CHAPTER 3

Concepts of Leadership in Organizational Change

What Type of Leadership Do We Want or Need to Accomplish Change?

Complex organizational settings make it difficult to create a framework for leading change that links only one leadership concept to one theory of change. Organizational members in complex settings will need to use a compilation of leadership concepts and theories to adapt and change the organization in accordance with their environment. As a result, the more pertinent question may be, what compilation of leadership concepts do we need to bring about the type of change we want? The leadership theories and concepts in this section represent potential components of an overall leadership approach to bring about organizational change and encompass multiple levels of analysis, ranging from interaction between the organization and its external environment to project teams.

Collective/Collaborative Leadership

Reliance on the collective or collaborative capabilities of organizational members and teams provides a logical means for leading change in turbulent or dynamic environments. Still, leader-focused theories and authority structures, combined with a shortage of models and experience, make it difficult to benefit fully from the collective capabilities of groups or organizational members in a Western context. Effective use of collective capabilities relies on adaptive work, cultural proficiency, organizational learning, and a willingness to experiment.

Allen and colleagues (1998) pointed out that this form of leadership has been given different names: collective, collaborative, shared, participatory, cooperative, democratic, fluid, inclusive, roving, distributed, relational, and postheroic (p. 46).

Although there is no consensus on the name, the underlying premise of leadership in complex organizations is that "answers are to be found in community" in group-centered organizations where "everyone can learn continually" (Allen et al., 1998, p. 47). *Collective* or *collaborative leadership* in this text refers to leadership that uses the talents and resources of all members, not simply a single leader or executive team, to bring about change or generate creative and adaptive solutions in 21st century environments. As a result, followers are being transformed into partners, coleaders, lifelong learners, and collaborators, and adaptive leaders are undertaking new roles as creators and sustainers of contexts that allow people to lead themselves (Allen et al., 1998; Chaleff, 1995; Kouzes & Posner, 2002; Manz & Sims, 1993).

Tapscott and Williams (2006) indicated that companies have entered a new era of collaboration and innovation they call Wikinomics. Like the Internet

encyclopedia Wikipedia, collaboration in this new era invites the broadest possible participation from individuals inside and outside an organization. The authors describe Wikinomics as "deep changes in the structure and modus operandi of the corporation and our economy, based on new competitive principles such as openness, peering, sharing, and acting globally" (Tapscott & Williams, 2006, p. 3). The concept of openness in this context goes beyond traditional ideas of access, flexibility, or engagement to porous boundaries that allow numerous external and internal participants to engage in innovation, research and development, problem solving, and the creation of new products and services. Peering describes a process that takes place when mass collaboration occurs among large numbers of people and corporations or other organizations to drive innovation, growth, and development. Sharing entails creating value for the organization by providing access to some (but not all) of its intellectual property, computing power, scientific knowledge, and other resources. This process allows organizations to expand markets and create new opportunities. Finally, acting globally means organizations work, innovate, and design across physical and geographical boundaries, tapping into a global talent pool and creating an ecosystem for designing, producing, and delivering products or services worldwide.

Overall, Tapscott and Williams (2006) predicted a new era of collaboration, described as follows:

We will harness human skill, ingenuity, and intelligence more efficiently and effectively than anything we have witnessed previously. Sounds like a tall order. But the collective knowledge, capability, and resources embodied within broad horizontal networks of participants can be mobilized to accomplish much more than one firm acting alone. … the ability to integrate the talents of dispersed individuals and organizations is becoming *the* defining competency for managers and firms. And in the years to come, this new mode of peer production will displace traditional corporation hierarchies as the key engine of wealth creation in the economy. (p. 18, italics in original)

Though Tapscott and Williams described this new form of collaboration in a business context, all forms of organizations—nonprofit, government, and virtual—are a part of the collaborative phenomenon.

Shared Leadership

Shared leadership is "a dynamic, interactive influence process among individuals in groups in which the objective is to lead one another to the achievement of group or organizational goals or both" (Pearce & Conger, 2003, p. 1). The process involves peer or lateral influence and can involve upward or downward hierarchical influence. It differs from traditional leadership in that shared leadership is broadly distributed among a set of individuals where the influence process involves more than downward influence on members of the organization.

Robert Kelley (1988, 1992) emphasized that both leaders and followers engage in leadership. Their work is interdependent, fosters the same leadership ends, and engages participants in the change process as coleaders. Kelley (1988) indicated that leadership and followership are "equal but different" roles (p. 146). Roles structure behavior and determine the "part" that members take in groups or organizations (Forsyth, 2006, pp. 11–12). Even so, these roles are not fixed because members can move in and out of different roles within or between various groups. Kelley (1998) described the roles in leadership as follows:

Effective followership—"People who are effective in the follower role have the vision to see both the forest and the trees, the social capacity to work well with others, the strength of character to flourish without heroic status, the moral and psychological balance to pursue personal and corporate [i.e., organizational] goals at no cost to either, and, above all, the desire to participate in a team effort for the accomplishment of some greater common purpose."

Effective leadership—"People who are effective in the leader role have the vision to set corporate [i.e., organizational] goals and strategies, the

interpersonal skills to achieve consensus, the verbal capacity to communicate enthusiasm to large and diverse groups of individuals, the organizational talent to coordinate disparate efforts, and above all, the desire to lead. (p. 147)

Kelley (1988) described effective followers as "well-balanced and responsible adults who can succeed without strong leadership, adding:

[They are critical thinkers who] carry out their duties and assignments with energy and assertiveness … manage themselves well … [sustain commitment] to the organization and to a purpose, principle, or person outside themselves … build their competence and focus their efforts for maximum impact … [and] are courageous, honest, and credible. (pp. 143–144)

Schneider and Somers (2006) described a similar leadership role they identify as tags: "As tags are associated with action and outcomes, not necessarily with individuals or positions, one might co-function as leader, sharing the role in tandem" (p. 356). Tags exercise considerable influence, which moves others to action through their facilitation of cooperation, interaction, and resonance among agents involved in change or adaptation processes.

