadership development in business schools. McCall (2004) posits that leadership skills are developed most effectively through experience, but educational simulations have been shown to effectively improve leadership skills by role-playing management challenges and requiring students to reflect on how they would act in difficult situations (Seaton & Boyd, 2008). Traditional business school academic courses have been criticised for being too conceptual, not focused enough on the practical day-to-day experiences of managers, and for emphasising the skills required of senior managers, rather than equipping graduates with the skills they need when first starting their careers (Kerr, 2004; Tushman & O'Reilly, 2007). Elmuti et al. (2005) argue that academic programs should take a holistic, multi-disciplinary, practical approach to leadership education using a global perspective and placing an emphasis on ethics.

Australian research has examined the preparedness of business graduates, showing that many employers believe they lack non-technical skills such as critical thinking, decision making, conflict resolution, and self-reflection, necessitating reform to university curricula (Jackson & Chapman 2012). In addition, research has been conducted on youth leadership development programs in Australian secondary schools. Eva and Sendjaya (2013) analysed programs through the 'servant leadership' theoretical model and found that students exhibit some aspects of servant leadership after completing these programs, such as collaboration and respect for others, but more emphasis needs to be placed on the ethical and altruistic aspects of leadership in these programs, including providing students with volunteering opportunities in the community.

While this research provides a good starting point, more research is needed in Australia. It is necessary to further examine what is being taught in universities and secondary schools regarding leadership, the prevalence of youth leadership development programs, the different types of programs, the leadership theories that underpin them, and—crucially—their effectiveness in preparing future leaders. Further research is also needed to examine the debate about whether students learn more about leadership in co-curricular activities, such as participation in sporting teams and volunteering, or through classroom-based learning (Casile et al., 2011; Ricketts & Rudd, 2002).

**YOUNG MANAGERS**

There are few studies on the experiences of young managers, however the existing research is useful in highlighting some of the challenges new graduates face and their needs in the workplace (Uen et al., 2009). Young managers, measured by age (Uen et al., 2009) and the length of time since their graduation from MBA programs (Benjamin & O'Reilly, 2011), have been shown to experience particular workplace challenges in managing others and themselves. Benjamin and O'Reilly (2011) found that new managers face difficulties motivating subordinates, managing relationships with peers and bosses, developing a leadership mindset, and coping with setbacks. To address these challenges and develop as a successful leader, young managers have to make three types of psychological transitions: (i) role transitions to understand the requirements of being a manager, (ii) business transitions to be able to make changes to existing business operations, and (iii) personal transitions to resolve instances of personal conflict with their values and organisational practice or with other people in the organisation. To aid young managers in making these transitions, it is suggested that training and educational programs should highlight the types of challenges that young managers may face and organisations should provide ongoing feedback to young managers (Benjamin & O'Reilly, 2011).

Organisational practices can help address the problems experienced by young managers. Indeed, some have suggested that organisational changes in human resources practices, particularly the shift to merit-based promotion, increases the diversity of age groups in management roles (McDermott, 2001). Uen et al. (2009) found that young managers experience workplace stress relating to their lack of interpersonal communication skills, difficulties interacting with senior subordinates, and differences with middle-aged fellow managers. Formal assessment mechanisms, including holistic 360-degree feedback, reduce the stress associated with dealing with fellow middle-aged managers (Uen et al., 2009). Indeed, organisational feedback and self-reflection is an important part of leadership development, as a manager’s ability to learn from their early career problems equips them with the knowledge and capability to deal with more complex problems at a senior level (McCall, 2010).

Australian research has focused on the preparedness of graduates from the perspective of employers rather than examining the experiences of young managers (Jackson & Chapman, 2012; Raybould & Wilkins, 2005). This suggests that further research is necessary to analyse the perspectives of new managers across different sectors in Australia to examine their early career experiences, challenges they face, and their leadership development needs.
GENERATION Y

