Bartol, K, Tein, M, Matthews, G, Sharma, B, and Scott-Ladd, B, 2011, Management Foundations, Sydney, McGraw Hill

departmental power /dəpɑːt'məntəl 'pauə/ Power resulting from the relative importance of a department to the whole organisation

Empowerment

Many managers build an important aspect of power use into their leadership styles: empowering subordinates. This means that subordinates assume some leadership responsibility and authority, including the right to enforce quality standards, check their own work and schedule activities. Empowered subordinates are given decision-making power held previously by leaders or supervisors. Employee empowerment is central to contemporary management principles such as total quality management (Powell 1995; Sharma 2006) and learning organisation (Evans 1998).

Empowerment supports leadership in several ways:

- Managerial ability to get things done with the support and help of subordinates with special work knowledge increases.
- Worker involvement, motivation and commitment, and working to organisational goals increases.
- Managers have greater opportunity to concentrate on significant issues, as less time is spent on daily supervision.

Effective managers see significant benefits from empowerment; ineffective managers work to control decision making and force subordinate agreement. Empowering managers' leadership style develops good decision-making ability in subordinates, as well as guiding, coaching and inspiring them (Burton 1995; Bateman & Snell 2011).

Effective managers usually use different power types (Rapaport 1993). While power helps explain the issues behind leader influence, we must look at other concepts, such as leadership traits and behaviours, to understand leaders' organisational influence.

Searching for leadership traits

In the nineteenth and early twentieth centuries, 'great man' leadership theories dominated leadership literature—the assumption being that great men were born but not made, and that upper-class people inherited leadership qualities. During the twentieth century, 'great man' theories evolved into trait theories, which did not assume inherited or acquired leadership traits (Kirkpatrick & Locke 1991). Early researchers worked to identify the traits that differentiate effective leaders from non-leaders (Jago 1982).

traits /treits/ Distinctive internal qualities or characteristics of an individual, such as physical characteristics, personality characteristics, skills and abilities, and social factors

Leadership **traits** vary from communication skills and integrity to vision and respect (Arellano 2007). For example, they are a person's internal qualities or characteristics, such as physical characteristics (e.g. height, weight, appearance, energy), personality (e.g. dominance, extroversion, originality), skills and abilities (e.g. intelligence, knowledge, technical competence) and social factors (e.g. interpersonal skills, sociability and socioeconomic position). Thornton (1990) identified six leadership traits: flexibility, a sense of humour, patience, resourcefulness, positive regard and technical competence. Traits differentiating leaders from non-leaders include drive (achievement, motivation, ambition, energy, tenacity and initiative), leadership motivation (a desire to lead rather than seeking power), honesty and integrity, self-confidence (including emotional stability), cognitive ability (intelligence) and business/industry knowledge (Kirkpatrick & Locke 1991). Early researchers concluded that having particular traits would not necessarily make an effective leader (Stogdill 1948). Then leadership research turned to the identification of leader behaviour and its impact on leader effectiveness.

Identifying leader behaviours

Several researchers focused on finding specific behaviours that make some leaders more effective than others. Traits may be hard to change, but if universally effective behaviours leading to successful leadership were identified, most could learn these. In this section, we review efforts at identifying significant leader behaviours. The research grew from work at the University of Iowa, the University of Michigan and Ohio State University. We also explore whether females and males display different leadership behaviours.

Iowa and Michigan studies

At the University of Iowa, Kurt Lewin and colleagues worked to identify effective leader behaviours (Lewin & Lippitt 1938). They considered three leader behaviours or styles: autocratic, democratic and laissez-faire.

Autocratic leaders make unilateral decisions, dictate work methods, limit worker knowledge of goals to the next step and give punitive feedback. In contrast, **democratic** leaders involve the group in decision making, let them decide work methods, make overall goals known and use feedback for coaching.

Laissez-faire leaders generally give the group absolute freedom, give the materials needed, participate only to answer questions and avoid giving feedback—in other words, do little.

To determine the most effective leadership style, Lewin's researchers trained adults in the styles, then put them in charge of groups in pre-adolescent boys' clubs. On every criterion, groups with laissez-faire leaders performed worse than both autocratic and democratic groups. Work quantity was equal in groups with autocratic and democratic leaders, while quality and group satisfaction was higher in democratic groups. Thus it seemed democratic leadership could lead to both good work quantity and quality, with satisfied workers. Perhaps the key to effective leadership had been found.

Unfortunately, further research gave mixed results. A democratic leadership style sometimes resulted in better performance than an autocratic style, but at others, performance was poorer or just equal. However, the results concerning follower satisfaction were consistent; satisfaction was higher with a democratic leadership style than an autocratic one (Bass 1981; Rue & Byars 2009).

These results created a managerial dilemma. While a democratic leadership style meant that subordinates were more satisfied, performance was not always better than, or even equal to, performance under an autocratic style. Many managers were also unused to operating democratically. To help resolve this dilemma, especially in decision making, Robert Tannenbaum and Warren H. Schmidt (1973) developed the leader behaviours continuum shown in Figure 9.1 below. The continuum has leadership behaviour variations, ranging from autocratic (boss centred) on the left to democratic (subordinate centred) on the right. Moving from the autocratic end is a move towards the democratic end and vice versa. The meaning of 'autocratic' softened with the continuum; it does not necessarily include punitive tendencies or hiding the task's ultimate goal from subordinates. What it does mean is that the boss makes the decision and lets others know what they are to do, not involving them in the decision.

