Leadership Overview

"Creating active, influencing relationships between leaders and followers that get results for both."

Contents

Introduction

This paper is a discussion on leadership based on academic research and specifically covers how thinking about leadership has evolved over many years. This has informed how we at Stellar think about leadership and has influenced how we approach it as a subject. As we suggest below, the evolution of leadership from 'great man' to 'engaging' leader is driven by wider societal changes. Clearly the form of leadership that works best in one era is unlikely to work as well in another. Our concentration then is on discovering current thinking and formulating a model of leadership for the twenty-first century.

In part two, we describe what we believe is a sound and robust model for leadership. We call it Unlocking Leadership. This is based on our conclusion that there is leadership potential in all of us. It is a model based on a comprehensive literature review, combined with our experience of working with leaders at all levels and across sectors.

1. Defining Leadership

Leadership has been defined in different ways at different times and as we shall see, it has evolved in response to societal changes. One way to describe leadership is as, "the process of motivating other people to act in a particular way in order to achieve specific goals" (Hannagan, 2002).

In many definitions, the emphasis is on action because although many leaders may exert influence through inspirational speeches and seemingly natural charisma, they are ultimately judged by others on what they have done and what they have achieved. As the Chinese proverb quoted by John Adair (1989) says,

> "Not the cry but the flight of the wild duck leads the flock to fly and follow."

Gary Yukl (2006) presents a definition that encompasses a more collective approach:

> "Leadership is the process of influencing others to understand and agree about what needs to be done and how to do it and the process of facilitating individual and collective efforts to accomplish shared objectives."

This raises the prospect that, to be successful in their role, leaders need to have followers and to share common goals with their followers. It involves other people who, by the degree of their willingness to accept direction, help to define the leader's status.

In summary, leadership can broadly be described as having the ability to:

- Create a vision
- Present that vision so that others are inspired to achieve it
- Drive the vision forward so that, no matter what happens, the vision becomes a reality.

It requires many skills, including the ability to learn from the past and anticipate the future, communicate effectively, motivate people, organise resources, constantly hold the vision for success and act courageously and ethically at all times.

On the otherhand, as Bennis (1959) has observed, and it seems that this is still true today,

> "Always it seems the concept of leadership eludes us or turns up in another form to taunt us again with its slipperiness and complexity. So we have invented an endless prolifieration of terms to deal with it…and still the concept is not sufficiently defined."

And finally, as a chastening challenge to us all, it is worth also noting the words of Warren Bennis and Bert Nanus (1985):-

> "Leadership is one of the most observed and least understood phenomena on earth".

2. Leadership and Management

There has been much written about recognising the difference between leadership and management, both of which are considered necessary to an organisation's success. Leadership and management are terms often used interchangeably, but they are two distinctive although complementary processes.

Yukl (1989) notes that

> "…the essence of the argument seems to be that managers are oriented towards stability and leaders are oriented towards innovation; managers get people to do things more efficiently, whereas leaders get people to agree about what things should be done."

House (1997) contrasts levels of leadership and he likens supervisory leadership to management. He says that strategic leadership is about giving purpose, meaning and guidance to organisations whereas supervisory leadership is concerned with guidance, support and corrective feedback on a day-to-day basis using task or people-oriented behaviours as aproppriate. Regarding management he says,

> "Management consists of implementing the vision and strategy provided by the leaders…".

However, there is a need for both functions and indeed, leaders can become managers and vice versa by virtue of their approach and behaviour. The literature would appear to support the view that managers can become leaders by providing vision, direction and strategy in such a way that inspires others in an organisation.

As Buckingham (2005) states:-

> "The core activities of a manager and leader are simply different".

John Kotter (1990), Konosuke Matsushita Professor of Leadership at Harvard Business School, argues that leadership is different from management, but if either is missing, success in today's competitive environment will be elusive. He maintains that the difference is one of focus, one outwardly focused, the other internally.

Leadership is sometimes quoted as being about people and innovation whilst management is talked about in terms control and predictable results. Unfortunately, management is today regarded by some as being a lesser skill than leadership. The reality is that mangers must lead people also and so leadership of a kind is needed at every organisatinal level. As Kotter argues:

"the real challenge is to combine strong leadership and strong management and use each to balance the other".

Typically the distinction between leadership and management will be described as follows:

Leadership

"Leadership is an influence relationship among leaders and followers who intend real changes that reflect their shared purpose." (Rost, 1993)

Management

"Attainment of organisational goals in an effective and efficient manner through planning, organising, staffing, directing and controlling organisational resource." (Daft, 1999)

Yukl (2006) also observed that:

"nobody has proposed that leadership and management are equivalent, but the degree of overlap is a point of sharp disagreement."

Richard Daft, building principally on the work of Kotter, has produced the following comparison between management and leadership.

Management and Leadership Comparison

	Management	**Leadership**
Direction	Planning and budgeting Keeping an eye on the bottom line	Creating vision and strategy Keeping an eye on the horizon
Alignment	Organising and staffing Directing and controlling Creating boundaries	Creating shared culture and values Helping others grow Reduce boundaries
Relationships	Focusing on objects – producing/selling goods and services Based on a position of power Acting as boss	Focusing on people – inspiring and motivating followers Based on personal power Acting as coach, facilitator, servant
Personal Qualities	Emotional distance Expert mind Talking Conformity Insight into organisation	Emotional connections (Heart) Open Mind (Mindfulness) Listening (Communication) Non-conformity (Courage) Insight into self (Integrity)
Outcomes	Maintain stability	Creates change, often radical change

Management is about the control process, which ensures that lapses in performance are spotted and corrected through feedback. Managerial processes therefore must be as close as possible to fail-safe and risk-free. The leadership contribution is to motivate, inspire and

energise people by satisfying basic human needs for achievement, a sense of belonging, recognition, self-esteem, control over one's own life and an ability to live up to one's ideals.