Because many leadership theories and concepts mainly focus on "the leader," it is difficult at times for members of organizations to visualize and develop roles for followership that maximize their contributions to leading change. The importance of both exemplary leadership and followership is most visible in project teams, described later in this chapter. Roles in project teams are relatively fluid and often allow the same person to serve as team leader and team member at different points in time. Kelley (1988) emphasized that preparation for effective followership in organizations requires the same conscious and deliberate efforts as preparation for effective leadership. He urged members of organizations to develop training programs and other opportunities to develop capabilities in both functions.

The assumption described earlier—that concepts and practices of leading change can apply to multiple participants (leaders and followers), in various roles, and at different levels inside and outside the organization—stems from concepts of leadership and followership roles in Kelley (1988, 1992) and later work by Schneider and Somers (2006) on the concept of a complex adaptive system. Accordingly, these different but equal roles apply to each type of change—life-cycle, teleological, dialectical (including chaos and complexity theory), and evolutionary change.
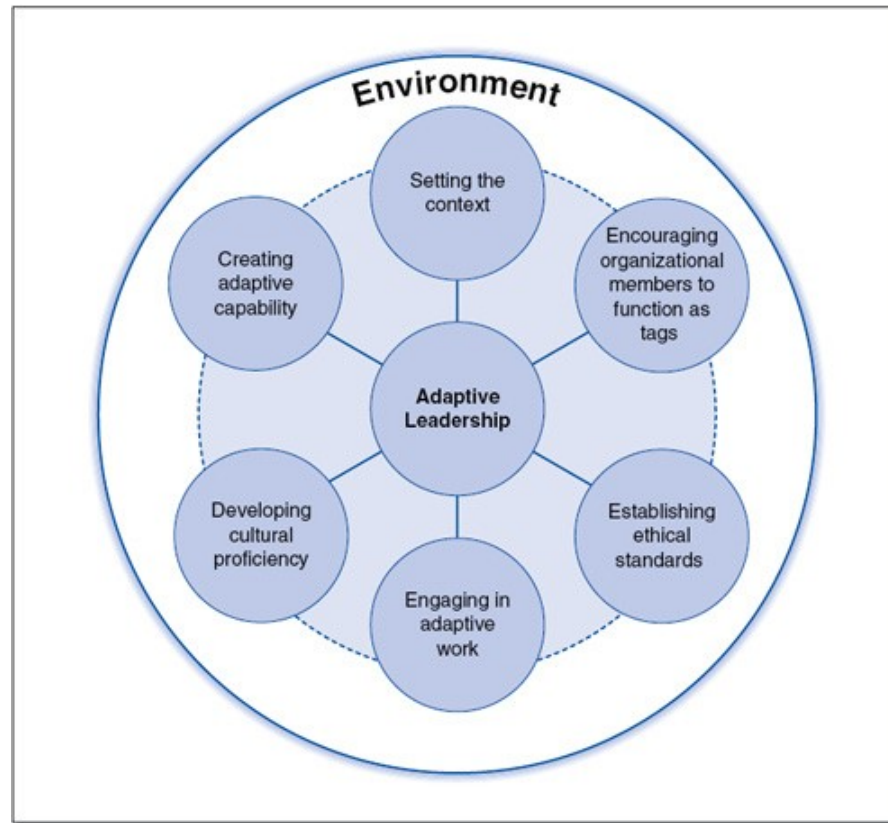
Adaptive Leadership

The term *adaptive leadership* is appearing with more frequency in literature on organizational change, particularly in relation to chaos and complexity theory. Scholars began to infer the components and processes of adaptive leadership as they described the requirements for organizational adaptability in response to turbulent environments. On the basis of these descriptions, it is probable that adaptive leadership generates and sustains a context where people develop and use their capacity to pursue new opportunities, meet unknown conditions or threats, and solve problems that emerge from a complex, dynamic environment. This form of leadership may require the adaptive behaviors shown in Figure 3.1, among others: setting the context, encouraging organizational members to function as tags, establishing ethical standards, engaging in adaptive work, developing cultural competency, and creating adaptive capability.

Setting the context entails creating an organizational climate or context for change and designing the learning experiences for participants in the process (Schneider & Somers, 2006, p. 356; Wheatley, 1992). Such climates should encourage organizational members to function as tags. Like Kelley's (1988) description of effective or exemplary followers, tags lead with or without authority, often in a temporary capacity, to influence people and the processes of meaning making, cooperation, and action taking (Schneider & Somers, 2006, p. 356).

One of the most important functions of formal and informal leadership involves establishing ethical standards of behavior for all organizational activities, including change. Al Gini (2004) indicated that as a communal exercise ethics is the attempt to work out the rights and obligations one has and shares with others (p. 28). Ethics requires people involved in organizational leadership and change to take into account the impact of their actions on

others. The guiding question for setting ethical standards and making ethical decisions is, what ought to be done in regard to the others we work with and serve? (Gini, 2004, p. 40). Ethics is about the assessment and evaluation of *values*, defined as ideas and beliefs that influence and direct people's choices and actions. Values can form the centering mechanism and moral compass for organizations in dynamic environments.

FIGURE 3.1 Adaptive Leadership

Application of ethical standards and values in the process of leading change requires organizational members to engage in adaptive work. Ronald Heifetz (1994) described adaptive work as "the learning required to address conflicts in the values people hold, or to diminish the gap between the values people stand for and the reality they face" (p. 22). The role of leadership in adaptive work is to orchestrate the conflict among competing value perspectives and hold people to the hard work of solving these problems together (p. 23).

Often, competing value perspectives originate from cultural differences among members and other stakeholders of the organization. Organizations where stake-holders bring a variety of differences—culture, age, gender, geographical origins, race, physical and sensory abilities, ethnicity, learning styles, class, language, occupations, affiliations (political, religious, and social), preferences, educational background, and others—provide expanded opportunities for their members to imagine new possibilities, do things differently, and develop more innovative and adaptive responses in dynamic and turbulent environments (Glover, Rainwater, Jones, & Friedman, 2002). A major function of adaptive leadership is to develop organizational contexts that intentionally attract, learn from, explore, struggle with, and experiment with different ideas, perspectives, and cultures embedded in diverse environments.

Heifetz's (1994) concept of adaptive work, combined with a shared commitment among diverse members to advance the organization's well-being, can enhance the capacity of organizational members to lead change in a complex adaptive system.

