

# **Leadership In Organizations: National Implications**

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## **ABSTRACT**

**The purpose of this article is to explore various perspectives of leaders in business. The author presents key concepts that are practical and useful. The article emphasizes leadership in organizations, styles of leadership and emotional intelligence, contingent theories, differences between a manager and leader, trusted leadership, overcoming resistance to change, strengthening team relationships, and characteristics of great leadership. Great leaders lead with the best interests of their employees in mind. A leader must lead according to the unique needs of the organization. The leader must not only be successful as a leader, but also bring success to the organization and its employees. There is no right or wrong answer regarding leadership.**

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## **Introduction**

The mystery of how leaders can ignite the best performance from their subordinates dates back thousands of years. Numerous “leadership experts” have based their careers on researching, developing, and testing theories related to leadership. Leadership is defined as “the ability to influence a group toward the achievement of goals.” (Robbins 314) Another definition of leadership is “to provide the recognition of roles and functions within the group that will permit each member to satisfy and fulfill some major motive or interest.” When asking a group of professionals “What do leaders do or what makes a good leader?” normally, a variety of answers emerge. These responses may include: setting strategy, creating a mission, or building a culture. Ultimately, a uniform answer is “getting results.” (Prentice 7)

This purpose of this paper is to discuss the various views presented by some of the business industry’s leading experts. These concepts are both practical and useful.

## **Leadership in Organizations: Taking a Glance into Trait Theories and Behavioral Theories**

One of the views that have been presented is the trait theories of leadership. This study showed six traits on which leaders differ from nonleaders. These traits are: ambition and energy, the desire to lead, honesty and integrity, self-confidence, intelligence, emotional intelligence, and job relevant knowledge. These findings led to the conclusion that these traits may increase the likelihood of success as a leader, but do not guarantee success. (Robbins 314-15)

Behavioral theories explain the behaviors of leaders and imply that leaders may be trained. For example, professors at the University of Michigan, in the area of leadership, developed two dimensions of behavior. They labeled them employee-oriented and production-oriented. Employee oriented leaders emphasize interpersonal relations by taking a personal interest in the employee’s needs and accepting their differences. Conversely, production-oriented leaders emphasize the completion of tasks or technical functions of a job and the employee is simply the means of doing so. (Robbins 317)

Two more dimensions of behavior were developed in a behavioral study conducted at Ohio State. These dimensions are initiating structure and consideration. Initiating structure is defined as “the extent to which a leader is likely to define and structure his or her role and those of subordinates in the search for goal attainment.” Consideration is defined as “the extent to which a leader is likely to have job relationships characterized by mutual trust, respect for subordinates’ ideas, and regard for their feelings.” (Robbins 316-17)

The last behavioral approach to discuss is the Scandinavian study. The importance of behavioral leadership in a dynamic, changing world is the focus of this study. These development-oriented leaders seek new and innovative ideas, promote and implement change, and support experimentation. Leaders that demonstrate these behaviors have more satisfied employees. However, it is important to mention that none of these behavioral theories take into account situational factors that can influence a leader's outcome. (Robbins 318)

### Leadership Styles and Emotional Intelligence

Leadership styles have a direct and unique impact on the work environment and the financial success of a company. Thus, they are an important topic of discussion. Daniel Goleman's research identified six distinct leadership styles that stemmed from different components of emotional intelligence. These leadership styles are: coercive, authoritative, affiliative, democratic, pacesetting, and coaching. However, only four of these six styles consistently have a positive impact on a company's environment and financial success. See Figure I to see the correlation between leadership and each aspect of the working environment. (Goleman 1-5)

	<b><i>Coercive</i></b>	<b><i>Authoritative</i></b>	<b><i>Affiliative</i></b>	<b><i>Democratic</i></b>	<b><i>Pacesetting</i></b>	<b><i>Coaching</i></b>
<b><i>Flexibility</i></b>	-0.28	0.32	0.27	0.28	-0.07	0.17
<b><i>Responsibility</i></b>	-0.37	0.21	0.16	0.23	0.04	0.08
<b><i>Standards</i></b>	0.02	0.38	0.31	0.22	-0.27	0.39
<b><i>Rewards</i></b>	-0.18	0.54	0.48	0.42	-0.29	0.43
<b><i>Clarity</i></b>	-0.11	0.44	0.37	0.35	-0.28	0.38
<b><i>Commitment</i></b>	-0.13	0.35	0.34	0.26	-0.2	0.27
<b><i>Overall Impact on Climate</i></b>	-0.26	0.54	0.46	0.43	-0.25	0.42