Adair (2002) emphasises this by pointing out the different meanings of the words. Leading, he says, is about deciding direction, coming as it does from an Anglo-Saxon word meaning the road or path ahead. It is about knowing the next step and then taking others with you to it. Managing, on the other hand, is a later concept, coming from Latin 'manus', meaning hand. This is more associated with handling a system or machine of some kind.

Covey (2004) highlights some clear distinctions between leadership and management drawing on quotes from respected writers on the subject. This is summarised overleaf.

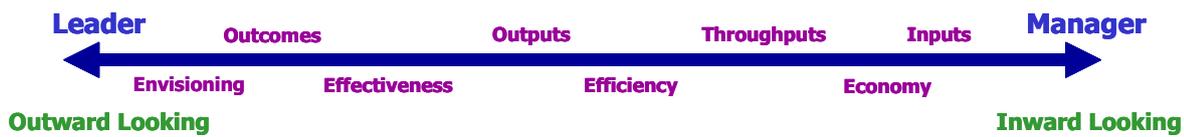**Quotes on Leadership and Management**

Author	Leadership	Management
Warren Bennis	"Leaders are people who do the right thing;"	"Managers are people who do things right."
John Kotter	"Leadership is about coping with change."	"Management is about coping with complexity."
James Kouzes and Barry Posner	"Leadership has about it a kinesthetic feel, a sense of movement…"	"Management is about 'handling' things, about maintaining order about organisation and control."
Abraham Zaleznik	"…Leaders are concerned with what things mean to people."	"Managers are concerned about how things get done."
John Mariotti	"Leaders are the architects."	"Managers are the builders."
George Weathersby	"Leadership focuses on the creation of a common vision."	"Management is about the design of work…it's about controlling…"

Referring specifically to the third sector, Mike Hudson (2003) says that truely great Chief Executives have to rise beyond management and provide leadership.[1] He finds that the boundary is not crystal clear and echoing comments made by Drucker, he asserts that to be over-led and under-managed may be exciting but not effective and to be under-led and over managed, whilst efficient, may lead to obscurity as the outer world passes the organisation by.

One way of looking at this continuum of leader-manager is illustrated below:-

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[1] The 'third sector' refers to charities and non-governmental organisations (NGOs). The other sectors are the Private Sector and Public Sector.

Continuum of Leadership and Management

In summary, it seems clear that leadership and management are different and that an organisation needs both. On a final note, and this is important for micro organisations, the capacity to lead and manage probably has to reside in the one person who heads up the company.

## 3. Top Ten Characteristics of Leaders

Building on this theme of leadership as a particular role, it is worth reviewing what research seems to suggest are the main characteristics associated with 'superior' leaders and this is based on feedback from followers. Kouzes and Posner (2007), in the 4th Edition of their classic book, The Leadership Challenge, list the top ten characteristics most admired in leaders. These have not changed significantly since the first research in 1987. Leaders are perceived to be exemplar where they are seen as (in rank order):

- Honest
- Forward-looking
- Inspiring
- Competent
- Intelligent
- Fair-minded
- Straightforward
- Broad-minded
- Supportive
- Dependable.

In a global survey of 54,000 managers Covey (2004) demonstrated that **integrity** was by far the most important characteristic associated with effective leaders:

CHARACTERISTICS OF LEADERSHIP
An Effective Leader? Survey of 54,000 Managers.
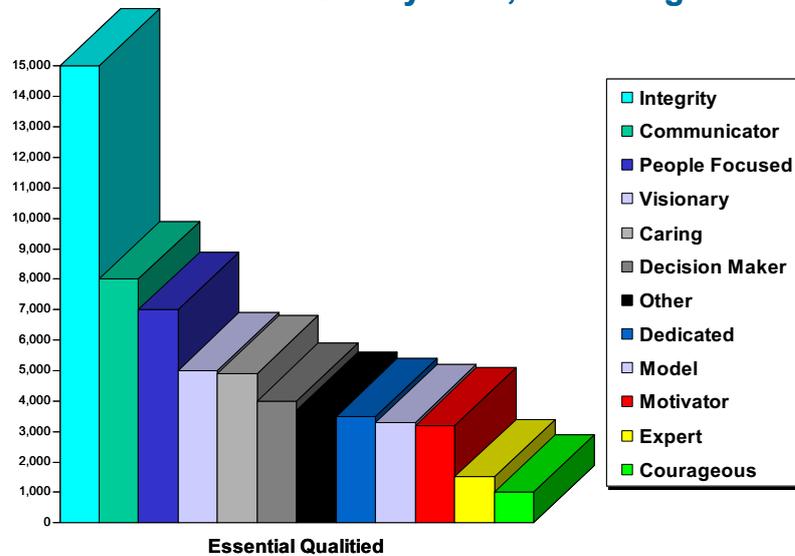
Covey, Stephen R. (2004) The 8th Habit: From Effectiveness to Greatness London, Simon & Schuster

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Point to Ponder

He who overcomes others is powerful. He who overcomes himself can lead others.

Given the previous discussion on twenty-first century leadership and taking up again the theme of engaging leadership (Alimo-Metcalfe, 2009), the behaviours you would expect to see from a modern, effective and engaged leader will be:

- Showing genuine concern
- Being accessible
- Enabling
- Encouraging questioning
- Inspiring others
- Focusing team effort
- Being decisive
- Supporting a development culture
- Building shared vision
- Networking

- Resolving complex issues

- Facilitating change sensitively

- Acting with integrity

- Being honest and consistent.