According to Tannenbaum and Schmidt, when managers adopt a leader behaviour pattern they must consider forces within themselves (e.g. comfort with various options), within subordinates

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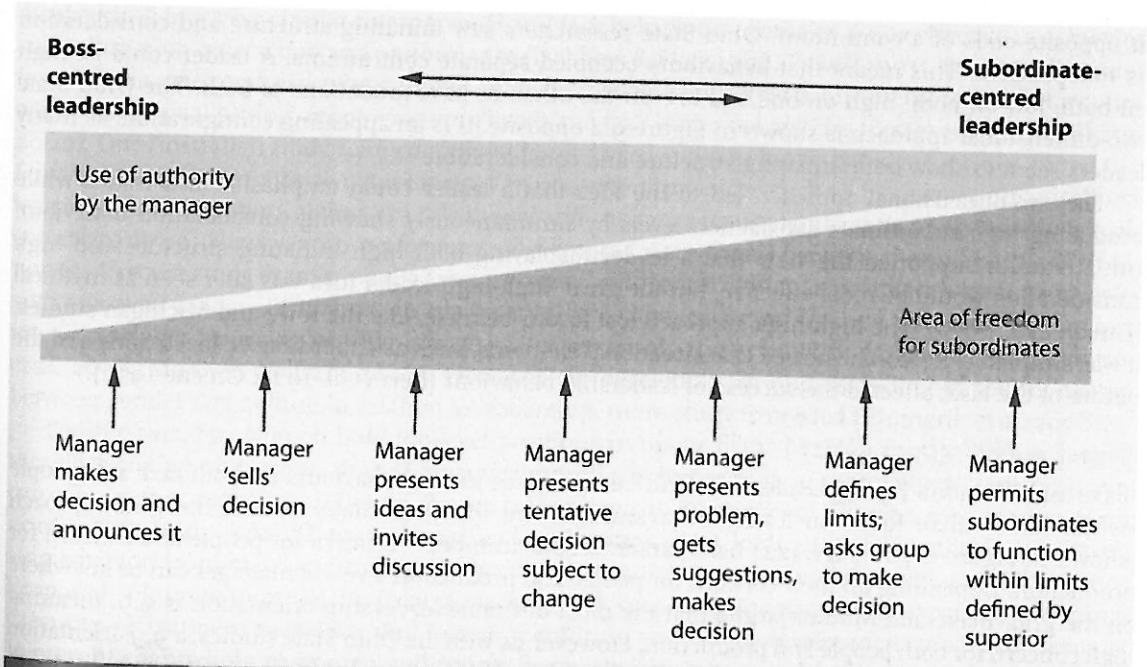


Figure 9.1 Continuum of leader behaviours

Source: Tannenbaum & Schmidt (1973, p. 164).

(e.g. readiness to take responsibility) and in the situation (e.g. time pressures). In the short term, depending on the situation, managers' leader behaviour must be flexible. In the long term, managers should try to move to the subordinate-centred continuum end, as this increases employee motivation, decision quality, teamwork, morale and employee development.

Other research at the University of Michigan confirmed the usefulness of the employee-centred approach compared with more job-centred, or production-centred, approaches. In an employee-centred approach, leaders build effective work groups dedicated to high performance goals. With a job-centred approach, leaders divide work into routine tasks and supervise workers closely, ensuring that specified methods are followed and productivity standards met. However, output varied in the study: an employee-centred approach might give low output and a job-centred approach high output (Bass 1981; Likert 1961, 1979). Further study was needed.

Ohio State studies

A group of researchers at Ohio State University had another way to study leadership. First they identified significant leader behaviours. They then developed a questionnaire to measure the behaviours of different leaders and tracked factors such as group performance and satisfaction to identify the most effective behaviours. Several different leader behaviours, or styles, were identified. However, only two seemed important: initiating structure and consideration (Kerr et al. 1974).

initiating structure /iˈniʃieitiŋ ˈstrʌktʃə/ Degree to which a leader defines his or her own role and the roles of subordinates in terms of achieving unit goals

consideration /kənˈsidəˈreiʃən/ Degree to which a leader builds mutual trust with subordinates, respects their ideas and shows concern for their feelings

Initiating structure is the degree to which a leader defines their own role and those of subordinates in achieving unit goals. It includes the basic managerial functions of planning, organising and directing, and focuses on task issues. Initiating structure is similar to the Michigan studies' job-centred leader behaviour, but with a wider managerial function range. It emphasises task-related issues (Taylor 1993).

Consideration is how much a leader builds mutual trust with subordinates, respects their ideas and shows concern for their feelings. A consideration-oriented leader will be friendly with subordinates, have good two-way communication and encourage participative decision making (Gupta 1995). Consideration parallels the Michigan studies' employee-centred leader behaviour, emphasising people-related issues (Kirby 2003).

Departing from both the Iowa and Michigan studies, which saw leadership dimensions falling at opposite ends of a continuum, Ohio State researchers saw initiating structure and consideration as independent. This meant that behaviours occupied separate continuums. A leader could be high on both, low on both, high on one and low on the other, or have gradations of both. The Ohio State two-dimensional approach is shown in Figure 9.2 opposite. It is an appealing configuration, as many leaders seem to show both initiating structure and consideration.

The two-dimensional approach led to the idea that a leader could emphasise task issues while producing high subordinate satisfaction levels by simultaneously showing consideration behaviour. Initial studies supported the view that a leader displaying both high initiating structure and high consideration would be most effective, but the great 'high-high' leader idea was later seen as mythical (Larson et al. 1976). The high-high approach lost favour because, like the Iowa and Michigan studies, it was simplistic. Research showed that situational elements, such as subordinate expectations and the nature of the task, affected the success of leadership behaviour (Kerr et al. 1974; Greene 1979).