**Figure I : Correlation Between Leadership and Working Environment**

In fact, Goleman's research found that leaders who have positive results on the working environment reap better financial benefits than those that have a negative impact. Specifically, leaders who have mastered the four positive styles (authoritative, democratic, affiliative, and coaching) have the most preferred environment and business performance. Furthermore, they are considerate of the impact they have on others and adjust their style to the one that is best suited for each situation and employee. Consequently, different situations call for different types of leadership. (Goleman 4-11)

It is important to note that not all leaders possess all six styles of leadership. However, these styles can be learned through understanding which emotional intelligence competencies are inlaid in each style. Goleman identified effective leaders as having one common trait – a high degree of emotional intelligence. Emotional intelligence includes: self-awareness, self-regulation, motivation, empathy, and social skills. Through repetition, time, desire, and effort, these emotional intelligence competencies can be mastered leaving the leader with great results. (Goleman 3)

### **Leadership in Organizations: Taking a Glance into Contingency Theories**

One way that contingency theories differ from behavioral theories is that they include situational factors. More importantly, contingency theories isolate the key situational variables. (Robbins 320)

The Fiedler contingency model proposes that “effective groups depend on a proper match between a leader's style of interacting with subordinates and the degree to which the situation gives control and influence to the leader.” Fiedler created the least preferred co-worker questionnaire as a tool to identify the leadership style. In Fiedler's theory, he assumed that all leadership styles were fixed. After the individual's style had been identified, then the leader should be matched to the situation through the use of three key situational factors: leader-member relations, task structure, and position power. Then, these key situational factors should be assessed to be either high or low. Finally based on the least preferred co-worker assessment and the key situational factors assessment, the leadership style should be accurately matched to achieve maximum effectiveness. His research findings say that task-oriented leaders perform their best in high and low control situations, while relationship oriented leaders perform their best in moderately controlled situations. Overall, substantial parts of this theory can be supported. As with many other contingency theories, it is not without its faults. (Robbins 320-23)

The cognitive research theory isolates stress as a situational factor. This theory states that stress has a negative impact on a situation. Furthermore, the more experience and knowledge that a leader possesses will decrease the impact of a high stress situation on the working environment and offer the leader an opportunity to excel. Conversely in a low stress situation, the more experienced and knowledgeable leader will falter. Although this contingency theory is rather new, it is gaining considerable support throughout the industry. (Robbins 323)

The Hershey and Blanchard's situational theory focuses on the followers and their ability and willingness to accept a task. Hershey and Blanchard identified four leader behaviors that range from highly directive to highly laissez-faire. The leader behaviors are assigned according to the level of readiness an employee demonstrates. For example, a highly directive approach is used when an employee is unable and unwilling. This theory is very popular. However, inconsistencies have surfaced when testing this theory and it is advised to constrain from adopting this theory. (Robbins 323-24)

The leader-member exchange theory differs from the other theories because it acknowledges that leaders do not treat all of their followers homogeneously. Furthermore, this theory states that leaders place their followers in the "in group" by characteristics that are similar to theirs or by high competency levels. Therefore, all followers not chosen to be in the "in-group" are left in the "out-group." Research supports the findings that the followers in the "in-group" consistently outperform and have higher job satisfaction than those in the "out-group." (Robbins 324-25)

The path-goal theory developed by Robert House is one of the most respected contingency theories. House identified four leadership behaviors that should be effectively used with environmental and personal characteristics of employees. His theory states that "leader behavior will be ineffective when it is redundant with sources of environmental structure or incongruent with employee characteristics." Thus, this behavior may cause resentment and job dissatisfaction. (Robbins 326-27)