Adaptive leadership in diverse environments requires organizational members to develop cultural proficiency, defined as a change in perspective or "way of being" that enables people to respond to an environment shaped by diversity and allows them to deal with issues that emerge in such environments (Lindsey, Robins, & Terrell, 2003, p. 5). Acquiring cultural proficiency is a component of continuous learning that changes the way an organization functions by institutionalizing cultural knowledge in its policies, practices, and organizational culture. This adaptive work is no longer seen as external or supplemental to the "real" work of the organization (Lindsey et al., 2003, p. 117) but as imperative for its thriving.

Cultural proficiency also includes understanding the organization's culture. Glover, Rainwater et al. (2002) warned against dismantling an organization's culture in the change process before fully understanding the meaning, content, and function that the culture provides. Culturally proficient individuals in leader roles who demonstrate their understanding of the organization's culture and respect for the people who cherish it increase the likelihood that members will respond positively to adaptive changes.

Creating adaptive capacity means that members of the organization are prepared to create and recreate fundamentally new structures and assume the new behaviors and responsibilities that accompany them (Glover, Friedman, & Jones, 2002, p. 21). Decisions about these and other substantive forms of change depend on the capability of organizational members to monitor the external environment—an ongoing process of scanning and interpreting events along with collecting and analyzing information about opportunities, threats, and trends that may affect the organization. Adaptive capacity requires people in direct contact with customers and other stakeholders of the organization to engage in monitoring and disseminating information about the external environment (Yukl & Lepsinger, 2004, p. 100). An organization's adaptive capacity can be constrained by limiting external monitoring solely to individuals in senior leadership roles.

The Technology Solutions case presented in the Introduction to Part II illustrated several elements of adaptive leadership. The company president created an organizational climate and culture that embraced change by encouraging employees to learn and pursue knowledge, stay current in their field, be creative and develop the most innovative ideas possible, solve problems together, and share information. Employees said that the nature of the information-technology business forced them to be creative and use innovative thinking. However, change at Technology Solutions may have focused somewhat narrowly on technological innovation and creativity, while leaving adaptive leadership of the overall company to the traditional realm of senior leadership.

Adaptive leadership requires increasingly more reliance on the collective or collaborative capabilities of organizational members to engage in monitoring the external environment, broadly disseminating information, and generating new structures, behaviors, services, and products. The use of collective capabilities in the Technology Solutions case was not explicit with regard to external monitoring and other organization-level functions. Even so, comments from employees about the degree of autonomy in their work and about their innovation, collaboration, and mutual problem solving are strong indicators of the potential for greater collective involvement at the organization level.

Tao Leadership

The concepts of collective or collaborative leadership are not new. In the *Tao of Leadership,* Heider and Dao de Jing (1985) drew on the ancient wisdom of Lao Tzu's teachings from the *Tao Te Ching* (Lao Tsu, Feng, & English, 1972), or the *Book of the Way and Virtue* (there are a number of ways to translate the title), to provide insight for leading in a collective manner. Three examples from his writings illustrate the leader and group roles in collective work, the mindset and introspection that facilitate collective work, and the leadership processes that promote collective work.

In the first example from the chapter "Beyond Techniques," Lao Tzu described the interconnectedness of leader and group roles:

The group members need the leader for guidance and facilitation. The leader needs people to work with, people to serve. If both do not recognize

the mutual need to love and respect one another, each misses the point. They miss the creativity of the student-teacher polarity. They do not see how things happen. (Heider, 1985, p. 53)

In the second example, Lao Tzu focused on the mind-set and introspection that facilitate collective work. He posed several compelling questions in his teachings on unbiased leadership to guide the work of individuals in leader roles:

Can you mediate emotional issues without taking sides or picking favorites?

Can you breathe freely and remain relaxed even in the presence of passionate fears and desires?

Are your own conflicts clarified? Is your own house clean?

Can you be gentle with all factions and lead the group without dominating?

Can you remain open and receptive, no matter what issues arise?

Can you know what is emerging, yet keep your peace while others discover for themselves?

Learn to lead in a nourishing manner.

Learn to lead without being possessive.

Learn to be helpful without taking the credit.

Learn to lead without coercion.

You can do this if you remain unbiased, clear, and down-to-earth. (Heider, 1985, p. 19)

In the third example from the chapter "Being a Midwife," Lao Tzu explained the leadership processes that support collective work:

The wise leader does not intervene unnecessarily. The leader's presence is felt, but often the group runs itself. … Imagine that you are a midwife; you are assisting at someone else's birth. Do good without show or fuss. Facilitate what is happening rather than what you think ought to be happening. If you must take the lead, lead so that the mother is helped, yet still free and in charge. When the baby is born, the mother will rightly say: "We did it ourselves!" (Heider, 1985, p. 33)

Current leadership structures, such as self-directed work teams, team leadership, and leader as coach, mentor, or trainer, use collective capacity to enhance the organization and its members. The following story of Johnsonville Sausage Company provides a prime example of how an Eastern-oriented, collective leadership philosophy translates in a Western business environment.

Ralph Stayer, former chief executive officer (CEO) of Johnsonville Foods, became dissatisfied with the traditional hierarchical leadership model that he established at Johnsonville Sausage Company, even though the company was successful by all standard business indicators (Belasco & Stayer, 1993; Peters & Video Publishing House, 1988). Stayer discovered that Johnsonville could not become the exemplary organization he envisioned because his form of leadership did not allow company members to use their intellect, talents, and abilities fully. Instead, employees waited for him, the leader, to tell

them what to do and when to do it. After engaging in mindful questioning and introspection (similar to Lao Tzu's unbiased leadership), Stayer realized that he, not his employees, was the problem. He began to restructure the company using a leadership philosophy that mirrored Lao Tzu's teachings in "Being a Midwife." Stayer's new thinking changed the leader-member roles and distribution of power in the company as follows:

- Leaders transfer ownership for work to those who execute the work.
- Leaders create the environment for ownership where each person wants to be responsible.
- Leaders coach the development of personal capabilities.
- Leaders learn fast themselves and encourage others also to learn quickly. (Belasco & Stayer, 1993, p. 19)

Stayer brought in instructors to teach team members the functions previously performed by middle managers and changed the role of middle manager from boss to coach, mentor, and teacher. In a company of sausage workers, not technology specialists, he restructured the organization into self-directed work teams that made their own decisions; hired, evaluated, and fired their own team members; set their team's schedules; managed their own budget; and rotated team leader and team member roles. Like Lao Tzu's analogy in "Being a Midwife," members of Johnsonville could truly say, "We did it ourselves."