Research on the characteristics of Generation Y has highlighted social factors that have influenced this generation, their working preferences and new trends in working arrangements. Popular generalisations have emerged about the cohort of people born between 1979–2000, including depictions of them as idealistic (Leydon & Teixeira, 2007), optimistic (Cole et al., 2002), and self-confident (Balda & Mora 2011) with overly high expectations (Martin & Schmidt 2010). Many of these labels have been criticised for overstating the differences between generations (Oliver, 2006) and underestimating the diversity amongst this cohort (Terjesen et al., 2007). However, scholars have highlighted changes to society that have influenced the experiences of this generation, including the internet and new technology (Feiertag & Berge, 2008), an increase in working mothers (Cole et al., 2002), globalisation and more multicultural societies (McCrindle, 2006), increasing access to higher education (Eisner, 2005), higher levels of student employment (Oliver, 2006), and the effects of the global financial crisis (Allison, 2013). In terms of the workplace, studies have identified this generation’s preference for balanced work and leisure time (Cogin, 2012) and working flexibly from home (Macleod, 2008), increased willingness to change organisations and jobs (Solnet et al., 2012), and a desire for feedback and collaborative and creative stimulating work (Shaw & Fairhurst, 2008). Young workers have been shown to prefer organisations that invest in training, cater to the individual needs of employees, provide opportunities for career advancement, and offer variety in daily work (Terjesen et al., 2007).

Research on Generation Y and leadership has found that they have high expectations that they will assume leadership positions within a short amount of time (Morgan & Ribbens, 2006) and that they respond best to egalitarian leadership because many dislike hierarchy (Van Meter et al., 2013). In studying the ethical orientation of Generation Y, Van Meter et al. (2013) found that those with a higher idealism rating were more likely to exhibit servant leadership compared to those with low idealism ratings. Members of Generation Y with higher idealism ratings were also linked to better teamwork, and less likely to commit violations. Those with stronger servant leadership traits were better at team work (Van Meter et al., 2013).

Australian research has found some differences in the work attitudes of Generation Y compared to other generations. In the hospitality sector, Generation Y has been shown to place a higher value on working at an organisation that aligns with their values, and where they have good relationships with their colleagues, opportunities for training and development and flexible work, and where they are taught “how and why the business operates” as well as what to do (Solnet et al., 2012:45). Generation Y working in the healthcare industry have been found to be motivated to change jobs to broaden their experience, increase their salary, have greater flexibility, have more supportive supervisors, and a better organisational culture (Dodd et al., 2009). These studies provide useful insights but are focused on particular sectors, suggesting that further research is needed into the attitudes, preferences, and working patterns of Generation Y across a wider variety of industries, jobs, employment status, length of tenure, and locations (Solnet et al., 2012), and into the implications these have for their development into future leaders.

SUMMARY

There has been some research into the development, experiences, and preferences of young leaders in the workplace, however this has largely been conducted in the context of the USA or the UK. More research is needed to appreciate the particular experiences and needs of young Australian workers to better equip them with the skills they need to be future leaders and to develop management practices that effectively harness their potential.
LEADERS FROM DIVERSE BACKGROUNDS

The diversity of leaders and followers in relation to gender, ethnicity, race, culture, sexual orientation, disability status, and age has received limited attention in the leadership literature (Eagly & Chin, 2010). The research that has been conducted has focused on the barriers that people from diverse backgrounds face in accessing leadership roles, the development of these leaders, their experiences of leading, cross-cultural leadership, and followers from diverse backgrounds.

BARRIERS TO LEADERSHIP FOR DIVERSE GROUPS

Workplace leaders, in particular senior management, do not reflect the diversity of the general population, however, there are now a greater number of diverse leaders than at any other time in history (Zweigenhaft & Domhoff 2006). Scholars have attributed the under-representation of women and non Anglo-Celtic ethnic groups in leadership to variations in human capital, including education, training, and experience, as well as structural factors such as job segregation and discrimination (Maume, 2004; Weinberger, 2011). Emphasis has been placed on the effect of discrimination as leadership qualities have traditionally been conflated with the attributes of Anglo-Celtic men (Chin & Sanchez-Hucles, 2007). In particular, many constructions of leadership privilege a “heroic performance… of tough, out-front, decisiveness or greatness” (Sinclair, 2012:16). Although this is taken to be gender and racially neutral, social constructions often preclude women and people from diverse ethnic backgrounds from exhibiting this behaviour in a socially acceptable way (Sinclair, 2013; Ospina & Foldy 2009).

Indeed, unconscious discrimination through stereotyping has been identified as a pervasive barrier to leadership success for women and diverse ethnic groups (Davies et al., 2005). Studies have shown that individuals from these groups have to be more qualified to achieve the same leadership positions and that they face both a ‘glass ceiling’, which limits their promotions, and a ‘glass cliff’, which makes them more likely to be appointed to precarious leadership positions (Barretto et al., 2009; Biernat & Kobyrycowicz, 1997; Foschi, 2000; Morrison & von Glilow, 1990; Ryan & Haslam, 2007). A lack of diverse role models and family commitments have also been recognised as barriers to diversity among workplace leaders (Jogulu & Wood, 2011; Kilian et al., 2004).