The Alimo-Metcalfe research that identified these behaviours suggests that by practicing these behaviours, and getting other managers to do the same, there will be a noticeable and positive impact on: job satisfaction; motivation; commitment; achievement; self confidence; and reduced stress. There is real evidence that engagement pays off.

4. Leadership Styles

What then makes an effective leader? A review of the principal theories of leadership (Trait, Behavioural, Contingency, Transformational, Engaging) emphasises that there is no single way of being an effective leader. Two different people, with different styles, can be equally effective depending on the context, culture and situation they face.

The reality is that our generic default style of leadership can be difficult to overcome. Even good leaders tend to fall back on two styles only, regardless of the circumstances. Yet, choosing the right leadership style for any particular situation can get great results. The ideal position is to learn to draw on a repertoire of responses based on the person context, situation and people involved.

Participative Leadership

Making decisions is one of the most important functions performed by a leader. Participative leadership involves efforts by a leader to encourage and facilitate the involvement of others in making important decisions. In terms of leadership styles, this is described as a continuum ranging from low/no involvement (autocratic) to high involvement (delegation) in making decisions. There is no agreement on the optimum number of decision-making leadership styles however most theorists agree on some version of the following four (overleaf):

Leadership Style	Approach to Decision-Making	Level of Follower Participation
Autocratic	Leader 'decides and announces	None
Consultation	Leader seeks opinions and then decides	Partial
Joint	Leader involves and joint decision	Equal
Delegated	Leader empowers others to make decision	Full

Autocratic-Democratic Leadership

One decision-making model of leadership styles was developed by Vroom and Yetton (1973) and revised and updated by Vroom and Jago (1978). It is a form of contingency approach and is presented as an autocratic-democratic leadership decision-making model. It focuses on the situational factors that influence leadership.

It argues that leaders need to consider certain practical considerations before making decisions. These are described as three main 'forces' in determining whether a leader should act alone or involve what they term subordinates (we tend to use the term followers) in problem solving. These are:

- Leader maturity (competence and confidence)
- Subordinate maturity (ability and willingness)
- Situation or context (issues of prevailing task, time available and culture).

This model assumes that every leadership situation can be placed somewhere on a continuum between autocratic and democratic decision-making. It suggests that a leader should consider a full range of options before deciding how to act.

In an earlier and classic piece of work (Tannenbaum and Schmidt, 1958), argued for a continuum of leadership styles that in modern terms might be described as: telling-selling - consulting-empowering. This led to the development of their Leadership-Behaviour Continuum as illustrated below.

Leadership-Behaviour Continuum[2]

Autocratic……………………………………………………………………………Democratic					
1	2	3	4	5	6
Leader decides alone and (tells) announces the decision.	Leader decides alone and sells the decision.	Leader presents the issue for discussion and pretends to consult (but has already chosen the preferred decision).	Leader presents the issue and consults before making the decision.	Leader joins others in a (joint) decision making process.	Leader presents the issue and (delegates) asks others to decide - subject to certain limits or boundaries

The proven benefits of participative leadership were, until recently, inconclusive however qualitative research did appear to confirm that it resulted in:

- Improved decision quality
- Better decision acceptance
- Satisfaction with decision-making processes; and
- Development of participants' skills through the process.

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[2] Tannenbaum and Schmidt (1958)

More recent research on levels of employee engagement do appear to show a direct link between high levels of participation and company performance.

Situational Leadership

For those of us who believe in the ability of leaders to adapt to situational factors there are a range of models to follow, one of which is Blanchard's situational leadership model. This suggests four broad styles of leadership that can be adopted when working with individuals and teams. The choice of style depends on the competence and commitment of the follower, as described in more detail below. The styles are described as:

- Directive
- Coaching
- Supporting
- Delegating

The successful leader, when choosing an appropriate leadership style to use with an individual, is encouraged to ask:

- How competent is this person? How good are they at their job? How much direction do they need?
- How committed is this person? To what extent do they work willingly and well? How much support and encouragement do they need?

In terms of competence and commitment, each individual team member will fit into one of the four development levels shown below.

Development Level 1	Development Level 2
Low competence	***Some competence:***
Inexperienced; needs additional training and development opportunities; needs updating on skills or knowledge; needs supervision	Some experience; additional training and development opportunities would be useful and helpful; needs some supervision
High commitment	***Low commitment***
Enthusiastic, confident, hard-working, eager to learn and develop, highly motivated	Not particularly enthusiastic or confident or hard working or eager to learn and develop; not particularly motivated

Development Level 3	Development Level 4
High competence	*High competence*
Highly skilled, competent and experienced; knows precisely what they are supposed to do and how to do it; capable and competent; can work unsupervised	Highly skilled, competent and experienced; knows precisely what they are supposed to so and how to do it; capable and competent; can work unsupervised
Variable commitment	*High commitment*
Sometimes enthusiastic, confident, hard-working, eager to learn and develop, highly motivated - and sometimes not	Always enthusiastic, confident, hard-working, eager to learn and develop, highly motivated

Which style works best? Listed below are some pointers:

- People who fall into Development Level 1 (low competence/high commitment) tend to respond best to a directive style of leadership – high on direction, lower on support. Their motivation is high but they need clear direction and some supervision to compensate for their lack of skills and knowledge. The interesting thing is that an experienced employee might fall back into this category when faced with a new role or challenge.