The Leadership Grid

Blake and Mouton's (1964) Leadership Grid® emphasises leader behaviours on both task and people issues. Rather than focus on leader behaviours, as did the Ohio State studies, the grid approach (shown in Figure 9.3 on page 322) uses parallel leader attitudes—concern for people and concern for production. Depending on their concern for people and production levels, a manager can be anywhere on the grid. Blake and Mouton argue that the most desirable leadership orientation is 9,9, meaning high concern for both people and production. However, as with the Ohio State studies, a 9,9 orientation might not always be best. The grid allows flexible leader behaviours, depending on the assessment of people and production issues.

to describe the 'person with whom [he or she] can work least well' by rating them on a range of one to eight points for each set. An example of a set is shown in Figure 9.4 below.

If a leader describes a least preferred co-worker in negative terms on the LPC scale, they are likely to be task motivated, putting 'business before pleasure'. If they describe the least preferred co-worker in relatively positive terms, they are likely to be people motivated, seeing a close relationship with co-workers as important to team success. The model's basic idea is that the leader's LPC orientation must match situational factors favouring that type of leader's prospects for success (Rue & Byars 2009).

Assessing the situation

The contingency model identifies three situational factors affecting the degree of favourability or of situational control for a leader:

- **Leader–member relations** is how much support a leader has from group members. It is an important situational variable. To assess this, a leader asks, 'Will the group members do what I tell them, are they reliable, and do they support me?'
- **Task structure** is how clearly specified are a task's goals, methods and performance standards. With vague assignments, it is hard to know what should be done and how to assess one's progress. Low task structure therefore lowers a leader's favourableness, or situational control, while high task structure raises it. To analyse this, a leader asks, 'Do I know what I am supposed to do and how the job is to be done?'
- **Position power** is the amount of power the organisation gives the leader to accomplish needed tasks. It is related to reward and punishment ability. To evaluate this, a leader asks, 'Do I have the support and backing of the "big boss" and the organisation in dealing with subordinates?'

Matching leadership style and situation

The contingency model combines levels of these three situational factors into eight situations, or octants, representing different favourability, or situational control degrees (see Figure 9.5 opposite). For example, the most favourable combination of good leader–member relations, is high task structure and strong position power—octant I. Boxes below octants show which leader type will be the most effective (low LPC or high LPC) match to the situation. According to the contingency model, in situations with either high (octants I, II and III, on the left) or extremely low favourability (octant VIII on the right), a low-LPC leader does best; in situations of moderate favourability (octants IV through VI), a high-LPC leader excels.

The logic of the model is that in a very unfavourable situation, the leader strongly emphasises need for task accomplishment to move the group towards its goal. Alternatively, when it is very favourable, a task-oriented leader achieves group cooperation easily in achieving the task, as members involve themselves willingly. In a moderately favourable situation, due either to poor leader–member relations or an unstructured task, a supportive, relationship-oriented leader emphasises good working relationships across group members or gives support with an unstructured task (Rebello 1995).

Fiedler believes that managers cannot easily change LPC orientation or management style. Therefore, he argues that they must understand their own leadership style and analyse the degree of favourability or situational control. With a poor match, a leader must make changes (e.g. increase the task structure) or find a more suitable situation. Fiedler calls this 'engineering the job to fit the manager'.

Analyses of studies of Fiedler's contingency model support its managerial value. However, they suggest that other unaccounted factors exist (Strube & Garcia 1981; Bateman & Snell 2011). Managers may need to rely on other situational leadership theories, such as the normative leadership model

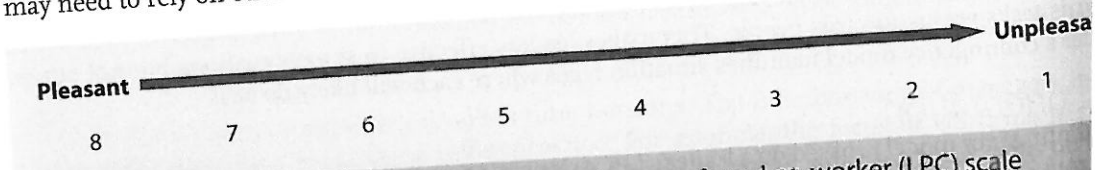
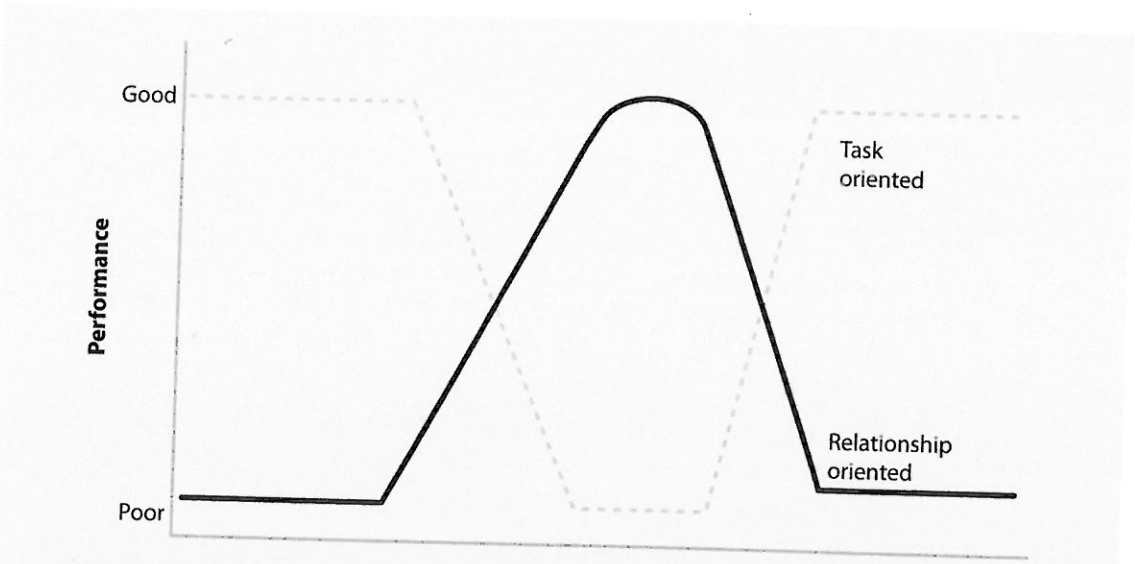


