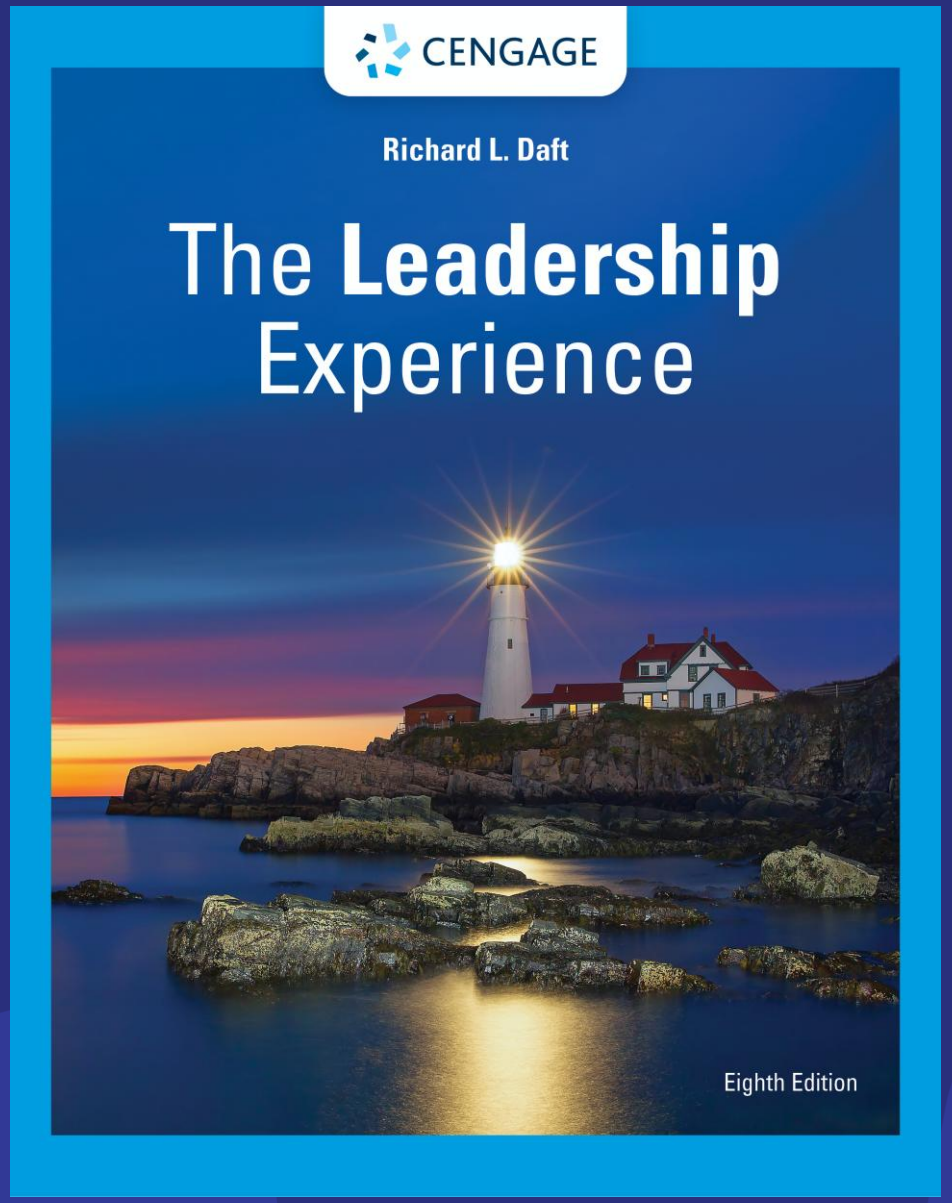


TOPIC 1

Chapter 1

What Does It Mean to Be a Leader?