- People who fall into Development Level 2 (some competence/low commitment) tend to respond best to a coaching style of leadership – high on direction, lower on support. They need some direction and supervision, plus regular praise and encouragement to build motivation.

- People who fall into Development Level 3 (high competence/variable commitment) tend to respond best to a supporting style of leadership – low on direction, higher on support. They know what they are doing, so need little supervision, but they do need a fair amount of encouragement.

- People who fall into Development Level 4 (high competence/high commitment) tend to respond best to a delegating style of leadership – low on both direction and support. Even so, do not make the mistake of always leaving Category 4 people just to get on with it. They need feedback and encouragement just as much as anyone else.

The way in which the four main leadership styles (directing, coaching, supporting, delegating) relate to the four categories of competence and commitment is shown below:

Development Level 1	Development Level 2
Low can-do	Some can-do
High want-to-do	Low want-to-do

	Style 1:	Style 2:
	Directing	**Coaching**
	Giving clear instructions	Talking things through
	Style 4:	Style 3:
	Delegating	**Supporting**
	Trusting people	Showing interest

Development Level 4	Development Level 3
High can-do	High can-do
High want-to-do	Variable want-to-do

Emotional and Social Intelligence

Leaders with emotional intelligence[3] are able to adapt their style in that they are able to tune in emotionally to their surroundings and their own feelings. This level of sensitivity and emotional awareness is introduced here with a description of the six leadership styles that are associated with high levels of emotional intelligence.

Emotional intelligence is a "two-sided coin" which means being able to manage yourself (emotional) and those around you (social). It is about,

- being able to manage your emotions appropriately in whatever context you find yourself

- being able to manage your relationships with others and control how you deal with others in a variety of situations.

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[3] Term first coined in 1990 by P Salovey & J Mayer, 'Emotional Intelligence', *Imagination, Cognition, and Personality, 9* (3), *pp 185–211.*The term received little popular attention until the publication by Daniel Goleman, *Emotional Intelligence* (Bloomsbury Publishing, 1996), which quickly became a best-seller.

When most people think of intelligence, they think of aspects such as memory, problem-solving and the ability to process ideas, grasp concepts and manage information in a variety of forms. This is the kind of intelligence broadly measured by Intelligent Quotient (IQ) tests.

However, there are many kinds of intelligence not covered by IQ tests that are just as valuable. These include creativity, communication, sensitivity, initiative and interpersonal skills.[4] For instance, when predicting job performance, the contribution of IQ has been estimated as low as 4% and no higher than 25%. The more the job requires leadership, the more important emotional intelligence becomes. This is because you are now expected to lead people more and do hands-on, operational tasks less. Doing well as a leader has a lot to do with levels of emotional intelligence.

How does it relate to leadership?

There are four fundamental types of emotional intelligence, that all of us have to a greater or lesser degree. These are described by Goleman as emotional capabilities.[5] Emotional capabilities are the building-blocks for a more specific set of skills and attributes, called emotional competencies. It is these emotional competencies that can have a real impact on how you perform as a leader. In a study on leadership styles headed by Goleman in 2000, a set of emotional competencies relating to leadership were identified. Goleman categorised these according to the emotional competencies referred to overleaf.

Emotional Capabilities and Competencies

Self-Awareness	Self-Management	Social Awareness	Social Skills
Emotional self-awareness Accurate self-assessment Self-confidence	Self-control Trustworthiness Conscientiousness Adaptability Drive to meet internal excellence Initiative	Empathy Organisational awareness Ability to recognise customer needs	Visionary leadership Influence Developing others Communication Change catalyst Conflict management Building bonds Teamwork & collaboration

Different combinations of these competencies result in different styles of leadership; an authoritative leader, for instance, will tend to be strong in the competencies of self-confidence, empathy and change catalyst. A good leader will, however, be able to pick and mix between these capabilities at will, and might use several of six identified leadership styles (see below) in any one week. You are unlikely to have the ability or acumen to be

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[4] In 1983, Howard Gardner wrote about the idea of 'multiple intelligence', arguing that non-cognitive aspects were equally as valuable as cognitive ones. See: Howard Gardner, *Frames of Mind* (Basic Books, 1983).

[5] Daniel Goleman, *Emotional Intelligence* (Bloomsbury Publishing, 1996).

able to use all six styles. They will have to be learned and the only way to do that is to make the effort to practice and embed the new behaviours.

For example, to use the Coaching style effectively you will need to learn to be empathetic. By focusing on learning to listen and then to understand accurately what people are saying we find leaders actually become more interested in other people which can eventually develop into a real sense of empathy – it can be learned! Please note that empathy is not the same as sympathy (we don't have to share the other person's emotions) and we don't have to agree with them. It is just about understanding and communicating that you understand things from their perspective.

Six Emotionally Intelligent Leadership Styles

1. The Coercive Leader

The coercive style emanates from the emotional intelligence competencies: drive to achieve, initiative and self-control. The research suggested it is the least effective style in most situations, hitting flexibility particularly hard. It is always appropriate during a genuine emergency, but should be used with great care.

2. The Authoritative Leader

The authoritative leader emanates from the emotional intelligence competencies: self-confidence, empathy, and change catalyst. The research indicated that the authoritative style is probably the most effective, having a positive impact on all environmental factors. As a visionary, the authoritative leader is able to maximise commitment to the organisation's goals and strategy.

The approach will work well in almost any business situation, especially when the business is floundering. It works less well, however, for leaders working with a team of experts or peers who are more experienced than they are.

