

Steps to Leadership

The Center for Asia-Pacific Exchange

Before you begin

What does it mean to be a leader? What does it mean to be a manager?



LEADERSHIP AND MANGEMENT

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The following chapter comes from the book, *Leadership* by Philip Sadler.

Overview of the chapter:

- ❖ Distinguishing Leadership from Other Roles
- ❖ Leadership and Management
- ❖ Transactional and Transformational Leadership
- ❖ Characteristics of Transformational Leaders

Key Terms:

Paramilitary: of or relating to a group that is not an official army but that operates and is organized like one

Exigency: something that is necessary in a particular situation

Weberian: from Max Weber, German sociologist who described many ideal forms of public administration

DISTINGUISHING LEADERSHIP FROM OTHER ROLES

There are at least seven distinct roles concerned with the exercise of power and influence in organizations:

1. **Political office holder**, e.g. government minister or town mayor. The legitimacy of the authority vested in this role in a democratic society derives from the ballot box. Acceptance of such authority is for the most part willingly given but in the last resort is enforced by the courts. In a democratic society there are safeguards to prevent the arbitrary exercise of the power associated with holding a political office or using that power in a self-interested way.
2. **Commander**. A role confined to military or **paramilitary** organizations, its legitimacy stems from the nature of the threats to society which the organization exists to deal with, such as the **exigencies** of war. The commander's orders are backed by the sanctions of stern discipline. Command is not necessarily perfectly correlated with rank. For example the captain of a ship or an aircraft is in command although he may be junior in rank to another officer who may be acting as a member of the crew or in an advisory role.
3. **Administrator or Bureaucrat** (in the positive, **Weberian**, sense). This is the traditional public

Key Terms:

Inalienable: not transferable to another or capable of being cast off



service role which derives the legitimacy of its authority from a rational/legal set of rules and regulations and from the holding of an office with defined powers within a structure of authority and control. Challenges to the rules are rare but when they occur the response is procedural and measured. Administrators are judged by their ability to maintain order, stability, uniformity of treatment and impartiality.

4. **Manager.** The twentieth century invention, as ownership of the means of production became separated from control and a new professional managerial class emerged. Its authority is legitimized - at least in theory - by consent of the shareholders. The greatest challenge to managerial authority in the past has come from the labor unions. The traditional sanction has been the sack. Increasingly, however, managerial authority is being challenged by consumers' groups and by groups in the community representing various viewpoints such as animal rights or environmental conservation. In the face of such pressures from

outside managerial authority often evaporates rapidly.

5. **The expert, specialist or professional.** The role which supplies the expertise essential to the decision-making process. The authority which comes from the possession of superior knowledge or professional competence is, perhaps, the least likely to be challenged, although in an industrial and commercial culture such as that in the UK, which places relatively low value on technical expertise, it is in danger of being ignored.
6. **The entrepreneur.** The one who conceives the organization and brings it into being and whose authority is based on ownership of both the idea and the assets of the business.

The seventh role is that of the leader. It differs from the other six in the following ways. First, in the context of organizational life it never exists in isolation - it is always linked in hybrid fashion to some other role, so that we have political leaders, military leadership, administrative leadership, managerial leadership, expert leadership, entrepreneurial leadership or, indeed leadership on the part of a person whose role carries no formal authority such as a shopfloor worker.

Second, for this reason people do not normally choose a career as a leader. People embark upon careers in politics, public service, the armed forces, in industrial management, in one of the professions or decide to start their own business. Whatever choice they make will reflect a complex pattern of motivation, aptitude, expectations and influences

from family, education and careers advisers. In this process little attention is normally paid to questions of leadership. The seventh role is an add-on: an afterthought in most cases, with the possible exception of a career in the armed services. Conversely, except when seeking a new chief executive from outside, organizations rarely advertise for leaders when recruiting, and in many cases do not select for leadership potential although this has been changing in recent years.