Anyone in the company could propose new ideas or business ventures. In his video *The Leadership Alliance*, Peters (Peters & Video Publishing House, 1988) told the story of how Ralph Stayer's administrative assistant came to him with a business startup idea for a Johnsonville sausage catalog business. Stayer replied, "Fine with me," and the administrative assistant started a successful new business for the company.

Johnsonville Sausage Company became a learning organization with incentive and reward structures tied to learning. This was no easy transition. One former middle manager, now coach, commented, "We thought Ralph was losing it" (Peters & Video Publishing Company, 1988). Over time, members of the organization, including Stayer, continued to learn and use collective or collaborative leadership to develop their capabilities and the innovative and adaptive capacity of Johnsonville. The company remains a successful and thriving business.

Ubuntu Leadership

The philosophy of ubuntu leadership comes from traditional African concepts of leadership and life as a collective function. *Ubuntu* means "a person can only be a person through others" (Mikgoro, 1998). It exists only in the interaction between people in groups and functions to sustain humanity and dignity. Ubuntu embodies the belief that an individual's most effective behavior occurs when he or she is working toward the common good of the group. The indigenous concept of ubuntu is being restored and infused into education, law, business, nonprofit organizations, and government in South Africa.

In organizations, leaders and members must integrate ubuntu into their processes, structure, policies, and practices to benefit from this philosophy. Organizational change occurs through interactive forums, collective value creation and clarification, self-accountability for decisions and actions consistent with group values, accountability to each other, and community problem solving (Boon, 1996, pp. 88–124).

According to Boon (1996), critical organizational discussions take place in interactive forums where members of all departments, sections, or teams work collectively to create the values that will govern the organization. The forums occur regularly and serve to build trust and meaningful relationships among participants. Members identify and develop consensus on the core values and work to narrow the gray areas in a manner similar to adaptive work. Participants consider the openness, interaction, and integrity of the process as important as the outcome.

The group's value consensus provides a basis for members to exercise self-accountability and accountability to each other. Members of the organization also handle serious matters, such as a lack of accountability or a values conflict, as a community rather than through a single leader. If it is impossible or impractical to hold an interactive forum, individuals can choose to have a group of elected elders act on their behalf to resolve the problem (Boon, 1996, pp. 117–118). Elders must examine each situation in relation to core values. They are accountable to their colleagues and can take any action

they deem appropriate. Ultimately, the use of ubuntu in organizations results in a collective process of leadership and change that holds all members of the group responsible and accountable.

Invisible Leadership

Sorenson and Hickman's (2002) concept of invisible leadership proposes a collective form of leadership that can spur teleological, dialectical, and chaos/complexity forms of change and may be useful in the startup, growth (adolescence), or revitalization phases of life-cycle change. Invisible leadership "occurs when individuals, without regard for recognition or visibility, are motivated to take action by a passionate commitment to achieve a common purpose that is greater than the [group] members' individual self-interest and, in certain cases, even greater than the group's overall self-interest" (Hickman, 2004, p. 751). Sorenson and Hickman used the term *charisma of purpose* to refer to the dedication to a powerful purpose as the motivating force for people to take action and even give up personal needs or safety.

The researchers identify several interconnected components of invisible leadership:

- A compelling common purpose that draws people who have deep commitment to its intent. (This purpose does not appear magically but forms as the result of a cumulative set of events or ideas.)
- Individuals who are driven by their passionate commitment and ownership of the purpose and a willingness to take the necessary action to achieve it.
- An opportunity (event) or resource (human or intellectual capital) that makes collective action toward the purpose possible.
- The self-agency to act on behalf of the common purpose even in the face of sacrifice or fear.
- A readiness to use individual strengths in leader or follower roles with or without visible recognition.
- The willingness to rise above self-interest, when necessary, for the sake of the group's common purpose. (Hickman, 2004, p. 751)

Sorenson and Hickman (2002) cited the example of the Orpheus Chamber Orchestra as one illustration of invisible leadership at work in an organizational setting. The Orpheus Chamber Orchestra is a conductorless ensemble founded on the belief that musicians can create extraordinary music when an orchestra uses the full talents and creativity of every member (Seifter, Orpheus Chamber Orchestra, & Economy, 2001). Instead of a traditional conductor, the musicians use a democratic leadership process in which leader and follower roles are fluid and rotating, permitting members of the ensemble to share equally in the group's leadership. All the while, the group's leadership remains invisible to the public. The driving force of the orchestra is its common purpose:

Above all, Orpheus Chamber Orchestra is marked by our passionate dedication to our mission. That passion drives every musical and business decision that we make. Our organization's mission isn't imposed from above, but is determined—and constantly refined—by the members themselves. (Seifter & Economy, 2001, p. 16)

Team and E-Leadership

Contemporary organizations accomplish a great deal of their work, including leading change, in teams, a phenomenon known as team leadership. Forsyth (2006) indicated that teams have several basic qualities:

- *Interaction*: Teams create, organize, and sustain group behavior. Teams focus primarily on task-oriented activity, because they are based in

workplaces, and their members are paid to address work-related concerns. Teams also promote relationship-sustaining interactions.

- *Interdependence*: Team members' interactions are cooperative and coordinated. Members work together, combining their individual inputs in a deliberate way.
- *Structure*: Teams are structured groups. Group norms, members' specific roles in the group, and communication patterns are often explicitly stated.
- *Goals*: Teams are goal oriented. Teammates' interdependence is based on the coordination of actions in pursuit of a common goal
- *Cohesiveness*: Teams are typically cohesive, particularly in the sense that their members are united in their efforts to pursue a common goal. (pp. 160–161)

Organizations have discovered that the collective or collaborative capabilities of teams typically result in more creative and productive outcomes than individual work. In fact, team effectiveness depends on the ability of team members to develop strong collaborative abilities (Hill, 2007, p. 220). The widespread use of teams in organizations is changing the concept and authority structures of leadership from leader-centered to group-centered processes (Yukl, 2006, p. 342). Like the Johnsonville Sausage Company, organizations that embrace group-centered leadership in teams transform the role of leader to consultant, teacher, coach, and facilitator because task, decision-making, control, and other functions are shared in the group. Group-centered leadership is not the model used in all cases. There are a number of reasons why some organizations and teams use a leader-centered rather than team-centered approach: The leader resists sharing control, lacks trust and confidence in the capabilities of group members, lacks adequate interpersonal skills to deal with emotional or relational issues among team members, fears appearing weak or incompetent, or encounters obstacles and constraints, including temporary teams with short timeframes, traditional rituals or procedures, and legal requirements in charters and bylaws (Yukl, 2006, pp. 342–343).