3. The Affiliative Leader

This style emanates from the emotional intelligence competencies: empathy, building relationships, communication. The affiliative leader believes 'people come first' and consequently tries to create harmony by building strong emotional bonds. The approach will improve communication, as people will begin to share ideas and this will increase inspiration. Flexibility will also be improved as people are given the freedom to do their jobs in the way which they think is most effective.

The affiliative style makes it a good all-round approach, but it is particularly helpful when trying to build harmony, increase morale, improve communication or repair a breakdown in trust. It is probably best used in conjunction with another style, as its emphasis on praise can fail to address poor performance. This approach can also, on its own, fail to give clear direction.

4. The Democratic Leader

This style emanates from the emotional intelligence characteristics: collaboration, team leadership and communication. This approach is based on getting people's ideas and support, and allowing employees a say in decisions. This builds trust and commitment,

increases flexibility and maintains high morale. It works best if the leader is uncertain about the future direction and leans on experienced employees for ideas and guidance.

The approach is less likely to work where employees lack the competence, knowledge or experience to offer sound advice. It can be particularly inappropriate in times of crisis.

5. The Pace-Setting Leader

This style emanates from the emotional intelligence characteristics: conscientiousness, drive to achieve, and initiative. The pace-setting leader sets high personal performance standards and expects others to meet them also. Those who cannot measure up are likely to find themselves being replaced. The pace-setter does not trust employees to work in their own way or to take the initiative. The result is that the pace-setting style can destroy a positive work environment, as employees feel they will never be good enough and their morale falls. Flexibility and responsibility also disappear.

However, the approach can work well if employees are self-motivated, skilled and only require a minimum of coordination and direction. Teams of accountants, lawyers, researchers and technicians, for example, will often respond well to this style.

6. The Coaching Leader

This style emanates from the emotional intelligence competencies: empathy, developing others and self-awareness. Leaders who coach both help employees to identify their strengths and weaknesses and link them to career goals. They also encourage employees to develop a personal development plan. As good delegators, they give employees challenging assignments.

The research suggested that this was the least used of the six styles; probably most leaders thought it was too time-consuming. However, it can improve results by increasing flexibility and commitment. t works best with employees who are already aware of their strengths and weaknesses and really want to be coached. The approach is best avoided if employees are resistant to change and learning, or the leader lacks the expertise to be a good coach.

Learning to Apply Emotional Intelligence

Many managers may find the range of emotional competencies rather daunting. The good news is that expanding one's repertoire of competencies is entirely possible; in a way that increasing one's IQ is not. Adapting your leadership style isn't easy, but it is certainly achievable.

The table below offers a description of the six leadership styles according to the concept of emotional intelligence. You need to become familiar with the distinctions between these styles so that you can learn how to apply the right styles at the right time.

Emotional Intelligence and Six Leadership Styles

Leadership style	What the manager would say	Emotional Intelligence competencies
Coercive	"Don't ask questions. Just do it!"	Drive to achieve Initiative Self-control
Authoritative	"This is what I see. I want you to see it too, and I'll need your help to get us there."	Self-confidence Empathy, Catalysing change
Affiliative	"Okay guys, let's work together on this."	Empathy Building relationships Communication
Democratic	"What do you think?"	Collaboration Team leadership Communication
Pace-setting	"Come on, keep up!"	Conscientiousness Drive to achieve Initiative
Coaching	"How about doing it like this?"	Empathy Developing others Self-awareness

Not all of the six styles actually have a positive impact. Two, in particular, have an important but limited role - the coercive style and the pace-setting style. If over used they both can have a negative impact on performance and morale. The most strongly positive is the authoritative style. This isn't surprising: authoritative leaders are capable of taking people along with them by sharing their vision and encouraging people to move towards it. The least successful, the coercive style, usually results in the opposite, with the leader discouraging, demotivating or alienating his/her people, rather than helping them to improve.

Goleman's work on emotionally intelligent leadership styles concludes the following:

- Leaders who have mastered four or more styles, especially authoritative, democratic, affiliative and coaching, create both the best work environment and the conditions for outstanding business performance.

- The most effective leaders switch flexibly among the leadership styles as needed.

- Leaders who used styles that positively affected the work environment had better financial results than those who did not. The authoritative style had the most positive overall impact, followed by affiliative, democratic and coaching. Pace-setting and coercive styles have a negative impact.

There are five main points to remember about leadership styles:

- People develop preferred styles in three main ways: by modelling others; through, training; and by learning from personal experience

- Individuals ususally prefer the same style whether they are leading and following

- If styles of leader and follower are in conflict, extra consideration is needed, especially in the areas of:
    - decision-making
    - setting objectives
    - communication

- Leaders have been successful with every style. The big issue is whether or not you have a fixed style only – without 'behavioural flexibility' you may only be able to lead in particular circumstances

- There is no universally effective style of leadership. It is widely recognised though that, in a knowledge-based economy, authoritative, visionary, democratic and coaching styles are much preferred over command and control.

5. Public Sector Leadership

Whatever differences there may be about a precise definition of leadership, it is clearly about people as followers and the extent to which they can be motivated to behave in particular ways. (Rose and Lawton, 1999). John Adair, speaking at a conference in 1996 for public sector managers talked of twenty-first century managers requiring vision, empathy and concern for people and issues, lack of reliance on position and rank for status, and the ability to be a team builder and team maintainer.[6]

John Monks, former General Secretary of the TUC expressed the view that leadership was about listening, inspiring and morale building. One public service manager, quoting from Rose and Lawton, promotes the CHILTERN principles of leadership: communication; honesty; involvement; listening; trust; enthusiasm; results and no games!