Australian research has examined the gender and cultural origins of board members and senior executives in the top 200 publicly listed companies (Committee for the Economic Development of Australia, 2013; Diversity Council of Australia, 2013; Equal Opportunity for Women in the Workplace Agency, 2012). These studies have found that in 2012, 3 per cent of ASX 200 company CEOs were women, while women comprised 16 per cent of directors and 10 per cent of executive key management personnel (CEDA, 2013; EOWA, 2012). The insignificant numbers of women in management and board positions in Australia has been attributed to their lack of management experience, cultural factors, communication styles, and discrimination (Still, 2006). Wooden (1999) found that female managers in Australia face unequal access to promotions, which Watson (2009) attributes to discrimination and inflexible working hours. More research is needed on the numbers of women in leadership positions in small to medium enterprises and the barriers they face in gaining these positions.

The Diversity Council of Australia (2013) survey was the first to examine the cultural diversity of workplace leaders in Australia, finding that there were 57 different cultural origins among ASX 200 directors, but approximately 80 percent of directors, CEOs, and senior executives come from an Anglo-Celtic background. There has been limited research on the leadership experience of non Anglo-Celtic workplace leaders in Australia and the difficulties that they face in accessing leadership positions. Most research on organisational diversity has come from a US setting, so more studies are needed to examine leadership diversity in Australia (Brain & Lewis, 2004; Syed & Kramar, 2010).

DEVELOPING LEADERS FROM DIVERSE BACKGROUNDS

Research has examined programs that foster leadership skills among traditionally marginalised groups and the process through which organisations develop diverse leadership. Though the literature has focused more on the barriers to leadership, studies have examined the effectiveness of specifically designed leadership development programs for women and ethnic minorities, and the effectiveness of organisational initiatives (Kalra et al., 2009; Kilian et al., 2004; Olson & Jackson, 2009). Leadership development courses targeted at particular groups are somewhat controversial, facing criticisms that they reduce individuals to their social identity, are patronising, and cause resentment (Ogunbawo, 2012). However, by providing an opportunity for self-reflection and discussion of common experiences with diverse role models, such programs have been shown to have positive effects, including increased self-esteem, greater ambition for leadership, and renewed motivation (Ogunbawo, 2012).
Studies have found that the most effective organisational programs to promote leadership diversity are implementing and measuring diversity objectives, training senior leaders about diversity, providing access to formal networking, mentoring, talent identification, and flexible work practices to promote work-life balance (Kalra et al., 2009; Kilian et al., 2004; Olson & Jackson, 2009). To develop an organisational culture where diversity is successful and valued, Scandura and Lankau (1996) posit that the relationship between leaders and followers must be built on mutual respect, and develop with trust and a sense of mutual obligation. This process is particularly important between different social groups to avoid misunderstanding and conflict, and necessitates self-awareness, communication skills, and cultural sensitivity. Organisational context, including social climate, economic conditions, and organisational support for diversity, also plays an important role in influencing whether relationships between diverse leaders and followers can be successful (Scandura & Lankau, 1996).

There have been few Australian studies on the development of diverse leaders, but those that have been conducted have focused on particular industries (Syed & Kramar, 2010). For example, Wallace and Marchand’s (2009) research on female managers in Australian universities found that many female managers had few development opportunities and had not participated in any development programs to prepare them for their management role. The most common leadership development opportunities were informal, being either previous work experience or mentoring (Wallace & Marchand, 2009). Further research in Australia is necessary into the development programs available to leaders and aspiring leaders from diverse backgrounds, and the organisational practices that facilitate their effectiveness.

EXPERIENCES OF LEADERS FROM DIVERSE BACKGROUNDS

Different social norms have been found to operate for leaders from diverse backgrounds. Studies have shown that leaders who are female, or with diverse sexual orientations or from ethnic minorities are constrained by different expectations about their behaviour, including stereotypes (Cheung & Halpern, 2010; Fassinger et al., 2010; Sanchez-Hucles & Davis, 2010; Watson, 2009).