### **What is the Difference between a Manager and a Leader?**

Not all managers are leaders and, conversely, not all leaders are managers. Furthermore, just because a company has placed a manager into formal authority does not mean that this manager will be able to lead effectively. However, these two terms can be considered complimentary because in today's changing world both are necessary. (Zaleznik 1)

John Kotter describes each term with its own functions and activities. He said "they don't make plans; they don't even organize people. What leaders really do is prepare organizations for change and help them cope as they struggle through it." Managers, however, cope with complexity by instituting order and consistency to the key dimensions of the working environment. See Figure II for an easy to reference guide to illustrate the characteristic activities that stem from the differences between managers and leaders. (Kotter 3-5,7,9)

**Figure II: Difference between managers and leaders.**

<b>Managers (Cope with Complexity)</b>	<b>Leaders (Cope with Change)</b>
<i>Planning and budgeting; setting targets or goals for the future</i>	<i>Setting a direction; developing a vision for the future (long term) and strategies for producing change</i>
<i>Organizing and staffing; setting up the organizational structure and jobs to support plan requirements to include hiring the "right people," delegating, and communicating</i>	<i>Aligning people; communicating the new vision to all parties that may indirectly or directly have an impact on its success</i>
<i>Controlling and problem solving; monitoring results by preparing reports, meetings, and calling action to repair any deviations</i>	<i>Motivating and inspiring; leaders must keep employees energized and moving in the right direction by cueing in on their basic human needs, emotions, and values (rewards system)</i>

### **The Trusted Leader**

Trust is an important ingredient to a leader's effectiveness. The five key dimensions that encompass trust are: integrity, competence, consistency, loyalty, and openness. People will not follow someone that they believe does not have their best interest in mind, dishonest, or untrustworthy. Therefore, a leader cannot lead without any followers. (Robbins 336-37)

In Robert Galford's and Anne Seibold Drapeau's book, The Trusted Leader, they identified three levels of trust – strategic trust, organizational trust, and personal trust. However, I will only discuss organizational trust and personal trust. Organizational trust is "the trust that the organization's policies will be fairly administered and implemented as stated." Personal trust is "the trust that subordinates place in their manager to be fair and to look out for their interests." (Galford and Drapeau 1)

A leader may build personal trust by using Galford's and Drapeau's five-stage process. First, a leader may engage their employees by finding a common ground and relating to them. Second, a leader should listen to their employees to show they care enough to listen and ask questions. Third, a leader should frame the situation by making sure the employee completely understands the intended message and its importance. Fourth, a leader should envision the potential outcomes and help the other person to move in the positive direction. Finally, both parties should commit to moving toward the vision together. (Galford and Drapeau 2-3)

Galford and Drapeau also identified five variables that can perpetuate organizational trust. The equation is as follows:

$$\text{Organizational Trustworthiness} = \frac{(\text{Aspirations} + \text{Abilities} + \text{Actions}) \times (\text{Alignment} + \text{Articulation})}{\text{Resistance}}$$

It should be noted that resistance is the sole factor in the denominator of this equation. Therefore, all efforts should be made to reduce resistance. (Galford and Drapeau 3)

## **Overcoming Resistance to Change**

I believe overcoming resistance to change is the most important responsibility of a leader. Companies are in a constant state of transition. Competition, demanding customers, technology, and demanding shareholders are all principal forces of change. People have a strong need for consistency and predictability in their work environments. Therefore, change leads to people's discomfort which can result in resistance. (Kotter 11)

As mentioned earlier, Kotter states it is the task of a leader to cope with change. Unfortunately, not every employee welcomes or even accepts change. Therefore, it is important for a leader to overcome resistance to change because it hinders progress. According to Stephen Robbins, six important tactics can be implemented to overcome change. They are education and communication, participation, facilitation and support, negotiation, manipulation, and cooptation. (Robbins 562-63)

## **Summary**

There is no right or wrong answer regarding leadership. Leadership is not an exact science. A clearer picture of what it takes to lead effectively will continue to emerge as research continues by the industry's leading experts. In addition, ongoing research may shed some light onto how to make it happen which is equally as important. However, one thing is clear; Great leaders lead with the best interests of their employees in mind. There are many styles and techniques to accomplish goals through employees, yet trust remains to be the foundation of a great leader and organization.

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