Teams lead change as part of an organizational initiative or a team-generated initiative, or both, in alignment with organizational vision, mission, and values. In complex organizational settings, leading change in teams requires that organizations consistently develop adaptive capacity (as described earlier) throughout all their teams so that they can act individually and collectively to meet the challenges and opportunities of a dynamic external environment.

An underlying assumption of most mid- to late 20th leadership theories is that leadership and change will occur in face-to-face (FTF) situations. In reality, organizational members use technology to varying degrees in their leadership interactions, a phenomenon known as e-leadership. Avolio and Kahai (2003) pointed out that "e-leadership takes place in a context where work is mediated by information technology," and, as a result, leader-follower communication and information collection and dissemination take place through this medium (p. 326). *E-leadership* is defined as "a social influence process mediated by AIT [advanced information technology] to produce a change in attitudes, feelings, thinking, behavior, and/or performance with individuals, groups, and/or organizations" (Avolio, Kahai, & Dodge, 2000, p. 617).

Much of the research on e-leadership focuses on virtual teams. Virtual teams are geographically dispersed, often across time zones or countries, and may bring together members with diverse expertise, capabilities, and cultural backgrounds from one or more organizations or sections to work toward a common goal. Virtual or e-leadership facilitates collaborative work that generally would not be feasible or cost effective without information technology. Does leadership by means of information technology create a new form or concept of leadership? The answer is possibly.

A small body of emerging research seems to indicate that e-leadership, by necessity, relies on the collective capabilities of team members to varying degrees and requires team members to be reasonably self-directed. Avolio and Kahai (2003) provided insights from various contributors to a special issue of *Organizational Dynamics* about the impact of a virtual medium and context on leadership. Several factors suggested by the contributors point to the possibility that e-leadership may have components that are unique to virtual versus FTF concepts of leadership:

- Virtual team leadership is expressed through the interplay of team members and technology and is not under the control of any one person.
- E-leadership requires virtual team leaders and members to project some level of "telepresence." This means that they must use the technology to convey a sense of themselves and a sense of "being there" to members of the team. At the same time, certain technology often removes the influence that identifiable characteristics, such as age, ethnicity or race, physical appearance and abilities, and gender, may have on leaders and members.
- If "information is power," then e-leadership alters the power dynamics in the leader-follower or leader-team member relationship. E-leadership alters

the patterns of how information is acquired, stored, interpreted, and disseminated, which broadens access to information and changes what people know, how people are influenced and by whom, and how decisions are made in organizations.

- There are certain leader behaviors that are likely to enhance a virtual team's ability to function together: virtual collaborative skills, virtual socialization skills, and virtual communication.
- The software employed by virtual groups, such as groupware (software that helps members of groups or teams in different locations to work collectively), can potentially take on roles in teams, including leadership roles. (Avolio & Kahai, 2003, pp. 327, 332–336)

Stace, Holtham, and Courtney (2001) reported similar findings in their preliminary field research on e-change and concluded, "It is unarguable that the technologies of the E-revolution have led to a greater democratization of the workplace" (p. 412). They acknowledge that multichannel corporations (called bricks and clicks companies because they conduct business using physical and electronic sites or channels) are more likely to use directive-change processes mixed with some consultative processes (p. 412). The researchers predict that over time, multichannel corporations will move increasingly toward consultative-change processes due to the expectations, education, and skills of younger generation workers, who look for involvement as a precondition of organizational membership. They view the e-revolution as a movement that "appears to be pushing the boundaries of change *upward* to more collaborative and consultative approaches and *outward* to more transformative modes of change" (p. 414).

Prospects for Collective or Collaborative Leadership

The emergent concepts of collective or collaborative leadership require considerably more theory building, research, and insight from praxis. Adaptive leadership may help organizations learn and benefit from the embedded conflict in dialectical change and complexity that challenge previous ways of thinking, interacting, and organizing. The development of adaptive, invisible, team, and virtual leadership concepts and of modified forms of Tao and Ubuntu leadership holds considerable promise for advancing chaos, complexity, dialectical, and teleological change.

An increasing number of research studies provide insight into collective leadership as an organization-wide phenomenon. For example, Denis, Lamothe, and Langley (2001) drew on a study of five public health-care organizations in Canada to develop a process model of collective leadership. Their study examined strategic leadership (to be described later in this chapter) as a collective process of "executive leadership teams," rather than leadership by a single CEO. They wanted to discover how collective leadership operates to achieve deliberate change in situations where leadership roles are shared, objectives are divergent, and power is diffuse (p. 809). The researchers identified six components concerning collective leadership and change:

1. Major substantive change in pluralistic organizations is more likely to be established under unified collective leadership in which each member of a "leadership constellation" plays a distinct role and all members work together harmoniously. … A team assembling a variety of skills, expertise, and sources of influence and legitimacy [can achieve the type of substantive change that is not feasible for a single leader].
2. Unified collective leadership is necessary but is always fragile in a context of diffuse power and multiple objectives, where leaders rule at least partly by the consent of the led. … A [leadership] constellation [can] be shattered by internal rivalry …, dislocation from its organizational base …, or [lack of ability to adapt] to the needs of the environment.
3. Change in pluralistic organizations tends to occur in a cyclical manner in which opposing pressures are reconciled sequentially rather than simultaneously.
4. The effect of leaders' actions on their political positions drives cycles of change. [Leaders must consider the effect of two competing forces on their political positions—promoting the aspirations of their organization and its stakeholders (credibility enhancing) and offering concessions that support the leadership constellation and satisfy their stakeholders, while refraining from offering too many concessions (credibility draining).]
5. Despite the presence of opposing forces, four factors can contribute in different ways to the stabilization of change in a pluralistic setting: slack

[sufficient resources]; social embeddedness [leaders' involvement in interconnected social networks where they have implicit knowledge of how things are done]; creative opportunism [the ability to create win-win situations for organizations in the constellation]; and time [for the change to occur], inattention [from other organizational members for a while], and [protection of the leaders'] formal position.