An interesting area of research has focused on the leadership experiences of women in female dominated industries. In examining leadership in educational institutions, Blackmore (1996) found that even within a largely female environment, leadership was still discussed through a masculine discourse of toughness, decisiveness, and rationality. Women in leadership are sometimes constructed as agents of change or evidence of diversity, but feel powerless to reform the expectations of leadership or the confines of the systems they work within (Blackmore and Sachs, 2000). However, in other organisations, the notion of a distinct female style of leadership has emerged, emphasising cooperation, empathy, and communication (Blackmore 1999).

There has been much research on the leadership style of female leaders but more limited research on leaders from other types of diverse backgrounds (Eagly & Chin, 2010). Researchers have traditionally denied gender differences in leadership style, instead arguing that different types of leadership are based on context, different roles, and personality (Kanter, 1977, van Engen et al., 2001). However, other studies show that female leaders are more commonly associated with the transformational leadership style, while male leaders are more likely to exhibit transactional or ‘laissez-faire’ leadership (Alimo-Metcalfe, 2010; Antonakis et al., 2003; Eagly et al., 2003). This difference in leadership style may be due to distinct social expectations or the likelihood of female leaders being more qualified (Eagly, 2007). Transformational leadership has been found to be particularly effective, with a case study of nurses showing that transformational union leaders built stronger organisational commitment, while expanding and empowering their membership through their leadership style (Cregan et al. 2009; Tierney & Cregan 2013).

Research on the different leadership styles of African-American and Anglo-Celtic managers was largely conducted in the 1970s and produced inconclusive results (Bass, 2008; Osipina & Foldy, 2009). Studies found that African-Americans were less likely to be perceived as legitimate leaders, less likely to use harsh punishment, and more likely to have lower motivation for power and to be perceived as more considerate by their subordinates (Adams, 1978; Bass, 1990; Shull & Anthony, 1978; Watson & Barone, 1976).

There is mixed evidence on the effectiveness of leaders from diverse backgrounds. The transformational leadership style has been positively linked with higher follower motivation, job satisfaction, leader satisfaction, and group performance (see Chapter 3). Therefore, female leaders—who are more likely to adopt this style—have been indirectly associated with being more effective. (Eagly, 2007; Judge & Piccolo, 2004). Some US studies have shown that companies with a greater proportion of female leaders have stronger financial performance (Catalyst, 2004; Krishnan & Park, 2005), however other studies in different contexts found this relationship to be weak or non-existent (Shrader et al., 1997; Singh & Vinnicombe, 2005). Choi (2012) found that increased gender and racial diversity among management teams was negatively related to the job satisfaction of employees. These variations suggest that the effectiveness of diverse leaders is dependent upon context (Eagly et al., 1995).
Follower attitudes towards leaders from diverse backgrounds vary. US national polls have consistently shown that employees prefer to work for male managers over female managers, though recent trends indicate that most people have no preference either way (Carroll, 2006; Visagie et al., 2011). A higher proportion of managers from diverse backgrounds has been linked to increased job satisfaction of followers from diverse backgrounds. However, studies of overall employee job satisfaction in the US public service found a negative relationship between job satisfaction and increased diversity amongst managers (Choi, 2012). Studies suggest that employees respond positively to working with colleagues and managers from diverse backgrounds when they behave in ways consistent with employees’ expectations (Rink & Ellemers, 2009). However, when managers from diverse backgrounds act in ways inconsistent with stereotypes, then followers are more likely to report dissatisfaction with organisational diversity (Rink & Ellemers, 2009).

There has been limited research into the experiences of, and attitudes towards, culturally diverse leaders in Australia. Research has found that few organisations have policies relating to cultural or ethnic diversity or keep records on the cultural diversity of their employees, which suggests that cultural and ethnic diversity is under-recognised in organisations (Syed & Kramar, 2010). Some of the barriers to understanding the experiences of diverse leaders include a lack of understanding of diversity, limited commitment to diversity by senior managers, and not identifying the business benefits of diversity (Syed & Kramar, 2010). There have been more Australian studies on the experiences of female leaders, mainly focusing on the challenges they face, including feeling invisible, taking longer to be promoted than male colleagues and balancing work and family (Kloot, 2004; Wood, 2006). Rindfleish (2002) found that female managers in the public sector and the private sector differ in terms of their attitudes, with public sector managers more likely to support affirmative action policies promoting women and quotas. Further research is necessary to examine female leaders in Australia in terms of their leadership style and effectiveness, and attitudes towards them, as well as the experiences of Australian leaders from diverse cultural and ethnic backgrounds.