The 2002 Strengthening Leadership in the Public Sector report highlighted some real deficiencies in leadership development with this sector. It concluded that the sector faced new challenges including:

- Modernisation, with much better customer focus
- Higher and increasing public expectation for quality of service
- More opportunities and requirements for partnership working within and across sectors
- Pressures to harness ICT and deliver services electronically.

Although the report acknowledges examples of excellence it concludes that:

- The public sector is not attracting and keeping the best leaders
- Leadership development does not give enough emphasis to working across boundaries and learning between sectors
- Potential leaders are not being given the freedom to lead.

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[6] Rose, A. & Lawton, A (1999) Public Services Management p153-158, Essex, Pearson Education Ltd.

The report also highlights the difficulty created by having many and often contradictory interpretations of theories of leadership. This can lead to confusion about what works and doesn't work and makes it difficult for leaders to transfer their knowledge to others.

Research and feedback consistently highlights the integration of strategy and the management role in implementation as a key issue:-

> "In a recent CIPD survey, 86 per cent of respondents said that the biggest challenge for organisations was "integrating management development with the implementation of organisational goals".[7]

Peter Shaw (2006), who has spent most of his working life in senior public sector management roles, believes strongly in the servant leadership model and he recommends a balance between:-

> "leading from the front in terms of taking direct action and enabling and serving others to fulfil their own visions and providing a healing role in building and renewing relationships."[8]

He references a very practical and real model of leadership (applied by AstraZeneca, one of the world's leading pharmaceutical companies) that he believes the public sector could learn from especially where it seeks symmetry between the vision of the organisation and that of individuals within it. The six global leadership capabilities promoted across that organisation are:

- Clarity of strategic direction
- Commitment to vision
- Focus on delivery
- Build relationships
- Develop people
- Demonstrate personal conviction.

6. Leadership in the Third Sector

Research on leadership shows that whilst there is some agreement about the elements of leadership, there is no one agreed definition of what is a leader. In a recent review of the literature around leadership Northouse (2004) identified four common themes that run through much of leadership theory:

- process
- influence
- group context

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[7] Developing Managers for Business Performance – Key Findings (CIPD, November 2005).

[8] Shaw, Peter, (2006) The Four Vs of Leadership Chichester, Capstone Publishing

- goal attainment.

Based on this analysis, leadership in the third sector could simply be defined as

> "a process whereby an individual influences a group or individuals to achieve a common goal". (Hailey, 2006)

But as Hailey also points out, it is accepted that no one definition can cover all aspects of leadership. Taking a third level perspective leadership also incorporates:

- mobilising of others

- getting things done, willingly, through other people

- empowering others

- articulating vision and embodying values

- creating an environment within which things can be achieved

- shaping and sharing a vision which gives point to the work of others.

Typical of the competencies commonly associated with leadership are the ability of a leader to communicate vision or strategy, inspire teams, motivate individuals, and identify opportunities and initiate transformation. It begs the question: is this any different for the third sector? Recent research for the Association of Chief Executives of Voluntary Organisations (ACEVO)[9] suggests that third sector leaders exhibit an unusually broad range of competencies compared to leaders in the public and private sectors (Bolton & Gosling, 2003).

The research findings state[10]:

> "As workers within the sector tend to be either low paid or voluntary staff, visionary leadership and inspiration are likely to be important aspects of the role regardless of size."

The report refers to the following behavioural characteristics of third sector leaders:-

Emotional Attachment

- a strong emotional affinity with the raison d'etre of the organisation. A passion for its beliefs. A desire to succeed for the greater good of the organisation. A high degree of personal energy and enthusiasm for the cause.

Personal Integrity.

- trustworthiness.

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[9] http://www.acevo.org.uk: Last Accessed 12 October 2006

[10] Passionate Leadership – The characteristics of outstanding leaders in the voluntary sector – What sector leaders think' (ACEVO, 2003)

Strategic Perspective

- conceptual and analytical thinking. Recognises changes in the broader environment and responds accordingly. Keeps up to date with issues/current thinking. Responds flexibly whilst remaining mindful of the core mission of the organisation.

Visionary and Inspirational Communicator

- the ability to paint a picture of the future that appeals strongly to others. Shows passion and emotion in visioning and representing the work of the organisation to others. A powerful communicator in all forums from one-to-one to public speaking. Visible and seen to speak out and represent the organisation.

Personal Humility

- not in the role for self-aggrandisement. Wants to make a difference through others rather than by themselves.

Motivating a Team

- being seen to understand the problems of and support staff and/or volunteers in their work 'on the ground'.

Networking

- a structured yet opportunistic approach to identifying those whose support could be useful to the organisation and seeking effective relationships with them. Maintaining and building those relationships appropriately to increase the effectiveness of their own organisation. Actively engaging in groups/on committees that will usefully further personal network. At the higher levels, building alliances with other organisations to work together to fulfil mutual objectives.

Influencing

- a strong desire and capacity for influencing others to further the mission of the organisation. Includes high level influencing – building coalitions, influencing through 3rd parties, etc. Politically astute: knows where the power lies and how to influence it.

Resilience

- an ability to 'bounce back' quickly after setbacks; dealing with personal and emotive criticism that may be made public.

Self Confidence

- confident in highly visible and stressful situations (eg) public forum, debates, media. Person presentation: fulfilling the ambassador role confidently at all levels both internally and externally. Courage to take tough and unpopular decisions, to acknowledge when one has 'got things wrong'.

Customer Service Orientation

- a genuine empathy with the end-user and a focus on service delivery. An appetite for the detail of providing quality service.

Knowledge of Subject Matter

- sufficient knowledge to represent the charity credibly and to show empathy with staff, volunteers and beneficiaries.