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CHAPTER OBJECTIVES

By the end of this chapter, you should be able to:

- Explain the full meaning of leadership and see the leadership potential in yourself and others.
- Describe the five fundamental transformations facing today's leaders and organizations.
- Summarize the fundamental differences between leadership and management.
- Explain how leadership has evolved and how historical approaches apply to the practice of leadership today.

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What is Leadership?

What leaders do.

Every company, team, government agency, family, non-profit organization, social cause, and community group needs **good leadership to succeed**.

Leaders have a **lot of impact**, and their **influence can be positive or negative**. Without effective leadership, things can quickly go wrong.

Defining it is tough because it's complex.



Scholars have tried, but it's still one of the most observed yet least understood things on earth.

What is leadership?

Is an **influence** relationship between leaders and followers who intend real changes and outcomes that reflect their shared purposes.

- involves **influence**;
- it occurs among people;
- those people intentionally desire significant changes and improvements;
- and the changes reflect purposes shared by leaders and followers

Key elements of the definition



Influence

- **is ability to shape** the thoughts, behaviors, and actions of others
- **is noncoercive** - doesn't rely on force or manipulation, BUT on persuasion, inspiration, and trust
- **is multidirectional** - leaders and followers influence each other through active engagement and interaction

Key elements of the definition



Change

- leaders and followers **desire** meaningful and significant **changes** *(future progress and improvement)*

Shared purpose

- desired changes reflect **purpose/goals/vision** that leaders and followers **share**

Key elements of the definition



Followers

- leadership is about **people**, not paperwork
- followers are **essential part** of leadership
- effective followers **think for themselves**
- carry out assignments with **energy** and **enthusiasm**

Intention & Responsibility

- everyone should be **actively involved** in the process of change
- everyone should take full **responsibility for achievement** of the desired future

Remember This:

Leadership
involves people in a relationship, influence, change, a shared purpose and taking personal responsibility to make things happen.

Emergent Leadership

Leadership is everywhere and can come from anyone.



Greta Thunberg is an example of an emergent or informal leader in the worldwide environmental movement.

- the extent to which an **individual** with no formal status or authority **is perceived** by members of a group **as a leader**
- their authority based on **personal qualities** such as:
  - having a mission
  - being able to inspire others
  - demonstrating passion

Leadership is about actions and mindset, not titles.
Leaders come in all shapes and sizes. Leadership that has big outcomes often starts small.

The New Reality for Leaders

Today's **leaders face** unprecedented (new) **challenges** due to factors like:

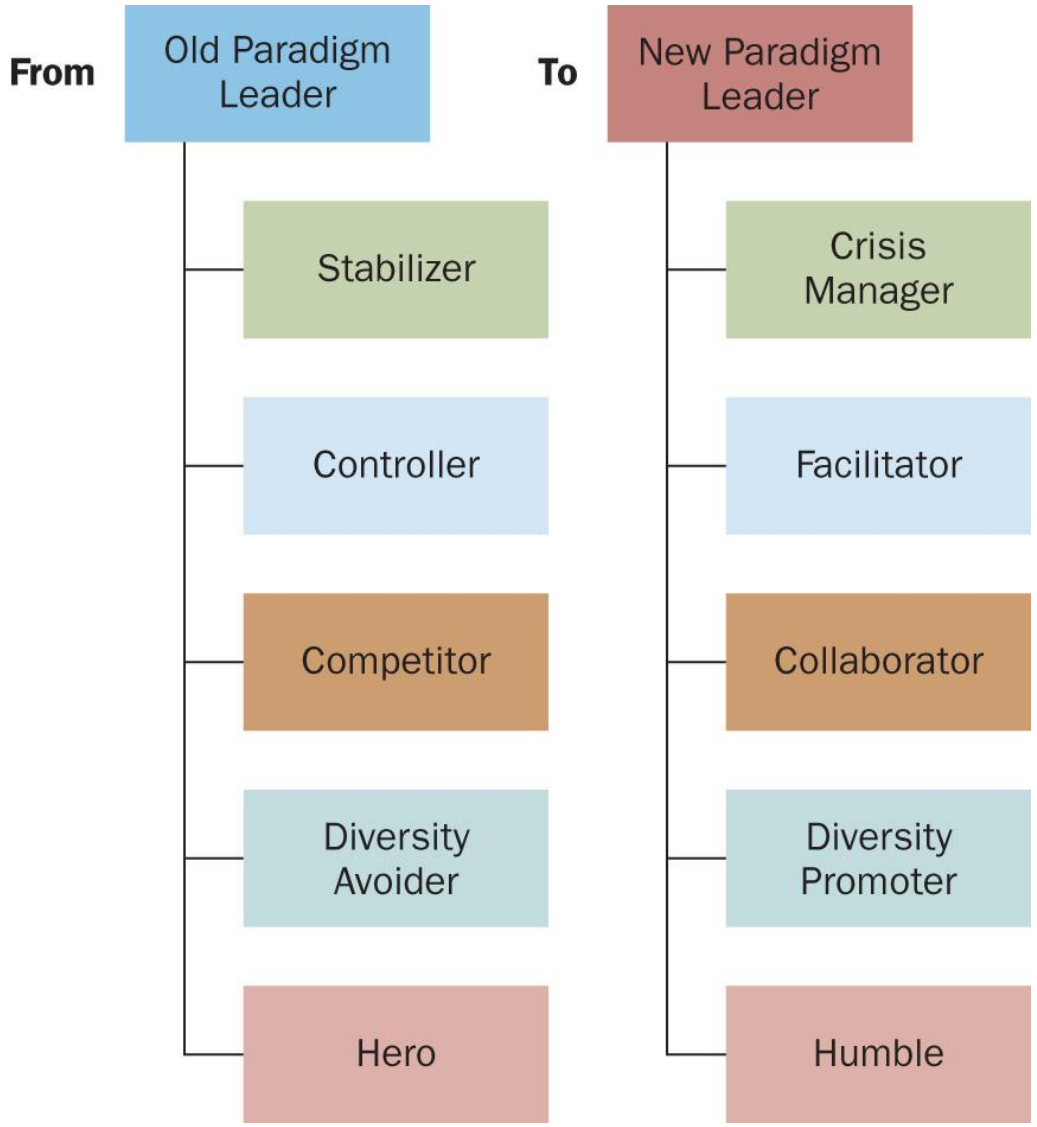
- social media
- the COVID-19 pandemic
- remote work
- globalization
- technological advancements and AI

- these changes demand a **shift in leadership approaches** => a transition to a new leadership **paradigm**

Paradigm

A shared mindset that represents a fundamental **way of thinking** about, perceiving, and understanding the world.

The New Reality for Leaders



Ineffective leadership

Successful leadership

The New Reality for Leaders

Adaptability is crucial for effective leadership.



Stabilizer

Focused on maintaining stable operations to achieve success.



Crises Manager

Views change and crises as chances for personal and organizational growth and renewal.

At the start of 2019, Boeing had won more orders for the 737 MAX jetliner than any model in the company's history. Less than three months later the plane was grounded, and Boeing was in the middle of a crisis, trying to explain two fatal crashes that caused 350 deaths. The failure of Boeing's then-CEO and other top leaders to quickly step forward and assuage the concerns of regulators and the public allowed the crisis to escalate. Boeing's board of directors voted to suspend production of the troubled jetliner and ousted the CEO. The 737 MAX crisis led to Boeing losing its title of world's largest plane maker to rival Airbus.

The New Reality for Leaders

Sharing power, involving everyone, removing obstacles, providing learning opportunities, and offering **support** and feedback is crucial for effective leadership.



Controller

Believed strict control was needed for the organization to function efficiently and effectively.



Facilitator

Helps people do and be their best, gets people what they need, and offers support and feedback.