Once a person has embarked on the career of choice the expectation that he or she should start acting out the role of leader is likely to be very high in the military or paramilitary role, much less strong in other roles and least likely in the administrative role or in that of expert or professional. This means that if we want to develop leaders in industry or the public services there is a lot to be done in changing expectations.

Third, the legitimacy of the leadership role as a source of power and influence is **inalienable** from the personal qualities and/or actions of the leader. In respect of all the other roles the legitimacy derives from the properties of the office held. We accept the authority of the political office holder or the public official or the works manager or the doctor or the proprietor because of the position held. No chemist when filling a prescription wants to know more about the doctor who signed it. A **directive** from head office is enacted if the managing director has signed it even if the people at the receiving end have never met the managing director. Leadership, however, is *personal*. We accept leadership or

Key Terms:

Directive: an instruction; order

Sanction: official permission or approval

“One can argue that leaders create and change cultures, while managers and administrators live within them.”
-Edgar Schein

not on the basis of judgements we make about the person offering leadership and these judgements will be based to some extent on what we perceive as his or her personal qualities and to some extent on his or her observable behavior. A quality frequently mentioned in this context is *charisma* – difficult to define “but we know it when we see it.” Other perceived qualities, however, may be equally important – ones such as sincerity and integrity or intellect or judgement. These qualities are the ones we perceive; our perception of them is based on a range of observations; what a person says is an obvious source of information, as is how a person behaves, particularly at times of crisis. Being human, however, we also have stereotypes and we are influenced by superficial characteristics of the individual, for instance, height or form of dress. Our stereotype may be more like Jack Hawkins in the film *The Cruel Sea* than like a great real life leader such as Gandhi. The qualities we look for will, however, be strongly influenced by our values and the culture of the organization. Workers on a building

site will look for and see different qualities from those respected by a group of senior civil servants or the members of a theatre company.

What are the extra ingredients which leadership adds to the performance of other roles in organizations? One answer is, in a word, *motivation*. Those who add the leadership role to their primary role have little or no need to fall back on the **sanctions** which support their authority. We accept their judgement and follow willingly because we trust their leadership. This trust derives from the extent to which the leader creates a sense of common purpose and a sense of belonging.

A second answer is the *reduction of anxiety*. In times of danger, uncertainty or rapid change people grow anxious, become dependent. They look for leadership as a source of reassurance, as an anchor to provide a degree of security and stability.

A clear example of the leader's role in motivating people by creating a sense of common purpose and a sense of belonging can be found in Field Marshall Sir William Slim's account of the 14th Army's victories in Burma.¹ The leader's role in the provision of reassurance in times of great change is well illustrated by Churchill's role in the Second World War.

LEADERSHIP AND MANAGEMENT

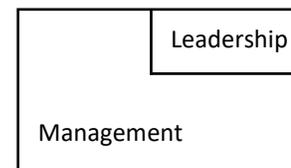
If one wishes to distinguish leadership from management or administration, one can argue that leaders create and change cultures, while managers and

administrators live within them.
(Edgar Schein)

Handy² attributes the growing interest in leadership in recent years to an underlying change in the way we think about organizations. He suggests that in the past we thought of organizations as pieces of engineering, ‘flawed pieces maybe but capable in theory of perfectibility.’ Organizations, thus, were things to be designed, planned and managed. Their effectiveness was to do with control systems and feedback loops.

Today, however, we use a different kind of language when talking about organizations - a language which uses such terms as networks, alliances, culture and shared values. This, Handy argues, is the language of *leadership*, not of management.

Cunningham³ identifies three different viewpoints on the relationship between leadership and management. The first assumes leadership is one competence among a range required for effective management:



The second, held by Bennis and Nanus⁴ for example, sees the two concepts as separate but related:



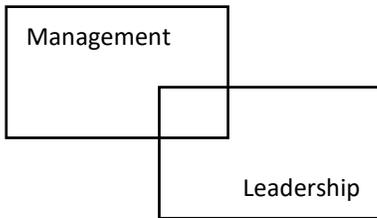
¹ Slim, W. (1956) *Defeat into Victory*, Cassell, London.