In large part because of the complexity that leadership demands, Civicus, an international alliance of civil society organisations, has identified the lack of NGO leadership talent and this is of course seen as a matter of particular concern (Civicus, 2002)[11].

One of the reasons for this is that third sector leaders need a rare balance of inward-looking (management) and outward-looking (influencing) skills, with exceptional communication and networking skills, as well as resilience and emotional intelligence.

International research into the character and capabilities of third sector leaders in developing countries also supports these conclusions (Hailey & Smiley, 2001; James 2005). What is striking from any review of this research is the variety of different roles that such leaders have to play, whatever the culture or context. Their success is partly determined by their ability to play different roles and adapt different leadership styles. They can be characterised as being "value-driven, knowledge-based, and responsive" (Hailey & Smiley, 2001). Just as NICVA has argued. "they display "an extraordinary range of skills and competencies".

One of the issues for third sector leaders, supported by NGO research, is the way that successful third sector leaders must manage the tensions inherent in being both a strong individual leader while still appearing to be highly participative in they way they manage.   It may seem somewhat counter-intuitive that third sector organisations need to be both highly participative and yet accept the presence and role of a strong leader.

At first glance, the concepts of leadership and participation seem incompatible and yet what the research shows is that strong leadership and participatory management can be complementary and compatible. Looking back at the literature review and applying the theoretical models, it is certain that third sector leaders need to be adaptive in style, build strong follower relationships and envision the future as a motivator.

Collins (2005, p10) in his monograph on the social sector tackled the question of difference between leadership across sectors saying:-

> "Social sector leaders are not less decisive than business leaders as a general rule; they only appear that way to those who fail to grasp the complex governance and diffuse power structures common to social sectors."

There is now a small, but growing body of research into the challenges faced by third sector leaders in the uncertain and volatile political and economic environment of the developing world (Lewis, 2001; Hailey & James, 2004). Drawing on these bodies of work, we are better

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[11] Civicus, (Aug 2002) Connecting Civil Society Worldwide, Newsletter No 175, Johannesburg

informed it of leadership types and the distinguishing the mix of skills and competencies needed by third sector leaders whatever the environment in which they operate.

John Hailey develops the concept of what he calls "catalytic" leaders who typically act strategically and have the ability to promote and implement change. They demonstrate the capacity to take a longer-term strategic view while balancing tough decisions as to strategic priorities with organisational values and identity. Their success as change agents depends on their ability to delegate work to talented colleagues, so freeing time to invest in social capital building networks.

The question of how to assess what leadership type is best suited to the demands facing the third sector in the future maybe partly addressed by the degree to which leaders engage internally or externally, and the effectiveness of their ability to manage performance. Hailey (2004) suggests that third sector leaders:-

> "with their ability to both engage with the external world and manage performance are the "type" of leader that future leadership development programmes should be promoting and encouraging".

In a noteworthy conclusion, Collins (2005) reaffirms his findings that Level 5 leaders differ from Level 4 in that they are ambitious first for the cause or mission and not for themselves and they have the will to see through a strategy to accomplish the mission. This combination of personal humility and professionalism is a key factor in creating legitimacy and influence. He goes on the say:-

> "Level 5 leadership is not about being 'soft' or 'nice' or purely 'inclusive' or 'consensus-building'. The whole point of Level 5 is to make the right decisions happen – no matter how difficult or painful – for the long term good of the institution and the accomplishment of its mission, independent of consensus or popularity"

7. Twenty-first Century Leadership

Transactional and transformational leadership each have a place in our modern, fast moving, technologically driven and highly competitive society. Although not entirely at odds with this emphasis on the leader, more recent research points to high performance being correlated with the idea of follower engagement. The implication for leadership is clear: less of the leader providing the vision and the direction and more of the leader involving followers in co-creating a shared vision and strategy.

It can be seen that notions of what leadership is about have changed over time and they are affected by what is happening in society, across social, technological, economic and political change. Even a brief history of the way we have viewed leadership in the past shows that it has evolved with societal change. It is inconceivable that the deferential leadership of the feudal and industrial eras would work in today's liberated society where people are educated, have human and employment rights enshrined in law and perhaps most evidently, have choice. To put it simply, people can walk away if they don't like the way they are led.

Classically leadership was said to be a trait – the "great man' theory (and it was inevitably a man leading). According to this theory you were born a leader or you were not. Of course it is not as black and white as this but there is some truth in this. It can be argued that every individual is born with an aptitude and natural talent for leadership. The important thing is that, as with any talent, it can be developed or squandered and development, is has been

shown, is largely a product of opportunity, experimentation and practice.   This means that with effort, anyone can become, at very least, a better leader. As John Adair in Great Leaders (1989) suggests,

> "The common sense conclusion of this book is that leadership potential can be developed, but it does have to be there in the first place"

Studies of leadership then began to focus on a behavioural approach. The attention focused on what leaders actually did in order to get follower support. This was important because what came with it was the idea that leadership can be learned. This then developed further into a situational or contingency approach – meaning leaders needed to be able to adapt their behaviours to lead in a way, using a range of leadership styles, that would match each given situation. The behavioural and contingency models of leadership might be termed 'transactional' in that if you behave in this or that way, followers will respond accordingly. Also, contingency models assume that there is a degree of rationale and order to the process of how you choose to lead. In a disruptive environment this may no longer hold true.

Thinking shifted to a more 'transformational' approach and faced with new and unpredicted crises, increased competition and rapid change it became clear that the old ways were not working and new responses were needed. Transformational leadership emerged with an emphasis on vision, passion, and charisma. This was about inspiring and motivating people (followers) to excel in meeting new challenges and perform beyond all expectations. Leadership in this post 1970's era was about being charismatic, inspirational, transformational and adaptable.