During the COVID-19 pandemic, when many people were working from home, one team at a European company launched a virtual open-door policy. People could access a videoconference link at any time to share concerns, ask for help and advice, or simply check in. Top leaders loved the idea and decided to set up a dedicated crisis team, opening the videoconference link to all employees as well as to clients, providing a form of always-on virtual feedback and support.

The New Reality for Leaders

Teamwork, compromise and **cooperation** is crucial for effective leadership.

Competitor	Encouraged internal competition and aggressiveness.
Collaborator	Fosters collaboration, mutual support, open communication.

Jennifer Loving created a nonprofit organization called Destination: Home to bring together nonprofit agencies, government officials, Silicon Valley technology companies, and other private sector organizations to collaborate on creating permanent housing for the thousands of homeless people in Santa Clara County, California. Loving believed a lot of money was being wasted on trying to solve the problem of homelessness because of a lack of coordination and collaboration. She start- ed Destination: Home as a private-public partnership to get people working together on the problem. Since 2015, the partnership has housed more than 5,000 formerly homeless people.

The New Reality for Leaders

Recognizing the benefits of **diversity** in the workplace is crucial for effective leadership.



Diversity Avoider

Emphasized uniformity, separation, and specialization and preferred homogenous teams.



Diversity Promoter

Encourages and supports diversity by recognizing the value of diverse perspectives, backgrounds, and skills.

After taking over as head of Amazon Studios, Jennifer Salke found that a lack of diversity was a primary reason the studios had released six flops in a row. “I don’t think we had diverse-enough points of view,” Salke said. She has pushed for a more diverse team to move Amazon Studios into more diverse storytelling that will reach broader audiences. Salke doesn’t want talented people pitching original ideas to be turned away because they don’t “check off all the boxes. Nobody wants to be bored by a mass volume of the same type of show. . . . The opportunity for global storytelling—that’s where the wins are.

The New Reality for Leaders

Humility & **will** *(having a very strong intention about the organization's future)* is crucial for effective leadership.

described by James Collins as Level 5 Leaders



Hero

Controlled others, took credit for the group's successes, took risky decisions without considering the greater good.



Humble

Prioritizes the team's success over their own, takes responsibility for failures but credits others for success, and considers consequences before making decisions. Lacks ego, is modest, not arrogant.

One corporate example of a humble leader is Satya Nadella, CEO of Microsoft. Many people were surprised when the quiet, relatively unknown Nadella, who had joined Microsoft in 1992 at the age of 25, was picked to lead the giant technology company in 2014. Top executives inside the company were even more surprised when one of Nadella's first acts was to ask them to read Marshall Rosenberg's Nonviolent Communication, a book about empathic collaboration. It was the beginning of Nadella's efforts to transform Microsoft leaders from a "know-it-all" to a "learn-it-all" mindset. Within four years, Nadella had reinvigorated the company's workforce and achieved astonishing results, generating more than $250 billion in market value—more value growth than Uber, Airbnb, Netflix, and Snapchat combined. He accomplished it with a calm, steady, and team-oriented approach. "I'm wired to be fairly confident in myself and to let others shine," Nadella says in talking about his willingness to delegate and give credit to others for company successes.



Do you agree or disagree that humility is nowadays important for good leadership? Why?

Remember This:

Philosophy based on control and personal ambition (an old paradigm mindset) will probably fail in today's world.

The challenge for leaders is to evolve to a **new mindset** that relies on **human skills, integrity, and collaboration**.

Management and Leadership



Managers and leaders **aren't** fundamentally **different.**

Both are **crucial in organizations** and need to work together for high performance.

They complement each other, so neither can replace the other.

Comparing Management and Leadership

Exhibit 1.3 compares management to leadership in **five areas** crucial to organizational performance:

The difference is in **focus** and **approach**.