Figure 9.4 Rating personal qualities on the least preferred co-worker (LPC) scale



Category	Favourable			Moderate			Unfavourable	
	I	II	III	IV	V	VI	VII	VIII
Leader-member relations	Good	Good	Good	Good	Poor	Poor	Poor	Poor
Task structure	High	High	Low	Low	High	High	Low	Low
Position power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak

Figure 9.5 Fiedler's contingency model of leadership

Source: Adapted from Robbins et al. (2009, p. 654).

Normative leadership model

The **normative leadership model** was designed for a narrow, but important, purpose. It helps leaders assess the situational factors that affect how far they should involve subordinates in decisions (Vroom & Jago 1988).

The model has five types of management decision methods for use on group problems (problems where the decision affects more than one subordinate in the work unit). The methods are shown in Table 9.3 overleaf. Each is designated by a letter and a number: 'A', 'C' and 'G' stand for 'autocratic', 'consultative' and 'group', respectively; the numbers refer to the two variations of autocratic and consultative methods, designated I and II. Methods become more participative when moving from AI (decide yourself) to GI (let the group decide).

To help managers choose the best method, the normative leadership model has eight basic questions about decision problem aspects (see the top of Figure 9.6 on page 327). The questions are clear; however, two clarification points may help. First, in question QR (quality requirement), 'technical quality' means how much the solution facilitates reaching external objectives (e.g. better quality, lower cost, durability). Second, the structure aspect of question ST (problem structure) relates to the structure issue in Fiedler's contingency theory. With structured problems, it is generally clear where you are, where you want to go, and what to do to get there (e.g. deciding when to schedule manufacture of extra batches of existing product). Unstructured problems are 'fuzzier' in regard to understanding the present situation, formulating goals and deciding how to achieve them (e.g. deciding what new products to develop).

normative leadership model /'nɔːmətiv 'liːdəʃip 'mɔdl/ Model that helps leaders assess the critical situational factors that affect the extent to which they should involve subordinates in particular decisions

Table 9.3 Normative leadership model decision styles

Symbol	Definition
Autocratic I (AI)	The leader resolves problems by utilising information that is immediately available and on hand to them
Autocratic II (AII)	The leader utilises information gathered from other members of the group to inform their own decision (so it is still a solo decision, and the group members may not ultimately be informed of the final outcome); and the information gathered by the leader is solely gathered in response to a question or request rather than organically developed
Consultative I (CI)	The leader consults group members, but on a one-on-one basis, for their input and evaluation, but still makes the final decision individually; and this decision may not reflect any of the group member's suggestions
Consultative II (CII)	The leader discusses the problem with all group members together, but still makes the final decision individually; and this decision might not even reflect the group's suggestions
Group I (GI)	The leader discusses the situation with all group members and collectively a decision is made; therefore, the group is responsible for the outcome

Source Adapted from Vroom & Yetton (1973)

McDonald's in Australia, and elsewhere across the region, is trying to reduce its market's fuzziness; the fast-food giant's market is bored with the 'taste' of its offerings. Frequent small innovations are now being introduced to change market perceptions of McDonald's food from being high in fat and salt and encouraging unhealthy eating habits to being fresher, low fat/low salt and 'interesting' (Shoebridge 2003). An example of this is introduction of the McCafé—a coffee bar incorporated into many McDonald's restaurants. McCafé offers a wide range of salads, low-fat muffins and drinks.

The eight questions are used with the two decision trees in Figure 9.6 opposite. The development-driven decision tree is used when subordinate development is more important than speed in decision making. The time-driven decision tree is used when speed is more important than subordinate development.

Hersey and Blanchard's situational leadership theory

Another useful contingency theory is **situational leadership theory**. Developed by Hersey and Blanchard (1988), it has been extensively used and widely accepted (Irgens 1995; Yeakey 2000). It is based on the view that leader behaviours must change, based on one situational factor: the readiness of followers.

situational leadership theory /sitʃu'eiʃənəl 'li:dəʃip 'θiəri/ Theory (developed by Hersey and Blanchard) based on the premise that leaders need to alter their behaviours depending on one major situational factor: the readiness of followers

The situational theory focuses on two behaviours similar to the initiating-structure and consideration behaviours identified by Ohio State researchers:

- **Task behaviour** is the degree to which the leader spells out the duties and responsibilities of a person or group. It includes telling people what to do, how to do it, when to do it, where to do it and who is to do it.
- **Relationship behaviour** is the degree to which the leader uses two-way or multi-way communication. It includes listening, facilitating and supportive behaviours.

Since these behaviours, like the Ohio State leader behaviours, involve two independent dimensions a leader can be high on both, low on both, or high on one and low on the other (see the four quadrants in Figure 9.7 on page 328).

QR **Quality requirement.** How important is the technical quality of this decision?