² Handy, C. (1992) ‘The language of Leadership,’ in Syrett, M and Hogg, C (eds) *Frontiers of Leadership*, Blackwell, Oxford.

³ Cunningham, I. (1986) ‘Leadership development – mapping the field,’ unpublished paper, Ashridge Management College, Berkhamsted.

⁴ Bennis, W. and Nanus, B. (1985) *Leaders. The Strategies for Taking Charge*, Harper & Row, New York.

The third sees partial overlap:



In his 'classic' *Harvard Business Review* article, 'Managers and Leaders: Are they Different?,' Zaleznik⁵ dismisses the idea that through training it is possible to develop people to be both effective managers and effective leaders. He argues that they are very different kinds of people, with different motivation, different personal histories and different ways of thinking and acting. He develops his argument under four headings: attitudes towards goals; conceptions of work; relations with others; and senses of self.

For managers, he suggests, *goals* are viewed impersonally, as things arising out of organizational necessities. Leaders, by contrast, adopt a personal approach to goals which reflect their own visions or deeply held beliefs. He gives as an example Edwin Land whose goal to develop the Polaroid camera came from his own personal dreaming and not from any managerial analysis of organizational necessities in meeting customer expectations. (Land, however, fits the role of entrepreneur more closely than that of leader.)

With regard to *work*, he asserts that managers see it as an enabling process which involves a mix of setting strategies, making decisions,

planning, negotiating, rewarding and coercing. Managers are concerned with the achievement of acceptable compromise. Leaders 'work in the opposite direction' – they develop fresh approaches to outstanding problems and convey their ideas through images that excite and inspire. To exemplify this, he quotes from J F Kennedy's inaugural, 'Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to ensure the survival and the success of liberty.'

Relations with Others: managers, says Zaleznik, prefer to work with people. He recalls some earlier psychological studies in which managers and other groups were asked to write imaginative stories in response to a picture showing a single figure such as a young boy contemplating a violin. The managers tended to populate their stories with people. At the same time, managers like to maintain a low level of emotional involvement in their relations with others. Leaders interpret such images more emotionally; they relate to people in more intuitive and emotional ways. As a result, leaders generate strong feelings in their followers – both positive and negative.

In discussing the sense of self, Zaleznik uses the distinction between personality types put forward by William James in *The Varieties of Religious Experience* – the 'once born' and the 'twice born.' Managers correspond to the former: they are people for whom adjustments to life

have been straightforward. Leaders are the 'twice born,' their lives marked by a continual struggle to attain a sense of order. Thus managers are suited to the role of perpetuating and strengthening existing organizations and the exercise of duty and responsibility.

Leaders may work in organizations but they never belong to them. Their sense of identity does not depend on formal role or status. Managers are developed through socialization which prepares the individual to preserve the existing order. Leaders are developed through personal mastery which prepares the individual to seek change.

"Leadership is about aligning people – obtaining their commitment to the realization of the vision."

Kotter⁶ puts forward the thesis that management is about dealing with complexity whereas leadership is about coping with change. Management brings order and consistency to complex organizations. It involves planning and budgeting. Leadership is about setting a direction, developing a vision of the future and strategies for achieving the vision. Management is concerned with the achievement of plans through such processes as designing the organization structure and staffing. Leadership is about aligning people – obtaining their commitment to the realization of the vision. Management is about controlling and

⁵ Zaleznik, A. (1992) 'Managers and Leaders: Are they Different?', *Harvard Business Review*, March-April, pp 126-135.

⁶ Kotter, J. P. (1990) 'What leaders really do,' *Harvard Business Review*, May-June, pp156-167.

Key Terms:

Credibility: the quality of being believed or accepted as true, real, or honest

En passant: in passing; by the way

Robust: strong and healthy

Devil's advocate: a person who presents an opposing or unpopular opinion for the sake of argument or to expose it to a careful examination

problem solving, while leadership is about motivating and inspiring.