	Management	Leadership
Direction and Purpose:	• Plan and budget • Minimize risk for sure results • Focus on bottom line	• Create vision and strategy • Maximize opportunity • Keep eye on horizon
Alignment:	• Organize and staff • Direct and control • Create structure and order	• Create shared culture and values • Provide learning opportunities • Encourage networks and flexibility
Relationships:	• Invest in goods • Use position power • Focus people on specific goals	• Invest in people • Use personal influence • Inspire with purpose and trust
Personal Qualities:	• Emotional distance • Expert mind • Talking • Conformity • Insight into organization	• Emotional connections (Heart) • Open mind (Mindfulness) • Listening (Communication) • Nonconformity (Courage) • Insight into self (Character)
Outcomes:	• Maintain stability; create a culture of efficiency	• Create change and a culture of agility and integrity

Sources: Based on Tanya Prive, "Where Does Management Stop and Leadership Start?" *Inc.* (October 30, 2020), www.inc.com/tanya-prive/where-does-management-stops-leadership-start.html (accessed February 11, 2021); John P. Kotter, *A Force for Change: How Leadership Differs from Management* (New York: The Free Press, 1990) and ideas in Kevin Cashman, "Lead with Energy," *Leadership Excellence* (December 2010), p. 7; and Henry Mintzberg, *Managing* (San Francisco: Berrett-Koehler, 2009).



"Leadership is more concerned with people than is management." Do you agree?

Why do you think that so few people succeed at both management and leadership? Is it reasonable to believe someone can be good at both? Discuss.

Evolving Theories of Leadership

Our understanding of leadership has changed over time because our understanding of the world has changed.

Major Approaches

1. Great Man theories
2. Trait theories
3. Behavior theories
4. Contingency theories
5. Influence theories
6. Relational theories

Who is an effective leader?

Theories of Leadership

Great Man theories

Leaders are born not made.

- suggest that leaders, usually men, were **born with traits** and **abilities** that made them **powerful and influential**
- this idea portrayed leaders as heroic figures who could inspire and guide others through their inherent qualities and strength

Trait theories*

Leaders can be made.

- focus on identifying specific **traits** or **characteristics** that distinguished **leaders** from **non-leaders**
- suggest that certain identifiable **traits** or **qualities** make good leaders, and they **can be developed** through training and practice

*failed to identify a universal set of leadership traits

Theories of Leadership

Behavior theories

What leaders do rather than who they are.

- focus on leaders' **behaviors** towards followers that distinguished **effective leaders** from **ineffective** ones
- suggest that anyone can become an effective leader if they can learn and implement certain **behaviors**
- *people oriented vs. task-oriented leaders*

Contingency/ situational theories

- consider the **contextual** and **situational variables** *(e.g.: size of the team)* that influence what leadership behaviors will be effective
- suggest that leaders can **analyze situations** and **adjust** their **behavior** to **improve leadership effectiveness**

Theories of Leadership

Influence theories

- examine the **influence processes** between leaders and followers
- *Charismatic leadership*—**Influence** based on the qualities and **charismatic personality** of the leader

Relational theories

- focus on how leaders and followers **interact** and **influence one another**
- leadership is viewed as a **relational process** that meaningfully **engages all** participants and enables each person to contribute to achieving the vision
- **interpersonal relationships** are considered **the most important facet of leadership effectiveness**
- *Transformational leadership* and *servant leadership* are two important relational theories

