

Is Leadership Necessary?

It may seem a little too obvious to ask, but does leadership actually matter? Do leaders have a substantive effect on the performance of the organisations they lead? Actually, there is some empirical evidence to suggest that it does matter.

A series of studies (e.g. Fielder, 1996; House, Spangler & Woycke, 1991; Thomas, 1988; Waldman, Ramirez & House, 1996) have all concluded that leaders of organisations have a significant influence on overall organisational performance. They conclude that top managers do indeed matter but are constrained by environmental and organisational factors such as inertia, incompetence around them and lack of freedom to invest for growth.

Because leadership has so many definitions and means different things to different people, some question its usefulness as a construct (Alvesson & Svingesson, 2003). Yet, most academics and practitioners do believe that it is real and is important for effective organisations (Yukl, 2006, p3).

There have been a number of studies of the effects of top management succession on the organisational performance in both profit and non-profit sectors. A review of these studies (House & Singh, 1987) shows that executive succession makes a substantial difference in the performance of organisations.

Waldman et al (2001) argue that transactional and transformational leadership characteristics do matter and in particular, transformational leadership is a better predictor of performance under conditions of uncertainty, but not under conditions of certainty.

It may be worth pointing out that transactional leadership is a perfectly legitimate form of strategic leadership, especially when operating within a stable system and culture (Pawar and Eastman, 1997). This approach promotes exchanges and contingent reward and closely monitors deviation from agreed plans. Far from being a wrong approach, it can actually strengthen existing structures and culture whilst achieving strategies (Trice & Beyer, 1993).

Both transactional and transformational leadership are important at a strategic level. Bass (1985) viewed them as complementary in that both could be displayed in the same leader. One way of looking at it is that charisma adds value to transactional characteristics. Transforming leaders are high performing in uncertain conditions but may be dysfunctional in a certain and stable environment.

The lesson must be that striving to be transformational should not be the Holy Grail for all emerging leaders, in all circumstances.

Finkelstein (1992) suggests that the role of personality also needs to be taken into account and has suggested that,

“power may emanate from a manager’s personality”.

Taking an example from public sector, Ofsted found that,

“changing the headteacher has been found to be the most successful means of taking a failing school out of ‘special measures’”.

This demonstrates the power of leadership to improve performance and the role of the leader in this process.

It can be argued that leaders only emerge in response to a perceived need by followers. This implies that leadership can be turned on and off as required. It suggests that leadership is a choice and not a position. At the same time the development of participative management and self-managed work groups may have reduced the need for leadership in the old sense. The creation of self-managed teams and groups requires the nurturing of a better organisational culture, which enables this process to work. Of course it is also reasonable to argue that leadership is still required to establish this situation and to provide the support necessary for this culture.

According to Charles Handy (1993) the modern organisation requires us:

“To learn new ways and new habits, to live with more uncertainty, but more trust, less control, but more creativity”.

He argues that leadership remains as difficult to pin down as ever and it has to be seen in action to be recognised:

“The studies agree on very little but what they do agree on is probably at the heart of things. It is this: ‘A leader shapes and shares a vision which gives point to the work of others’.”

The questioning of the need for leadership puts an emphasis on the argument that leadership is not by itself good or desirable. Perhaps a way to look at it that it is a means to an end, that is, to achieving certain objectives.

Drucker has suggested that leadership is more about results – what is achieved - than personal qualities:

“Leadership is not by itself good or desirable. Leadership is a means. Leadership to what end is the crucial question. History knows no more charismatic leaders than this century’s [20th century] triad of Stalin, Hitler and Mao – the misleaders who inflicted as much evil and suffering on humanity as have ever been recorded.”

The feature that distinguishes what Drucker terms ‘misleaders’ from the leaders is their goals.

As Peter Drucker (1992) has written,

“the leaders first task is to be the trumpet that sounds a clear sound.”

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He writes that the second task of the leader is to accept that leadership is about responsibility rather than rank or privilege – a choice, not a position.

Drucker argues that a third requirement of effective leadership is to earn trust. Without trust there are not any followers and there is, therefore, not the leader. Trust is belief in the vision of leaders and the conviction that they mean what they say.

Peters and Waterman (1982) believe that in almost every excellent company there is somewhere in its history an example of transforming leadership, most likely when the company was relatively small.

And finally, as Goleman has said (2000),

“Ask any group of business people the question, ‘What do effective leaders do?’ and you’ll hear a sweep of answers. Leaders set strategy; they motivate; they create a mission; they build a culture. Then they ask, ‘What should leaders do?’ If the group is seasoned, you’ll likely hear one response: the leader’s singular job is to get results.”