It is argued that charismatic leaders[12] are able, through personal vision and energy, to inspire followers and have a major impact on an organisation. This view of leadership treats it as a mysterious and powerful quality that can be used for good and evil (what Bass calls the 'dark side').[13] Through emotional and symbolic gestures leaders are able to influence followers to make self-sacrifices and subordinate self-interest to serve a higher (organisational) mission.

Although transformational and charismatic leadership are often used interchangeably, they are now treated as related but different (Bass & Riggio, 2006). To their followers, charismatic leaders transform their lives in one way or another and they often do not ask too many questions about how this is achieved. The fact is that some people are able, for a time, to exert great influence using charismatic qualities.

The theory of transformational leadership was strongly influenced by James McGregor Burns (1978) who contrasted transformational leadership (mobilising on the basis of moral values) and transactional leadership (motivated by self-interest and exchange). His initial

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[12] Charisma is a Greek word that means "divinely inspired gift" e.g. the ability to predict the future.

[13] Bass & Steidlmeier (1999)

work was carried out by studying political leadership in the US, however it quickly became apparent that his findings could be applied to other organisational settings.[14]

In analysing the concept of transformational leadership in the corporate world, Bass (1985; 1996) also contrasted transactional and transformational leadership. He suggested that transactional leaders determine what subordinates need to do to achieve their own and organisational objectives and create the support needed to enable them to act appropriately. Transformational leaders motivate people to do better than they would have expected by raising motivation and the importance of the value placed on people's tasks within the organisation. These leaders go beyond transactional leadership by using their personal vision and energy to inspire their followers.

Taking all of the findings from research in the round, Yukl (2006) offers the following guidelines for leaders who seek to inspire followers towards achieving organisational goals:-

- Articulate a clear and appealing vision
- Explain how the vision can be attained
- Act with confidence and optimism
- Express confidence in followers
- Use dramatic, symbolic actions to emphasise key values
- Lead by example.

As theories, great man, contingency and transformational are sometimes referred to as 'heroic' models of leadership and they dominated the 1980s and 1990s. In many ways transformational leadership was not so far off the original "great man" theory in that it placed much emphasis on the leader position and the idea that the leader has the answers.

What has sparked a re-think in defining what makes for effective leadership in the twenty-first century has been the dramatic and relentless pace of change and the ability to cope with this. We live and work in a world with less certainty and predictability and every organisation, of whatever size, now needs to guard against competitive disruption. This can come from anywhere around the globe as local markets are opened up to others through increased use of technology. Leading people in this context requires a new form of leadership.

There is also the realisation that the charismatic model has a serious down side and can be destructive as well as constructive – think Enron, Worldcom and banking scandals. Indeed one study (Tosi et al, 2004) found that the link between charismatic leadership and performance is not what you might have expected. This study concluded that there is no link between charismatic leadership and company performance but that there is a link between charismatic leadership and the CEO's compensation package!

Around 2001, new thinking began to emerge based on a different set of characteristics for effective leadership.[15] This work suggested that those companies led by what Collins called Level 5 leaders were more successful at sustaining high growth over time. Level 5 leaders

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[14] Based on US congressional politics.

[15] Collins, J. (2001), Good to Great

did not seek the limelight and were characterised as humble and dedicated to the company and its stakeholders. They chose service to others over self-aggrandisement and had a deep belief in the company and its potential for long-term sustainability and growth. Collins contrasted this with Level 4 leaders whom he likened to heroes, leading the charge and leading change but moving on to another company once the initial excitement had abated.

Engaging Leadership

So, where does this lead us in seeking an effective model of leadership is right for today? In the post-heroic period we are living through, it appears that there is a role for charisma, but this needs to be coupled with high levels of engagement.[16] It has been referred to 'nearby' charisma. This type of leadership has also been called 'engaging', 'transpersonal' and 'emotionally intelligent'. An engaging leader might be defined as:

> "…someone who encourages and enables the development of an organisation that is characterised by a culture based on integrity, openness and transparency and the genuine valuing of others and of their contributions."

This incorporates concern for the development and wellbeing of others, uniting stakeholders around a shared vision and delegation that is empowering for others. Engaged leadership enables organisations to cope with change and also to be pro-active in shaping their future. These leaders involve people in co-creating and co-owning shared vision and strategy. The emphasis is on enabling and serving others, individuals and teams. This requires deep-rooted, positive, personal values and the desire to move forward and face the future together, as a collective. It is far removed from the autocratic style and different to the authoritative style that dominated in the past. It is as much about followership as leadership.

Contracting Between Leaders and Followers

Modern, engaging leaders are different. They clarify what they expect from people around them. They understand what their role is and value of followers. Remember that all leaders are also at times followers. We would summarise the roles as follows:

> The **leader's** responsibilities are: delegation, empowerment, support, maximise the potential of followers, share as much information as possible, do-what-you-say-you-will-do-when-you-say-you-will-do-it, involve people in decision making that affects them

> The **follower's** responsibilities are: taking personal responsibility, accepting accountability, being self-directed and self-disciplined, showing initiative.

Some traditionalists may see this as weak leadership. They might say, "Aren't I supposed to go out front and lead, and aren't followers supposed to follow?" It is worth pointing out that there is a great deal of evidence that where there is engaging leadership and engaged employees, there is more (not less) leadership at every level in the organisation and this is shown to correlate with higher profit, increased productivity, reduced absenteeism, lower employee turnover and higher employee satisfaction.