CROSS-CULTURAL LEADERSHIP

Research has examined the differences in leadership styles, perceptions, and effectiveness of leaders across cultures, primarily with the aim of showing how leaders of global organisations should behave in different cultures (Javidan et al., 2006). Cultural differences in what is considered effective leadership and appropriate leader-follower relations are illustrated by the concepts of ‘power distance’ and the classification of cultures on a spectrum from individualistic to collectivistic (Hofstede, 2001; Wendt et al., 2009). High power distance cultures favour the concentration of power in fewer leaders and expect leadership to be more hierarchical and directive. In comparison, low power distance cultures emphasise consultative and participatory leadership, engaging followers in the process of leading (Wendt et al., 2009). A key cross-cultural leadership study, Project Global Leadership and Organisational Behavioural Effectiveness (GLOBE) examined 62 cultures and their norms around leadership, recognising ten different leadership cultures across the world (Javidan et al., 2006). Australia was classified as part of the Anglo culture with high value placed on charismatic, participative, humane-oriented leadership (Javidan et al., 2006). However, this project was criticised for underestimating the cultural differences within countries and over-generalisation of findings based on small sample sizes (Graen, 2006). Indeed, other studies have reported mixed evidence as to whether cultural norms affect perceptions of leadership styles. Kirkman et al. (2009) found no significant difference between employees in the US and China in their perceptions of transformational leadership. Further research could be undertaken on the experiences of Australian managers working in different cultures and how they adapt their leadership style.

FOLLOWERS FROM DIVERSE BACKGROUNDS

Leadership of multicultural and diverse teams has been described as one of the key contemporary management challenges (Anathram & Chan, 2013; Hunt et al., 2009). Particular difficulties include changing power dynamics, ensuring a range of opinions are heard, increasing empathy, moving beyond tokenism, full participation, and improving motivation (Joplin & Daus, 1997). Key competencies required of leaders of diverse teams are: respect for different values, treating everyone as individuals, learning on the job, open and honest communication, and appreciating different perspectives (Visagie et al., 2011).

There is limited evidence on the relationship between leadership and the performance of followers from diverse backgrounds (Mitchell & Boyle, 2008). Research on whether organisational diversity improves firm performance has been inconclusive and mixed (van Knippenberg et al., 2004; Webber & Donahue, 2001). Benefits of diversity include different ways of problem solving, discouraging a culture of groupthink, and compliance with anti-discrimination laws (Baron 2005; Hong & Page, 2004; Shen et al., 2009). Conflict has been identified as a potential problem with diversity, triggered by different treatment, different values, and hurtful contact (Crobot-Mason et al., 2009). In examining the experience of some departments in the Australian public sector, Ayoko and Konrad (2012) found that diversity is associated with increased conflict relating to work tasks but not increased personal conflict. However, effective leadership can mediate the impact of any conflict caused by diversity (Ayoko & Konrad, 2012).
Research suggests that developing ethnic and cultural diversity is a low priority for many Australian organisations, with few organisations having dedicated diversity policies, particularly in relation to immigrant employees (Bertone & Leahy, 2001; Syed & Kramar, 2012). However, other studies have shown that while the diversity management strategies of Australian companies are patchy because they are voluntary, many organisations actively engage in diversity management to increase their productivity and because they place value on it (Burgess et al., 2009). For example, Daly et al. (2013) studied NAB’s Indigenous employment program, finding that it is useful in helping Indigenous Australians gain experience and learn new skills. Future research could build on these studies, examining the effectiveness of diversity management in Australian organisations and the types of policies and practices that organisations use (Burgess et al., 2009).

SUMMARY

There has been some research into the experiences of diverse leaders and organisational diversity. Particular emphasis has been placed on the barriers that women and people from ethnic minority backgrounds face in accessing positions of leadership. Other research has examined how diverse leadership is developed, both in terms of individual leaders and an organisational culture of diversity, as well as the practices and experiences of diverse leaders, cross-cultural differences in leadership and the effects of diverse followers. This research has largely been conducted in the context of the USA or the UK. Further research may be beneficial in providing insights into diverse leadership in Australia to understand the experience of leaders and followers from diverse backgrounds and how to develop organisational diversity.