6. Increased pluralism [intensifies] the need for counterbalancing sources of stability, such as slack, social embeddedness, creative opportunism, and time, inattention, and formal position. … [In several organizations in the study,] extreme pluralism add[ed] to the difficulty of forming unified leadership constellations because no group [could] unite all sources of power, expertise, and legitimacy and still remain grounded in its own organizational base. (pp. 833–834)

Subsequent studies can build on the findings of this research to examine collective leadership as a phenomenon of the whole organization. Denis et al. (2001) acknowledged that their study focused more narrowly on leadership elites, "albeit *collective* elites"; however, they see great potential for broadening the research and practice of collective leadership to include people and processes at all levels of the organization (p. 835). In the meantime, their study provides a viable connection between organization-wide collective leadership and strategic leadership.

Strategic Leadership

Theoretical literature on strategic leadership primarily emerged from studying the roles of executive leaders and senior management teams in highly competitive and turbulent environments (Hunt, 2004, p. 40). Strategic leadership adapts and changes the patterns, aims, behaviors, and capabilities of an organization as a whole so that it thrives in an increasingly turbulent and competitive environment (Boal, 2004, pp. 1498–1499). Strategic leaders are "responsible for knowing the organization's environment, considering what it might be like in 5 or 10 years, and setting a direction for the future that everyone can believe in" (Daft & Lane, 2005, p. 510).

Strategic leadership seems most compatible with teleological and dialectical change. Participants involved in teleological change create their own goals (social construction) and reach consensus internally; however, this process often incorporates strategic analysis and goal setting due to the context of 21st century environments. In the Technology Solutions case, for example, the company president and senior managers employed strategic leadership while initiating purposeful change in direction, goals, and product innovation (teleological change). They assessed the company's strengths and weaknesses in relation to changes in the highly competitive external environment and then implemented new initiatives and strategies. The adaptive capacity of Technology Solutions was clearly challenged by changing the company's focus from in-house consulting to workforce outsourcing, forming business groups for newly targeted markets, hiring employees with expertise in new market areas, and laying off employees without capabilities in the new areas. This change in strategic direction, though difficult, allowed the company to survive rather than meet impending demise.

Strategic leadership can advance dialectical change through actions such as direct challenge to competitors through new-product innovation (e.g., Apple vs. IBM), elimination or absorption of competitors (buying or taking over other companies), or collaboration with other organizations in joint ventures. Effective use of strategic leadership during dialectical change requires that participants develop resilience, flexibility, and multiple strategies to handle outcomes (synthesis) from conflicting goals and perspectives in the external environment.

The concept of strategic leadership has gained rapid acceptance among organizational leaders and provides an engaging area of research for leadership scholars. Hunt (2004) suggested a need for more research on underlying explanatory factors in strategic leadership and more emphasis on several promising new research thrusts, including absorptive capacity—the ability to learn by recognizing, assimilating, and applying new information; adaptive capacity—strategic flexibility and the ability to change in highly competitive and erratic conditions; and managerial wisdom—the ability to perceive variation in the environment, understand social actors and their relationships, and take the right action at a critical moment (pp. 40–41).

Transformational Leadership

Transformational leadership motivates others to do more than they originally intended or thought possible (Bass & Riggio, 2006, p. 4). Leaders motivate followers "by (1) making them more aware of the importance of task outcomes; (2) inducing them to transcend their own self-interest for the sake of the organization or team; (3) activating their higher-order needs" (Yukl, 2006, p. 262). Transformational leadership components, commonly known as the four I's, inspire participants to achieve high performance levels:

- *Idealize Influence (II)*—Followers see leaders as role models they admire, respect, and trust, and, consequently, want to emulate the leader's high standards and ethical behavior;
- *Inspirational Motivation (IM)*—Leaders involve followers in envisioning an attractive future state or compelling vision; they provide meaningful, challenging work and communicate clear expectations that encourage followers' commitment to the shared vision and goals (charisma);
- *Intellectual Stimulation (IS)*—Leaders stimulate followers to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways; and
- *Individualized Consideration (IC)*—Leaders provide special attention, support, and encouragement to foster growth and achievement of followers through individualized mentoring and coaching. (Bass & Riggio, 2006, pp. 6–7)

Transformational leadership is well suited for teleological and dialectical change because it stimulates the creativity, innovation, and critical thinking of followers (IS) and inspires commitment to a compelling common vision. An essential goal of transformational leadership is to encourage growth and achievement in followers (IC), often with the intent of developing followers into transformational leaders. The development component (IC) of transformational leadership increases the capabilities of followers to meet the turbulent and competitive conditions that accompany dialectical and teleological change.

Transformational leadership permeated the work environment at Technology Solutions. The charismatic president was an admired and respected role model, full of energy and inspiration and able to engage company members in fun, intellectual stimulation and meaningful work. Individual coaching and mentoring were fundamental practices throughout the company. The company president was essentially able to sustain transformational leadership during and after the economic downturn that triggered both teleological and dialectical change. Still, a third of the company members felt betrayed and alienated by the consecutive layoffs and change in vision, direction, and employee competencies to save the company.

Did the company president exhibit authentic transformational leadership during the difficult times in the company? Were there leadership concepts, decision-making processes, and actions that would have changed or reduced the alienation and feelings of betrayal among some company members? Did the company president maximize use of the collective intellect of a creative, innovative, and highly educated employee group in the decision-making and change processes (discussed further in a later section on empowerment)?