Kotter emphasizes the difference between organizing people and aligning them. Decisions about organization structure he likens to 'architectural decisions' using the building blocks of jobs, reporting relationships, delegation, and control systems. Alignment is mainly about communication - getting the message across to large numbers of people both inside the organization and on the outside and establishing its **credibility**. Alignment empowers people in two ways: first, when the direction being taken is clear, employees in front-line jobs can take initiatives confident of being supported by their superiors; second, because everyone is pulling together with a common understanding of the overall direction, it is less likely that the initiatives of different members of the organization will be in conflict with each other.

Achievement of a challenging vision calls for the release of energy and this is achieved through motivation

and inspiration. Effective leaders motivate people in a number of ways. They express the vision in terms of the values of the people they are leading; they involve people in deciding how to achieve the vision; they provide coaching and feedback; they role-model the vision; and they recognize and reward success.

Adams and Spencer⁷ draw a distinction between a reactive style of thinking and behavior and a creative style (noting, *en passant*, that the two words are made up of the same letters and that "the only difference between the two is that you 'C' (see) differently!").

The reactive style involves solving problems quickly, maintaining stability and the *status quo*, reflecting on the past and taking corrective actions after events have taken place, thinking rationally and analytically, breaking things down into their components as a way of understanding them and being controlled by external circumstances.

The creative style, by contrast, focuses on desired outcomes without assuming constraints, relies on intuition a great deal, anticipates events and adopts a preventive approach, takes a systemic perspective – seeing the interrelationships of the parts to the whole - and is characterized by inner control or personal mastery.

The reactive style they regard as the basis for managerial behavior, while the creative style is the basis for leadership.

According to Clark and Clark⁸, 'Management refers to any system of structure and control that leads to the timely accomplishment of specific tasks within defined resource limits. The chief advantage of leadership behavior over management practices is the positive effect on group processes and performance.'

Peters,⁹ in more **robust** style talks of the manager as cop, referee, **devil's advocate**, dispassionate analyst, professional, decision maker, naysayer and pronouncer. Leadership, by contrast, is about being cheerleader, enthusiast, nurturer of champions, hero finder, wanderer, dramatist, coach, facilitator and builder. His role models for leadership are people like Bill Hewlett of Hewlett Packard, Steve Jobs of Apple and Sam Walton of Walmart.

TRANSACTIONAL AND TRANSFORMATIONAL LEADERSHIP

The distinction between management and leadership is very close to the well-known distinction between *transactional* and *transformational* leadership. This distinction was first made by James McGregor Burns in 1978.¹⁰ Although he was writing about political leadership the distinction has been applied in the sphere of business leadership where it is seen as equally relevant.

Transactional leadership occurs when managers take the initiative in offering some form of need

⁷ Adams, J. D. and Spencer, S. (1986) 'The strategic leadership perspective,' in Adams J. D. (ed) *Transforming Leadership*, Miles River Press, Alexandria, VA.

⁸ Clark, K. E. and Clark, M. B. (1994) *Choosing to Lead*, Leadership Press, Greensboro, NC.

⁹ Peters, T. (1987) *Thriving on Chaos*, Macmillan Basingstoke.

¹⁰ McGregor Burns, J. (1978) *Leadership*, Harper & Row, New York.

Key Terms:

Solicit: to ask for something from people, companies, etc.

Coercion: to make someone do something by using force or threats

Ambiguity: something that doesn't have a clear meaning

Epitome: a perfect example

satisfaction in return for something valued by employees, such as pay, promotion, improved job satisfaction or recognition. The manager/leader sets clear goals, is adept at understanding the needs of employees and selects appropriate, motivating rewards.

Transformational leadership, however, is the process of engaging the commitment of employees in the context of shared values and a shared vision. It is particularly relevant in the context of managing change. It involves relationships of mutual trust between leaders and led. Bass and Avolio¹¹ suggest that transformational leadership has four components:

IDEALIZED INFLUENCE. Having a clear vision and sense of purpose, such leaders are able to win the trust and respect of followers. By showing them they can accomplish more than they believed possible they build a base for future missions which enables them to obtain extra efforts from them.