CONCLUSION

Research has established that future leaders will be increasingly diverse, sharing working preferences and values that may differ somewhat from past leaders. In order to prepare organisations for leadership changes and the introduction of future leaders, succession planning is important to help develop future leaders and plan for smooth transitions. Research has found a link between succession planning and organisational performance, but not all organisations engage in succession planning, with particularly low succession planning rates in small family businesses. Looking to the future, studies have examined the development, experiences, and generational characteristics of young leaders. This research has found that schools and universities are an important site of development, but young leaders must make psychological transitions to be successful managers. This process can be aided by particular organisational practices, including training and feedback. While studies on Generation Y have been criticised for over-generalising, it seems that young employees have a preference for collaborative ways of working, within supportive environments that provide training and extensive feedback. Research on leaders from diverse backgrounds has highlighted that many face barriers to leadership, which include symbolic barriers, as well as human capital and discrimination. Some of these barriers can be overcome to a certain extent, by offering leadership development programs and focusing on ensuring that the organisation’s construct of leadership does not exclude certain groups. In examining the experiences of leaders from diverse backgrounds, cross-cultural leadership, and diversity amongst followers, studies have found that particular social norms operate for these groups and efforts must be made to ensure that communication is respectful, open and appreciative of difference. Further research may be useful in the Australian context to understand how to develop effective future leaders who can manage organisational diversity and change, as well as understanding the working preferences and values of these leaders.
CHAPTER 7. CONCLUSION

The aim of this review has been to provide an overview of the main strands of research findings related to workplace and organisational leadership. We also seek to place these findings in the context of the priority themes that will guide the Centre’s strategic activities of building insight and evidence, raising awareness, and building management and leadership capability. We now conclude with a few key takeaways and directions for future research on leadership.

KEY TAKEAWAYS

In light of the fact that individuals may simultaneously fill follower and leader roles, the development of individual leaders throughout the organisation—from the frontline to the top management team—will contribute to the organisation’s overall leadership capability. Individuals in various levels and units of the organisation must therefore develop technical, strategic, and relational skills that they may then translate into effective leadership styles appropriate to their unique situations. These leaders must be able to understand the organisation and its activities, formulate strategies to match organisational goals with external environmental conditions, and draw support towards the organisation’s activities through positive relationships with employees and other stakeholders.

Although traits play some role in leader emergence and effectiveness, they are not as significant or proximal to organisational outcomes as the skills and styles that can be acquired and refined through training and development programs. It is clear that leaders in different parts of the organisation will need these skills to varying degrees, channelled through a variety of leadership styles appropriate to different situations. It seems, therefore, that apart from some doubtless universally ‘destructive’ leadership styles, leadership is indeed best understood through a contingency approach. Thus, while it is impossible to prescribe a single leadership style or a single leadership training program to achieve organisational success, this review has detailed how considering a number of factors may determine the best style or program for a given situation. It has also provided a snapshot of the antecedents and consequences of various leadership skills and styles. As is the case with strategic planning, effective organisational leadership requires consideration of both organisational and environmental characteristics. As a consequence, the best type of leadership training and development for employees will similarly depend on the organisation’s characteristics and context.

Organisational leaders are therefore cautioned against following ‘one-size-fits-all’ solutions that are all too common in the popular press. Rather, the greatest benefit will arise from conducting a careful and critical analysis of the organisation, its objectives, its context, and the individuals who are expected to lead and to follow. Building on the results of such an analysis, research and experience may guide decisions about the best leader selection, training, and development programs for the circumstances.

As mentioned previously, leadership is important at all levels of the organisation, including at the frontline. As the key participant in the implementation of new organisational practices and innovations necessary to boost productivity and competitiveness, the frontline must be equipped with technical, strategic, and relational leadership skills. As we have detailed, the mix of these skills is different for leaders at the frontline than it is at the top management level, but frontline leader development is nonetheless critical to the big picture of leadership development for the entire organisation.

In addition, leaders throughout the organisation are responsible for creating and sustaining a culture that fosters organisational learning and development and supports high performance outcomes. Leaders must be equipped with knowledge of High Performance Work Practices and the skills to transform employees’ efforts into organisational growth. This is as true at the top level of the organisation as it is at the frontline, but often for different reasons, as we have noted in this review.