Bass and Riggio (2006) cited research conducted by Nystrom and Starbuck that found in crisis situations, such as the one Technology Solutions faced, transformational leaders convert crises into challenges by questioning assumptions, identifying opportunities, and focusing on new ways of thinking and doing things (p. 77):

It is important for the leaders themselves to believe they face a challenging problem rather than a crisis. They are more open to ideas and suggestions from their subordinates. More effective decisions are reached as a consequence. … [T]hose managers who thought they were in a challenging situation were most likely to explore and incorporate subordinates' views into their own. They were most likely to integrate their subordinates' opposing opinions into their own decisions, and they indicated most often the desire to hear more arguments. (pp. 78–79)

Irving Janis's (1982) well-known study of groupthink (when groups avoid or censor pertinent ideas and information in decision making to preserve group cohesiveness) substantiates the importance of the intellectual stimulation (IS) component of transformational leadership in decision making. He examined inherent problems in cases where groupthink led to inadequate or disastrous decisions. To improve the quality of decisions, Janis advised groups

to use effective decision-making techniques by generating alternative scenarios and assessing their pros and cons, limiting premature seeking of concurrence, and correcting misperceptions and biases (Forsyth, 2006, pp. 364–366).

The Technology Solutions case does not provide details concerning how the president presented the company's situation or handled decision making with organizational members, but the case raises the kinds of questions and issues that can help organizational leaders and members choose a course of action and examine possible consequences for internal and external stakeholders.

Charismatic Leadership

Charisma is an integral factor in leadership theory—most essentially in transformational leadership theory. Charisma is the inspirational motivation (IM) component of transformation leadership theory (Bass, 1985; Bass & Avolio, 1994; Bass & Riggio, 2006). Additionally, scholars study charismatic leadership as a distinct theory of leadership. They attribute charismatic leadership to individuals who, by the power of their person, have profound and extraordinary effects on their followers (Bass, 1985; Conger & Kanungo, 1988; House, 1977; Howell, 1990; Weber, 1947). It usually reflects perceptions by followers that the leader is endowed with exceptional qualities (Yukl, 2006, p. 252). Several characteristics distinguish charismatic leaders: "their vision and values, rhetorical skills, ability to build a particular kind of image in the hearts and minds of their followers, and personalized style of leadership" (Hughes, Ginnett, & Curphy, 2006, p. 412).

Critics of transformational and charismatic leadership warn against the potential dark side of these theories wherein leaders become manipulative, self-serving, or authoritarian to exploit followers and fail to entrust followers with genuine power (empowerment). In response to these criticisms, Bass and Riggio (2006) distinguished between authentic and inauthentic transformational leadership. Authentic transformational leadership is morally uplifting and stimulates colleagues and followers to view their work from new perspectives; embrace the mission and vision of the team and organization; develop the ability and potential of others; and motivate individuals to look beyond their own interests to concerns that benefit the group. In contrast, inauthentic, or unethical, leadership is exploitative, self-concerned, self-aggrandizing, and power oriented (pp. 12–14).

Charismatic leadership can activate teleological and dialectical change in organizations, especially in crisis conditions or turbulent environments. During teleological and dialectical change, the leader's charisma engenders respect, trust, and admiration from followers; inspires commitment to the organization's vision and goals; develops followers' capabilities; and encourages high levels of performance.

Servant Leadership

Servant leadership provides ongoing resources, support, and encouragement to individuals engaged in the change process. Robert Greenleaf (2002), a renowned AT&T executive, management consultant, and lecturer, believed that service to followers was the primary responsibility of leaders. Service includes nurturing, defending, and empowering followers by listening to them, learning about their needs and aspirations, and being willing to share in their pain and frustrations (Yukl, 2006, p. 420). Greenleaf (2002) provided certain criteria for successful servant leadership as follows:

> The best test … is this: Do those served grow as persons? Do they, *while being served*, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? *And*, what is the effect on the least privileged in society? Will they benefit or at least not be further deprived? (p. 27)

Greenleaf (2002) insisted that businesses and other institutions that establish a servant-leadership ethic of "people building" rather than "people using" ultimately thrive as organizations and benefit society. Accordingly, servant leadership can apply to organizations with inherent life-cycle stages where individuals or teams need sustained resources and support to meet the challenges of an external approval process. The people-building focus of servant

leadership may help organizations prevent the decline or extinction stages of life-cycle change. It can also support participants as they modify their organization's traits, structure, or functions in keeping with evolutionary change and development in organizational structure or behavior.

Transactional Leadership

Transactional leadership "occurs when one person takes the initiative in making contact with others for the purpose of an exchange of valued things" (Burns, 1978, p. 19). Leadership occurs through a social exchange process. James MacGregor Burns pointed out that the substance of this exchange may be economic, political, or psychological in nature and each participant is aware of the power resources and attitudes of the other.

Transactional leaders use either contingent rewards (CR) or management-by-exception (MBE) to encourage higher levels of performance from followers, according to the full-range-of-leadership model (Avolio, 1999, pp. 40–41, 49). The full-range-of-leadership model expands the gamut of leadership styles by adding the two components of transactional leadership (CR and MBE) and laissez-faire (LF), or inactive leadership, behaviors to the four components of transformational leadership (detailed in a later section in this chapter). CR consists of positive exchanges where followers anticipate rewards, such as performance bonuses, more autonomy over their work, a promotion, favor with senior managers, or teleworking privileges. Regarded as less effective than managing through the use of contingent rewards, MBE is a corrective transaction wherein leaders, regardless of whether they have been passive observers or active monitors of their followers' activities, step in and take corrective action when they discover that their followers have made mistakes. LF leadership is a passive style that demonstrates a lack of involvement or transaction with followers. Research findings indicate that LF is the most ineffective form of leadership, though it can apply in situations where the leader has no stake or reason to be involved with matters between followers (Bass & Riggio, 2006, p. 208). Avolio (1999) explained that in the full-range-of-leadership model, leaders exhibit each style to some degree, but leaders with more optimal profiles seldom use LF leadership (pp. 38–39).

Transactional leadership supports life-cycle and evolutionary change when individuals or teams can readily see what they will gain in exchange for their meaningful participation or performance in the change process. It can provide incentives during life-cycle change, especially in the startup, growth, or revitalization stages. Transactional leadership is more effective generally in relatively stable or incrementally changing environments that accompany life-cycle and evolutionary change, rather than in unstable or turbulent environments (Bass & Riggio, 2006, pp. 87–89). Burns (1978) contended that this form of leadership is effective when each person in the exchange is treated with respect as a person and gains his or her desired outcome (p. 19). Burns warned that the outcome of this reciprocal transaction will not bind leaders and followers together in the long-term pursuit of a higher purpose (p. 20), specifically, because there is no strong commitment to a moral purpose.