INDIVIDUAL CONSIDERATION. Paying attention to the needs and potential for development of their individual

followers. Delegating, coaching and giving constructive feedback.

INTELLECTUAL STIMULATION. Actively **soliciting** new ideas and new ways of doing things.

INSPIRATION. Motivating people, generating enthusiasm, setting an example, being seen to share the load.

For Burns, transformational leadership involves the maximum amount of mutual interest and the minimum amount of **coercion**. It always involves restraint in the use of power.



CHARACTERISTICS OF TRANSFORMATIONAL LEADERS

Tichy and Devanna¹² having observed a number of transformational leaders in action drew the conclusion that they shared a number of common characteristics that differentiated them from transactional leaders. These were as follows:

- They clearly see themselves as *change agents*. They set out to make a difference and to transform the organization for which they are responsible.
- They are *courageous*. They can deal with resistance, take a stand, take risks, confront reality.
- They *believe in people*. They have well developed beliefs about motivation, trust and empowerment.

- They are driven by a strong set of *values*.
- They are life-long *learners*. They view mistakes - their own as well as other people's – as learning opportunities.
- They can cope with *complexity, uncertainty and ambiguity*.
- They are *visionaries*.

Tichy and Devanna studied 14 business leaders in reaching their conclusions. In almost every case they spent several hours interviewing each person in depth. They selected them on the grounds that they had exhibited successful leadership at different levels of the organization and throughout most of their careers. The work was carried out in the early 1980s and the authors rightly pointed out that it would be the next decade before the extent of their success in transforming their companies could be judged. Among the most well-known leaders studied are two who are profiled later in Chapter 9 – Jack Welch and John Harvey-Jones.

The list also includes Lee Iacocca, who is often cited as the **epitome** of the transformational leader. He was fired from his job as president of the Ford Motor Company and joined Chrysler in 1979. At the time he did not know the full extent of the difficulties he was going to have to face. The company was, in fact, on the verge of bankruptcy. He built up a new to management team, firing 35 vice-presidents and hiring 14 former colleagues from Ford, and led the organization through

¹¹ Bass, B. M. and Avolio, B. J. (1990) 'Developing transformational leadership –

1992 and Beyond,' *Journal of European Industrial Training*, vol 14 no 5, pp 21-7.

¹² Tichy, N. M. and Devanna, M. A. (1986) *The Transformational Leader*, Wiley, New York.

Key Terms:

Insurgent: working against established authority

Corpocrat: corporate bureaucrat

Trappings: the objects, activities, etc. that are associated with a particular condition or situation

one of the most remarkable turnarounds in the history of US industry. He was able to create a motivating vision of Chrysler's future while simultaneously laying off 60,000 employees. He was as effective in communicating this vision externally to government investors and the banking community as internally to the managers and workers. He also communicated effectively with the unions and with suppliers. He understood that he needed the co-operation of all the stakeholders if Chrysler was to survive.

MAVERICKS AND CORPOCRATS

Moss Kanter¹³ uses more colorful language to make a distinction similar to that between the transformational and transactional leader. She contrasts two extremes: the conservative resource preserver or 'trustee' and the **insurgent** entrepreneur or 'promoter.' Other images are, for the former, 'organization man' or '**corpocrat**' and for the latter, 'maverick' or 'cowboy.' She points out that although the corpocratic style is on the way out, the maverick is still unsatisfactory as a leadership style, as evidenced by Steve Jobs' problems at Apple.

The tensions between the two styles take several forms. Mavericks want immediate action, corpocratic managers want time to assess the situation and exercise judgement. Mavericks take big 'bet your company' risks. The manager seeks to balance risk and opportunity with safeguarding the core business. Mavericks strain limits whereas corpocrats establish the rules and apply them uniformly. Mavericks motivate largely through personal loyalty whereas corpocrats invoke a more impersonal loyalty to the corporation. Mavericks often reject the **trappings** and symbols of rank and wealth (Richard Branson's informal dress style is characteristic) whereas corpocrats use them both as a power-base and to motivate others. Moss Kanter calls for a judicious mix of both. Put at its simplest, Kodak needs more mavericks, Apple needs more corporate organization men.