CR **Commitment requirement.** How important is subordinate commitment to this decision?

LI **Leader's information.** Do you have sufficient information to make a high-quality decision?

ST **Problem structure.** Is the problem well structured?

CP **Commitment probability.** If you were to make the decision by yourself, is it reasonably certain that your subordinate(s) would be committed to the decision?

GC **Goal congruence.** Do subordinates share the organisational goals to be attained in solving this problem?

CO **Subordinate conflict.** Is conflict among subordinates over preferred solutions likely?

SI **Subordinate information.** Do subordinates have sufficient information to make a high-quality decision?

Development-driven decision tree

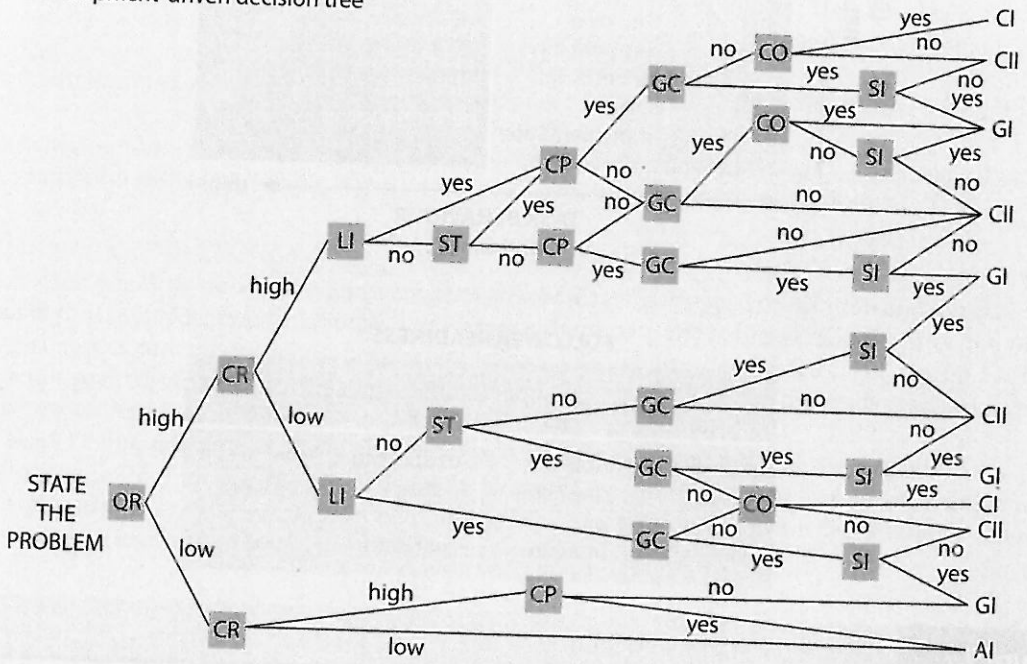


Figure 9.6 Decision trees for a normative leadership model

Source: Vroom & Jago (1988, pp. 184–5).

To determine the combination of leader behaviours for a situation under situational leadership theory, a leader must assess an interesting factor: follower readiness. This is the ability and willingness of followers to accomplish a task. *Ability* (job readiness) includes the ability, skill, knowledge and experience needed for a specific task. *Willingness* (psychological readiness) consists of the confidence, commitment and motivation to complete a task. As can be seen at the bottom of Figure 9.7 overleaf, the readiness continuum has four levels: low (R1), low to moderate (R2), moderate to high (R3) and high (R4).

The bell-shaped curve running through the four leadership quadrants specifies the leadership style appropriate to a given readiness level:

- **Telling** is used in low-readiness situations, with followers unable and unwilling or too insecure to be responsible for a given task. The telling style means giving people directions on what to do and how to do it.