Contingency Theories of Leadership

Contingency Theory

Contingency theory "maintains that leadership effectiveness is maximized when leaders correctly make their behaviors *contingent* on certain situational and follower characteristics" (Hughes et al., 2006, p. 361). According to Fred Fiedler (1964), contingency theory maintains that effective leadership is a good fit among three variables: the leader and followers—leader-member relations; the task—degree of task structure; and the power inherent in the position—leader position power (pp. 158–161). Although there are several prominent contingency theories that may be applicable to leading change, this section of the chapter focuses on two that seem most relevant—path-goal theory and task-relations-and-change theory.

Path-Goal Theory

The aim of leadership in path-goal theory (Evans, 1973; House & Mitchell, 1975; Vroom, 1964) is to influence the satisfaction, motivation, and performance of participants. Similar to transactional leadership, there is the promise of valued rewards (the goal) for followers who achieve the desired performance or objective. Path-goal theory adds a factor to transactional leadership given that leaders help followers find the best way (the path) to attain an objective. The theory identifies four leader behaviors for various situations:

- *Supportive leadership:* Giving consideration to the needs of participants, displaying concern for their welfare, and creating a friendly climate in the work unit. Situation: When the task is stressful, boring, tedious, or dangerous.
- *Directive leadership:* Letting participants know what they are expected to do, giving specific guidance, asking participants to follow rules and procedures, and scheduling and coordinating the work. Situation: When the task is unstructured, participants are inexperienced, and there is little formalization of rules and procedures to guide the work.
- *Participative leadership:* Consulting with participants and taking their opinions and suggestions into account. Situation: When the task is unstructured, this behavior increases role clarity.
- *Achievement-oriented leadership:* Setting challenging goals, seeking performance improvements, emphasizing excellence in performance, and showing confidence that participants will attain high standards. Situation: When the task is unstructured (i.e., complex and non-repetitive), this behavior increases self-confidence and expectation of successfully accomplishing task. (Hughes et al., 2006, pp. 378–385)

Contingency theories imply that there is one type of leadership for each situation, yet the complexity of change in contemporary organizations requires that leaders use several behaviors, often at the same time. In this environmental context, it makes sense to use the leadership behaviors in path-goal theory in an adaptable manner. Path-goal leadership may facilitate life-cycle change as participants strive to meet certain prescribed objectives (e.g., in the Food and Drug Administration approval process); teleological change as participants increase organizational viability through purposely enacted goals (e.g., Technology Solutions' new direction); and evolutionary change as participants adopt prevailing organizational and business structures or processes (e.g., moving from individual work to teamwork). Given the influx of knowledge workers and the use of teams in contemporary work settings, adaptive uses of path-goal leadership make joint endeavors between leaders and participants and participant-driven processes viable for life-cycle, teleological, and evolutionary change.

Task-Relations-and-Change Theory

The task-relations-and-change model is a three-factor taxonomy of leadership effectiveness that adds change behaviors to the traditional contingency theories. The framework provides greater adaptability of leader behaviors in complex situations and departs from the "one behavior for each situation" or mutually exclusive contingency approaches. Yukl, Gordon, and Taber (2002) used a half century of theories and research on leadership effectiveness and incorporated specific change-oriented behaviors to develop a questionnaire. Their survey results identified three meta-categories of interrelated behaviors: task behaviors—short-term planning, clarifying responsibilities and performance objectives, monitoring operations and performance; relations behaviors—supporting, developing, recognizing, consulting, and empowering; and change behaviors—external monitoring, envisioning change, encouraging innovative thinking, and taking personal risks to implement change (Yukl, Gordon, & Taber, 2002, p. 18).

Yukl et al. (2002) incorporated definitions of change behaviors, along with well-established descriptions of task and relationship behaviors:

Envisioning change: presenting an appealing description of desirable outcomes that can be achieved by the unit, describing a proposed change with great enthusiasm and conviction.

Taking risks for change: taking personal risks and making sacrifices to encourage and promote desirable change in the organization.

Encouraging innovative thinking: challenging people to question their assumptions about the work and consider better ways to do it.

External monitoring: analyzing information about events, trends, and changes in the external environment to identify threats and opportunities for the organizational unit. (p. 25)

The inclusion of change behaviors in this taxonomy facilitates connections between concepts of change and concepts of leadership. Like path-goal theory, task-relations-and-change theory may advance life-cycle, teleological, and evolutionary change. Its change component, unlike that in path-goal theory, introduces essential leadership behaviors for dealing with forces in an organization's external environment. For instance, leaders and members in the Technology Solutions case implemented intentional (teleological) change primarily in response to real threats and opportunities in the company's external environment. The president and other participants exhibited the change behaviors described in task-relations-and-change leadership to meet changing client demands, create new products and services, and stabilize the business.

Task-relations-and-change leadership can also help participants in dialectical change build adaptive capacity using leadership behaviors such as risk taking, innovative thinking, and external monitoring. These leadership behaviors may be especially useful for responding to the antithesis and synthesis components of dialectical change. While task-relations-and-change leadership addresses change behaviors, few leadership theories address explicitly the conflict elements of dialectical change.

Conclusion

The leadership component of change is a collective process in which no single form or concept of leadership will accomplish the change organizational members wish to achieve. Instead, a compilation of leadership concepts that guide action will better position organizations to deal with both external and internal requirements of change. Change that requires interaction between the organization and its external environment may require strategic, transactional, and charismatic leadership, whereas internal leadership may entail adaptive, ubuntu, team, and invisible leadership. Multiple combinations are possible in most change processes. The need for an ensemble of leadership approaches means that organizations must prepare and rely on people throughout the company, agency, or nongovernmental organization to assume leadership in the change process.

References

Allen, K. E., Bordas, J., Hickman, G. R., Matusak, L. R., Sorenson, G. J., & Whitmire, K. J. (1998). Leadership in the 21st century. In B. Kellerman (Ed.), *Rethinking leadership: Kellogg leadership studies project 1994–1997* (pp. 41–62). College Park, MD: James MacGregor Burns Academy of Leadership.