The most well-known exemplar of the maverick type of leader is Ricardo Semler whose book describing his experiences is titled *Maverick*.¹⁴ Semler is president of Semco/SA, a large marine and food processing machinery manufacturer based in Brazil. In his book he sets out his philosophy of business leadership which, seen from the standpoint of orthodox management theory, is radical in the extreme. A basic principle is that the leader's job is to create an environment in which others make decisions. 'Success means not making them myself.' To this end he works from home most mornings; he takes at least two months each year to travel to remote parts of the globe and never calls in,

though he does leave a number where he can be reached. One of his first acts as president was to throw out the rule book and replace it with a 20 page booklet called *The Survival Manual*, which has lots of cartoons but few words. Under the heading 'Clothing and appearance,' below a cartoon the words state that 'Neither has any importance at Semco. A person's appearance is not a factor in hiring or promotion.'

At the time he wrote his best-selling book in 1993 Semler, aged 34, had been CEO for over 10 years. His unorthodox approach has been highly successful. Semco grew elevenfold between the late 1980s and the early 1990s during which time the Brazilian economy was in deep recession.

CONCLUSION

One thing is clear: not all managers are leaders. Some managers achieve compliance by the exercise of position power and the use of sanctions; this is not leadership. Similarly, not all leaders are managers, including many who are employed to manage. Managing is about planning, organizing and controlling. It involves dealing with financial and material resources as well as with people. The ideal chief executive is one who combines leadership with the skills and knowledge which a general manager requires.

The distinction between transactional and transformational leadership appears to me to cloud the issue, for two reasons. First, the way the transactional leader is described is very close to the role of the manager rather than the leader and confuses

¹³ Moss Kanter, R. (1992) 'In search of the post industrial hero,' in Syrett, M. and Hogg,

C. (eds) *Frontiers in Leadership*, Blackwell, Oxford.

¹⁴ Semler, R. (1993) *Maverick*, Century, London.

the two roles. Second, the use of the term 'transformational' gives too much emphasis to the role of the leader in bringing about change. Although this aspect of leadership is very much to the fore in today's rapidly changing business environment we should not overlook the important role leadership can

play when change is not an issue, for example in persuading a research team to persist with the search for a particular solution to a problem after having experienced several failures or, indeed, in persuading people to resist change.

Practicing managers and leaders may find the academics' concern with making these distinctions pretty pointless. It is important, however, for the purpose of selecting and training people to be clear about the nature of the roles they are to play and the qualities which particular roles will require.

Comprehension Questions

1. How is the role of a leader different from the other six roles listed above?
2. What are the three different viewpoints of leadership identified by Cunningham?
3. What is the definition of "transformational leadership?" What are the four components of transformational leadership?
4. List at least three characteristics of transformational leaders.
5. What type of leader is the conservative resource preserver? What type is the insurgent entrepreneur?

Reflection Questions

1. The author writes that the "maverick is still unsatisfactory as a leadership style." What are the disadvantages to being a "maverick" leader? What are the advantages?
2. After going through the module, how would you define leadership? How would you define management? Can a person be a great leader and manager? Explain your answer.

Source and Additional reading for those interested:

"Developing the 3 Habits of Transformational Leaders" from Forbes Magazine

(<http://www.forbes.com/sites/yec/2015/08/27/developing-the-3-habits-of-transformational-leaders/#72a353f31c45>)

"What is the Difference Between Management and Leadership" from The Wall Street Journal

(<http://guides.wsj.com/management/developing-a-leadership-style/what-is-the-difference-between-management-and-leadership/>)

Leadership by Philip Sadler

Lead From The Heart: Transformational Leadership For The 21st Century by Mark C. Crowley