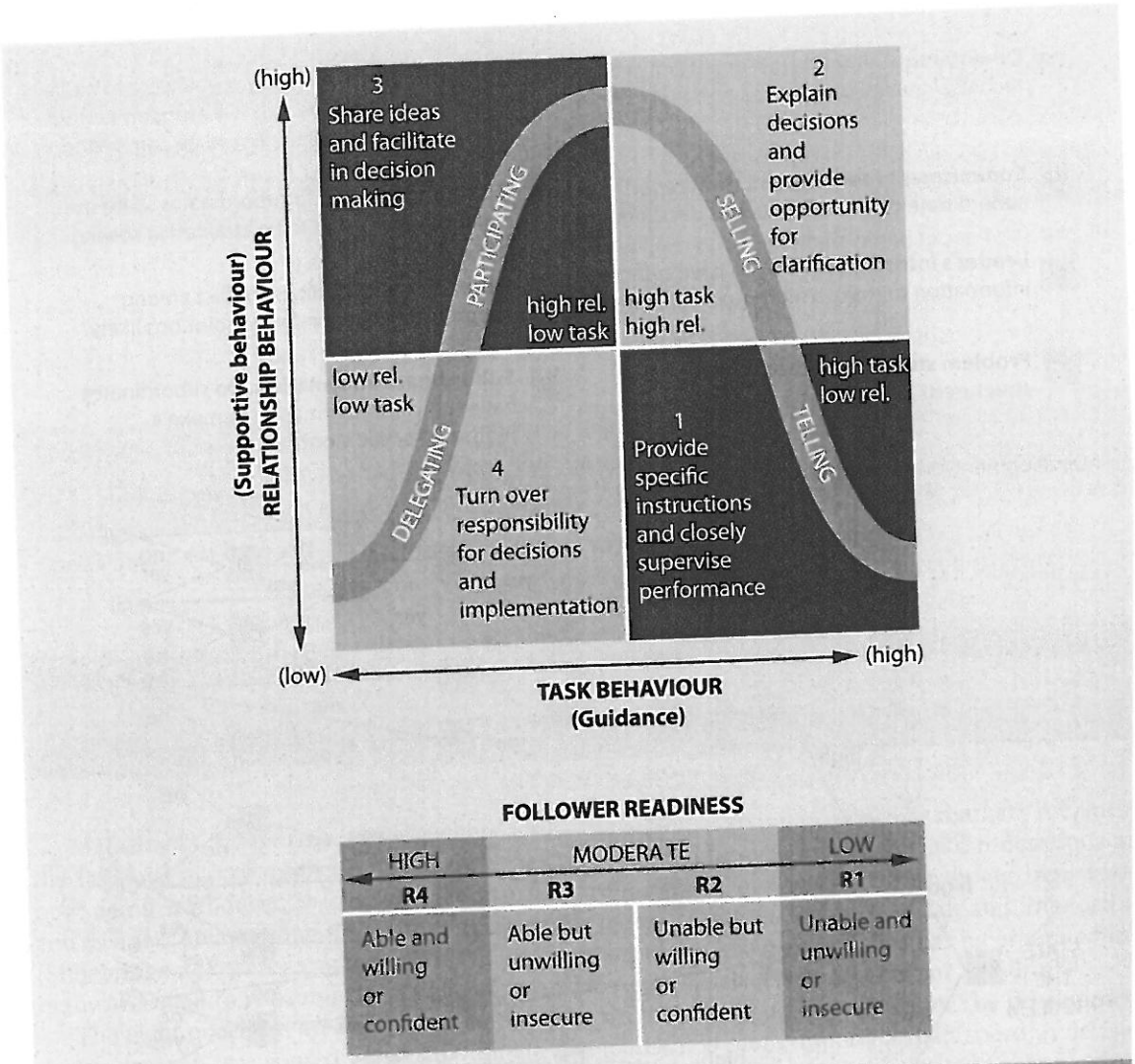


Figure 9.7 Situational leadership theory®

Source: Adapted from Hersey et al. (2008).

- **Selling** is used for low to moderate readiness, with followers unable to take responsibility but willing or confident enough to do so. The selling style gives specific directions, but supports individual willingness and enthusiasm.
- **Participating** is used for moderate to high readiness, with followers able to take responsibility but unwilling or too insecure to do so. Since they can perform, a supportive, participating style emphasising two-way communication and collaboration is most effective.
- **Delegating** is used for high readiness, with followers able and willing or confident enough to take responsibility. At this point, they need little support or direction; so the delegating style is best.

path-goal theory /ˈpɑːθ-ɡoʊl ˈθɪəri/ Theory that attempts to explain how leader behaviour can positively influence the motivation and job satisfaction of subordinates

Path–goal theory

The last situational leadership theory we consider, **path–goal theory**, explains how leader behavi can influence subordinates' motivation and job satisfaction (House & Mitchell 1974). It is called pa goal theory because it focuses on how leaders influence subordinates' perception of work goals paths to achieve both work (performance) and personal goals (intrinsic and extrinsic rewards) (Wof & Liska 1993).