Leadership Can Be Learned

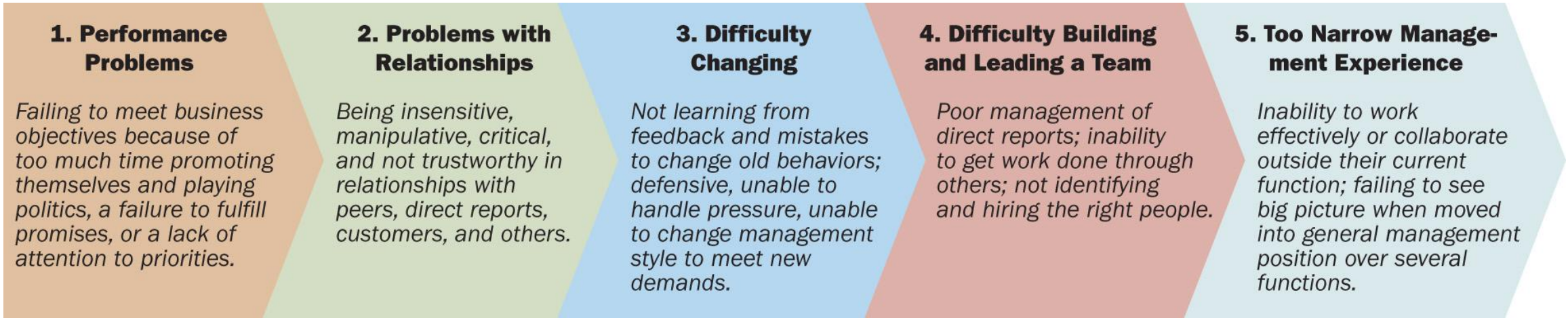
- Many leaders find it hard to adjust to the modern world because they're stuck in old ways of thinking from the past.
- They might **resist** changes like **collaboration** and **diversity** because they're used to being in **control** and keeping things **stable**.
- By deliberately **adopting new ideas** and **ways of doing things**, leaders can move forward and **succeed in today's world.**

Leadership Can Be Learned

- In shifting to the new paradigm of leadership, it's crucial to prioritize **soft interpersonal skills** to foster a **culture of performance, trust, collaboration, and inclusion.**
- Studies indicate that **managers** often **derail** in their careers due to **lack of human skills** rather than a **lack of hard work or technical expertise**.

Derailment

A phenomenon in which a manager with an impressive track record reaches a certain level but **goes off track** and can't advance because of a mismatch between job needs and personal skills and qualities.



Source: Based on Yi Zhang, Jean Brittain Leslie, and Kelly M. Hannum, "Trouble Ahead: Derailment Is Alive and Well," *Thunderbird International Business Review 55*, no. 1 (January–February 2013), pp. 95–102.



What personal characteristics should a person develop to be a good leader versus those developed to be a good manager?

Why is practice considered important for learning leadership?

Leader Good Behaviors

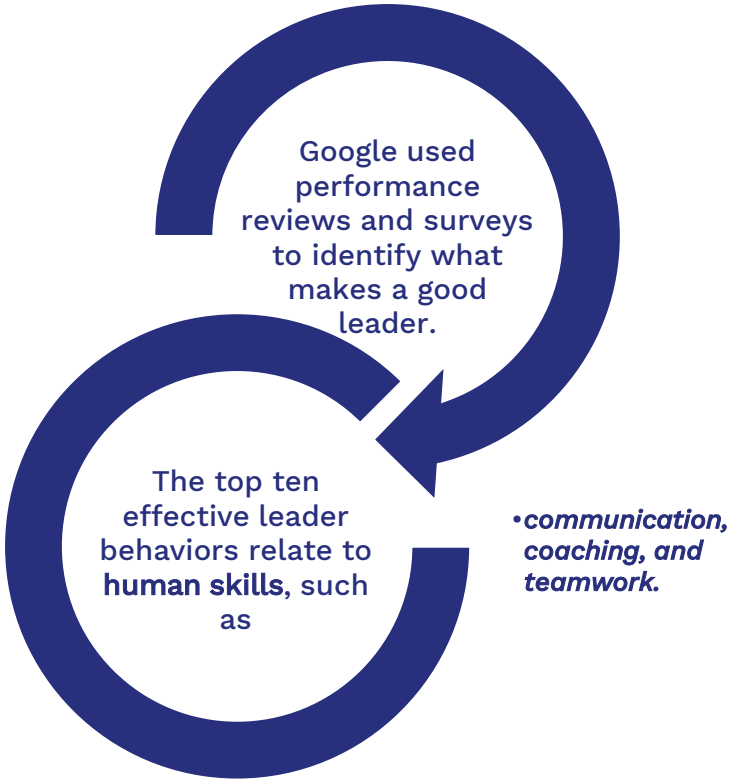


Exhibit 1.6

Google's Ten Rules for Good Leader Behaviors

To determine how to build better leaders, Google executives studied performance reviews, feedback surveys, and award nominations to see what qualities made a good leader. Here are the "Top Ten Behaviors" Google found, in order of importance:

1. Be a good coach.
2. Empower your team and don't micromanage.
3. Create an inclusive team environment, showing concern for success and well-being.
4. Be productive and results-oriented.
5. Be a good communicator and listen to your team.
6. Support career development and discuss performance.
7. Have a clear vision and strategy for the team.
8. Have key technical skills so you can help advise the team.
9. Collaborate across Google.
10. Be a strong decision maker.

Sources: Melissa Harrell and Lauren Barbato, "Great Managers Still Matter: The Evolution of Google's Project Oxygen," *Google Blog* (February 27, 2018), https://rework.withgoogle.com/blog/the-evolution-of-project-oxygen/ (accessed January 8, 2019); and Adam Bryant, "Google's Quest to Build a Better Boss," *The New York Times*, March 12, 2011. Courtesy of Google, Inc.

Chapter Summary 

- Defining Leadership – key elements of the definition
  - Influence, change, shared purpose, followers, intention and responsibility
- Emergent Leadership
- The New Reality for Leaders
  - Stabilizer/crisis maker, controller/fascilitator, competitor/collaborator, diversity avoider/diversity promoter, hero/humble
- How Leadership Differs from Management
  - Providing direction and purpose, alligning followers, building relationship, developing personal leadership qualities, creating outcomes
- Evolving Theories of Leadership
  - Great Man theories vs. Trait theories
  - Behavior theories (people vs. task oriented)
  - Contingency theories
  - Influence theories (Charismatic leadership)
  - Relational theories (Transformational and Servant Leadership)
- Leadership Can be Learned
- Derailment and 5 fatal causes
  - Performance problems, problems with relationship, difficulty changing, difficulty leading and building a team, too narrow management experience
- Leader Good Behavior

Video & Reading Material 🔗

- Defining Leadership – https://youtu.be/L7k92x2Hrdk?si=XU1TCy9HlgWA4fJ4
- Emergent Leadership - https://youtu.be/5bP938HqLv0?si=FFoE5nemzEgLIoDu
- The New Reality for Leaders - https://youtu.be/Y6Ke8whn_-g?si=3IOgf5wYxGNzARnB
- How Leadership Differs from Management - https://youtu.be/aSj4IQyo3rE?si=lHTPVjBxKpdvo4os
- Evolving Theories of Leadership
  - Great Man theories vs. Trait theories – https://www.youtube.com/watch?v=muDi4FftPRE
  - Behavior theories (people vs. task oriented) - https://youtu.be/jQ4kPxo5T_4?si=MqB79doOi54suVuu
  - Contingency theories - https://youtu.be/NluV6U3B1_o?si=e_pSWA6Ihy9ex275
  - Influence theories (Charismatic leadership) - https://youtu.be/kI5va5ptQgM?si=fS70mFl-xkqRRpMs
  - Relational theories (Transformational - https://youtu.be/yOkqygQA6jY?si=gZq1ioUpO-Uh_jyt and Servant Leadership - https://youtu.be/3dS7FpUUbY8?si=0I37cRyfuOQXyh8V)
- Leadership Can be Learned - https://youtu.be/TUM1TaR3hdA?si=-5oBnUeRrNNC84M7
- Derailment and 5 fatal causes - https://hbr.org/2021/09/every-leader-has-flaws-dont-let-yours-derail-your-strategy

Knowledge Check 

Refer to **Topic 1_Revision Activity** on Moodle.