Further, in the midst of a rapidly changing business environment leaders must be able to constantly adapt, transforming their workplaces through technology and innovation. Leadership skills and styles must be leveraged to promote creativity and to make the decisions necessary for product development and process innovation. Finally, and relatedly, organisations must be ready to lead the workplace of the future. This entails efforts in training and developing the up-and-coming leaders of the future, as well as succession planning, both of which must take into consideration generational differences, the increasing diversity of the workforce and its leaders, and the ever-increasing importance of entrepreneurship and innovation.
In order to better equip organisations with leadership capabilities that will help them succeed into the future, further research will be required to answer the many as yet unanswered questions we have identified through this review of the research. In our final section, we close with a summary of the gaps and potential directions for future research on leadership.

**DIRECTIONS FOR FUTURE RESEARCH**

Throughout this review, we have noted several areas in which research is lacking or in which new questions have arisen, particularly in the later chapters that encompass more contemporary research. In sum, we see opportunities for research that relate to all of the Centre’s priority themes. First, it is important for future research to further explore how leadership skill sets and styles may vary across different levels of the organisation. While some scholars have made explicit mention of this in their research (e.g., Mumford et al., 2007), there is still room for conceptual and empirical work in this area. Second, the fact that many organisations have not yet adopted High Performance Work Practices begs the question of why this is the case. Research is required to understand what barriers might exist to the implementation of these practices and how leaders might build cultures that are more conducive to their adoption. Third, work on how leadership impacts creativity and innovation is becoming increasingly important in the current global economy, and even more work is required to understand how such phenomena are affected by more contemporary working arrangements like telework and virtual work. And fourth, we have already noted the importance of understanding the characteristics of the younger generation that will become our future leaders, as well as the need to explore the relationship between leadership and diversity. Other characteristics of the workplace of the future will also need to be explored. What will the workplace of the future look like? How will virtual work evolve? And importantly, what skills and styles will be required to lead under such conditions? Questions such as these may be approached to some extent using existing theory and research, but more definitive answers will require significant theory-building and empirical testing.

Intersecting with all of these priority themes and extending even to other potential research areas is the need to explore leadership, its antecedents, and its outcomes in small- and medium-sized enterprises (SMEs). Much of the leadership literature is based on studies of larger organisations, but the success of SMEs is a critical component of Australia’s productivity going forward. Further, not-for-profit and government organisations play an important and unique role through their social, environmental, and even economic contributions. Leadership research should therefore incorporate contexts and characteristics that may be unique to SMEs, not-for-profit, and government organisations.

As a more holistic observation of the leadership research, we believe that a key element of ensuring significant progress in leadership research is simply organising it into a more coherent and integrative framework. As is apparent in our review of leadership skills and styles, various models and frameworks of leadership often exhibit conceptual overlap. For example, scholars have already given attention to the relationship between transformational and charismatic leadership, as transformational leadership is generally seen to entail a charismatic component, and charismatic leaders very often inspire significant transformation. Debate continues on how these styles may be distinct (see Yukl, 2013, for an overview of the debate), but explorations of overlaps and relationships among other styles may also be fruitful, and may serve to better organise and integrate the leadership literature.

Further, even the broad categories of ‘leadership styles’ and ‘leadership skills’ exhibit such overlap that many newcomers to the research may find them confusing. For example, how does one differentiate between relational leadership skills and certain aspects of the theory of leader-member exchange (LMX) or transformational leadership styles? In Chapter 2 (Figure 3), we presented a way to both distinguish between and piece together these bodies of research. Specifically, if we view a leadership style as a set of behaviours, we can argue that certain skills are necessary in order to exhibit those behaviours. Thus, we can then argue that a person must not only obtain the skills necessary to exhibit leadership behaviours, but must also understand how to combine those various skill-based behaviours and the conditions under which they must be exhibited. Adopting such an approach would mean that although we must continue to focus on leadership styles as a proximal determinant of organisational outcomes, we must also understand the prerequisite skills of those leadership styles in order to select, train, and develop leaders. This would not only integrate much of the leadership research, it would also serve to make leadership research more accessible to practitioners and the public. However, research is still required to further develop this model conceptually and to test it empirically.

In conclusion, although this review points out that management practice has much to learn and do with regards to leader and leadership development, it also highlights the fact that management scholarship itself has a seemingly endless list of research questions. Only through the collaborative efforts of industry, academia, government, and even the general public can we confidently face Australia’s present challenges and realise a productive and innovative future.
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