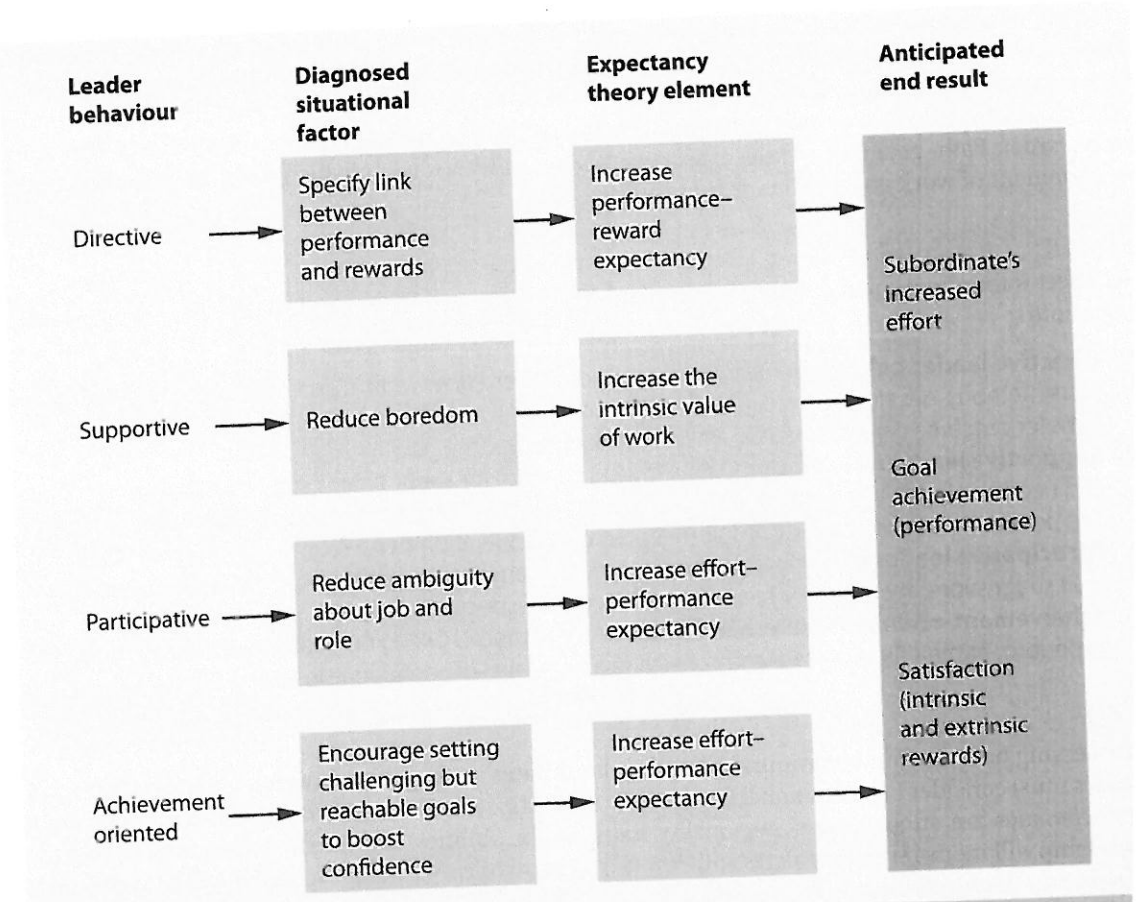


Figure 9.8 Examples of path–goal theory

Source: Adapted from Yukl (2009).

transactional leaders /træn'zækʃənəl 'li:dəz/ Leaders who motivate subordinates to perform at expected levels by helping them recognise task responsibilities, identify goals, acquire confidence about meeting desired performance levels, and understand how their needs and the rewards they desire are linked to goal achievement

transformational leaders /trænsfə'meiʃənəl 'li:dəz/ Leaders who motivate individuals to perform beyond normal expectations by inspiring subordinates to focus on broader missions transcending their own immediate self-interests, to concentrate on intrinsic higher-level goals rather than extrinsic lower-level goals, and to have confidence in their abilities to achieve the extraordinary missions articulated by the leader

Promoting innovation

Transactional and transformational leadership

An interesting issue is the view that managers and leaders are not necessarily one and the sa (Zaleznik 1990). One view is that managers do the same things again and again (do things right), leaders innovate (do the right things), bring in major changes and inspire followers to high effort le (Zaleznik 1977). In studying this, Bernard M. Bass and colleagues distinguish between transactic and transformational leaders (Bass 1985; Hater & Bass 1988).

Transactional leaders motivate subordinates to perform as expected. They do this by helping th recognise task responsibilities, identify goals, become confident about desired performance levels, understand that their needs and desired rewards are linked to goal achievement. As you have s transactional leadership is allied to path–goal leadership theory. Other situational leadership thec in this chapter can be seen as transactional leadership approaches.

In contrast, **transformational leaders** motivate individuals to perform above expectat by inspiring them to focus on broader missions that transcend their own immediate self-inte concentrate on intrinsic high-level goals (achievement and self-actualisation) rather than extrinsic level goals (safety and security), and be confident in their abilities to achieve the leader's miss (*Wall Street Journal* 1995). The concept of transformational leadership revolves around transforr organisations, and individuals, to produce significant and positive change. Four transformat leadership style characteristics are: influencing, inspiring, engaging and challenging (Jones 2006, p The *influencing* dimension 'creates a sense of mission, stimulates, persuades, and motivates emplo

to perform more than they otherwise would be able to do', whereas an *inspiring* leader 'begins with a vision and finds ways to communicate that vision to employees and ensures that employees are clear about their role and how they can contribute to the achievement of the vision' (Jones 2006, p. 84). The *engaging* dimension, on the other hand, involves 'the leader's efforts at teaching, mentoring, coaching, and promoting employees' strengths and creating a favourable environment' and the *challenging* leader 'stimulates creativity and innovation by encouraging employees to question their models and paradigms' (Jones 2006, p. 85). As opposed to transformational leaders, transactional leaders are unconcerned with stimulating change in individuals, as they view leadership as a 'transaction' between leader and follower (Jones 2006). Shivers-Blackwell (2004) noted that transactional leaders exchange rewards based on performance and use positional resources to encourage desired behaviours. Transformational leaders should assess the environment continually, focusing on outcomes; gain and build support of people; and execute plans in a disciplined way to achieve organisational objectives (Newcomb 2005).

Transformational leadership does not replace transactional leadership. It supplements it with an add-on effect: performance above expectations (see Figure 9.9 below). The logic behind this is that even the most successful transformational leaders need transactional skills to effectively manage the day-to-day events that form the basis of the broader mission (Hooper 2004).

According to Bass (1985), transformational leadership has three significant factors: charisma, individualised consideration and intellectual stimulation. Of these, charisma is crucial. **Charisma** is the leader's ability to inspire pride, faith and respect; see what is really significant; and explain a sense of mission, or vision inspiring followers (Sprout 1995). Martin Luther King, Mohandas K. Gandhi, John F. Kennedy, Franklin D. Roosevelt and others have been described as charismatic (House & Singh 1987). For example, inspirational speeches such as Martin Luther King's 'I have a dream' and John F. Kennedy's 'Ask not what your country can do for you. Ask what you can do for your country' fascinated followers (Tan & Wee 2002, p. 318).

charisma /kə'rizmə/ Leadership factor comprising the leader's ability to inspire pride, faith and respect; to recognise what is really important; and to articulate effectively a sense of mission or vision that inspires followers

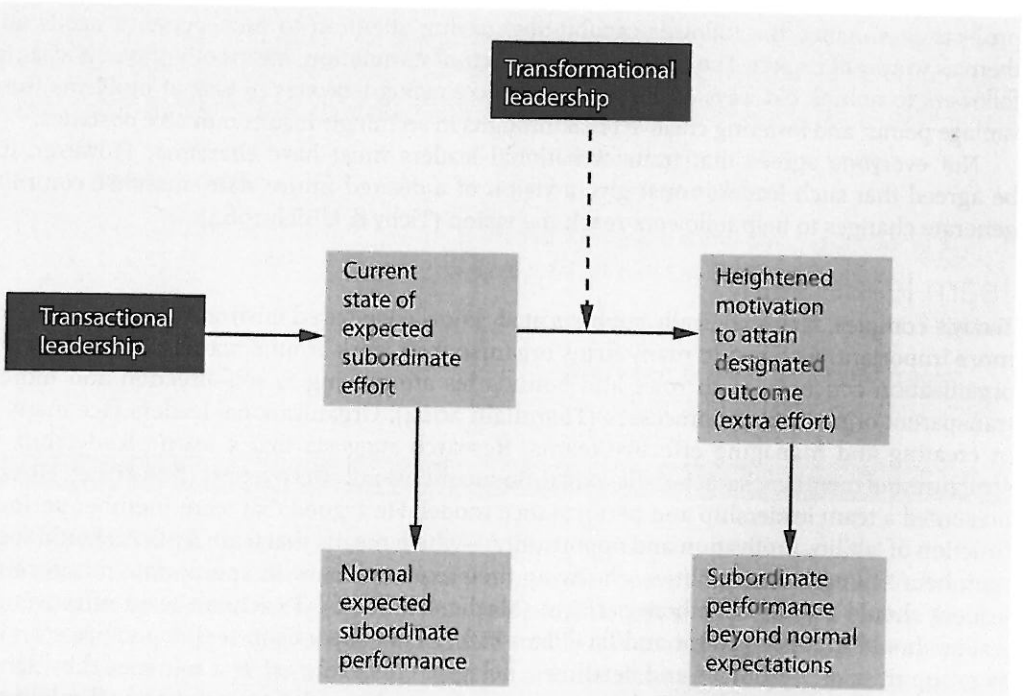


Figure 9.9 Add-on effect of transformational leadership

Source: Adapted from Bass (1985, p. 23).

A recent study suggests that transformational factors of charisma, intellectual stimulation and individual consideration are more highly correlated with job satisfaction and organisational commitment than transactional factors of contingency reward and management-by-exception (Emery & Barker 2007). Transformational leadership is also found to have a strong impact on organisational learning related issues such as information acquisition, distribution and interpretation, as well as cognitive and behavioural change (Zagorsek et al. 2009).

Many have tried to identify behavioural elements of charismatic leadership, proposing attributes including:

- self-confidence and conviction about ideas
- excellent communication skills and eloquence
- articulation of vision
- the capacity to build credibility and commitment to the vision
- high energy and enthusiasm levels
- the capacity to act as a change agent and role model
- the capacity to be a risk taker
- the ability to recognise follower accomplishments
- the ability to create emotional challenges and encouragement for followers (Lee & Chang 2006; Javidan & Waldman 2003).

In essence, they suggest these leaders try to change the status quo, project very different future goals or idealised visions, and behave unconventionally, counter to existing norms. Charismatic leaders have been shown to rely on referent and expert power, trying to share their vision of radical change (Conger & Kanungo 1987). Research has also showed that female leaders have superior social and emotional skills compared to male counterparts, and possess other attributes relating to charismatic leadership behaviours (Groves 2005).

individualised consideration /ɪndə'vɪdʒuəlaɪzd kənsɪdə'reɪʃən/ Leadership factor involving delegating projects to help develop each follower's capabilities, paying personal attention to each follower's needs and treating each follower as an individual worthy of respect

intellectual stimulation /ɪntə'lektʃuəl stɪmjə'leɪʃən/ Leadership factor that involves offering new ideas to stimulate followers to rethink old ways of doing things, encouraging followers to look at problems from multiple vantage points, and fostering creative breakthroughs in obstacles that seemed insurmountable

The second transformational leadership factor, **individualised consideration**, means delegating projects to enhance the follower capabilities, paying attention to each person's needs and treating them as worthy of respect. The third factor, **intellectual stimulation**, means offering new ideas to stimulate followers to rethink old ways of doing things, encouraging followers to look at problems from different vantage points, and fostering creative breakthroughs in seemingly insurmountable obstacles.

Not everyone agrees that transformational leaders must have charisma. However, it seems to be agreed that such leaders must give a vision of a desired future state, mobilise commitment and generate changes to help followers reach the vision (Tichy & Ulrich 1984).

Team leadership

Today's complex, technologically sophisticated, knowledge-based environment makes teamwork ever more important. As a result, many firms organise their work around teams. Consistent with learning organisation concepts, team roles and boundaries are moving to self-direction and more open and transparent organisational processes (Thamhain 2004). Organisational leaders face many challenges in creating and managing effective teams. Research suggests that a team's leadership, formation, structure and member characteristics will influence its overall effectiveness (Kuo 2004). Huszczo (2004) presented a team leadership and performance model. He argued that team member performance is a function of 'ability, motivation and opportunity'—which means that team leaders should focus on their members' strengths and abilities, clarifying their expectations with appropriate reinforcement. Team leaders should also let members perform (Mothersell 2006). To achieve team effectiveness, a team leader should act as motivator and facilitator rather than supervisor; seek top support on issues such as group mission, resources and deadlines; delegate effectively; act as a role model by demonstrating excellent people skills such as diplomacy, persuasion and negotiation; emphasise flexibility; encourage innovative approaches and open communication; and respect team diversity (Hughes 2004). Team effectiveness or performance also depends on the level of engagement in consensus building. Tren (2004) set out a four-phase process of preparation, presentation, discussion and agreement to guide team to a consensus decision (see Table 9.4 opposite).