INDIVIDUALS AS LEADERS

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WHO IS A LEADER AND WHAT SKILLS DO LEADERS NEED?
LEARNING COMPETENCIES

After studying this chapter, you should be able to:

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Jeff Bezos, Amazon

Jeff Bezos built Amazon.com Inc. from his garage with an underdog’s ambition to take on the established retail giants. Today, as a giant he continues to run Amazon like a hungry startup. Fortune ranked Bezos number 1 on its World’s 50 Greatest Leaders, and Forbes ranked him first as America’s Most Innovative Leaders. Why? Amazon has changed the way we live and work. First, Bezos changed the way we buy books and then the way we read them with Kindle and e-book readers and popularized tablets (Fire), and how we shop online. Today, it is the e-commerce leader, as you can buy just about anything on Amazon.com. Amazon is also a leader in virtual assistants (Echo, Alexa), digital streaming with original shows (Amazon Prime Video, IMDb), music streaming (Amazon Music), groceries (Whole Foods and Amazon Go Grocery stores), cloud computing (Amazon Web Services), space travel (Blue Origin), and is delivering packages with its own trucks. Amazon is also working on driverless cars, trucks, ships, bikes, and drones to deliver packages.

Amazon is also in the finance business (Bezos Expeditions) investing in startups such as Twitter, Airbnb, and Uber and continues to get in on the ground floor of new up-and-coming ventures. Bezos has grown Amazon into the top ten World’s Largest Companies and second on the Fortune 500 (with more than 1.1 million employees and a market valuation of around $1.6 trillion), making him one of the World’s Richest people with a net worth of $179 billion, and still hiring as it expands its distribution network globally (October 2020).

Opening Case Questions

1. Why is Amazon so successful?
2. Does Amazon use our definition of leadership?
3. What managerial leadership skills does CEO Jeff Bezos use at Amazon?
4. What managerial leadership roles does CEO Jeff Bezos perform at Amazon?
5. Which level of analysis is the primary focus of CEO Jeff Bezos at Amazon?
Part I • Individuals as Leaders

Can you answer any of these questions? You’ll find answers to these questions about Amazon and its leadership throughout the chapter.

To learn more about Amazon, visit the company’s website at http://www.amazon.com.


INTRODUCTION

Throughout this book, leadership is referred to in the context of formal organizational settings in business corporations (GE, IBM), government agencies (Springfield Police Department), and nonprofit organizations (Red Cross). Organizations have two major classifications of employees: managers, who have subordinates and formal authority to tell them what to do; and employees, who do not. The focus of this chapter is on helping you understand what leadership is and what this book is all about.

LEADERSHIP AND LEADERSHIP DEVELOPMENT

LEARNING COMPETENCIES

1.1 Describe the importance of leadership development both personally and professionally.

Leadership is everyone's business, so let's begin by answering a few key questions:

• “Are leaders born or made?”
• “Why is leadership important?”
• “Why study leadership?”

Are Leaders Born or Made?

Are leaders born or made, or what determines leadership? You may think this is a trick question because most researchers say the answer is both. Effective leaders are not simply born or made. They are born with some leadership ability and develop it. Researchers estimate that 30 percent of leadership is heritable, whereas 70 percent is developed.¹ Some say leaders are made, not born, and that everyone has equal potential to develop leadership skills. NFL Green Bay Packers legendary football coach Vince Lombardi said, “Leaders are made, they are not born. They are made by hard effort.” Whatever your leadership ability is now, you can invest in developing your leadership skills. We’ll talk more about how later in this chapter.
WORK APPLICATION 1.1

Do you believe that you are a born leader? Do you believe that you can develop your leadership skills to improve job performance?

Why Is Leadership Important?

Here are just a few reasons why leadership is so important. Top-level managers develop the tone and direction (vision, mission, and strategic plans) for the entire organization, and these decisions have a high potential for success or failure. Would Apple be the company it is today with its founder Steve Jobs, or Tesla without Elon Musk? Lower-level managers and employees implement the strategic plans. Thus, leadership at every level impacts organizational success. The vast majority of people are happy with the work they do, but they’re disengaged because of how they’re managed.

Clearly, leadership development is considered to be an important objective. Organizations spend a great deal of effort and resources to teach employees how to lead. Leadership development is often cited as an important priority because it is viewed as a competitive advantage as there can be significant positive returns to the investment in leadership development. Thus, managers need to develop the leadership skills of all employees.

Why Study Leadership?

It’s natural at this point to be thinking, “What can I get from this book?” or “What’s in it for me?” These common questions are seldom asked or answered directly. The short answer is the better you can work with people—and this is what most of this book is about—the more successful you will be in both your personal and your professional lives. If you are a manager, or want to be a manager someday, you need good leadership skills to be successful. Even if you are not interested in being a manager, you still need leadership skills to succeed in today’s workplace.

The old workplace, in which managers simply told employees what to do, is gone. Today, organizations expect employees to be self-leading and work in teams and share in decision making and other management tasks. Employers are recruiting people with leadership skills. So career readiness includes demonstrating soft skills, including leadership, because leadership is a core competency for career readiness.

Unfortunately, business leaders say college graduates are not well prepared to succeed on the job; students are ill-prepared to lead.

The study of leadership also applies directly to your personal life. You communicate with, and interact with, people every day; you make personal plans and decisions, set goals, prioritize what you will do, and get others to do things for you. Are you ever in conflict with family and friends? This book can help you develop leadership skills you can apply in all of those areas on and off the job.

The Need for Self-Awareness in Leadership Development

Self-awareness is part of leadership development. Career management is a core competency—the ability to identify and articulate your knowledge, skills, and areas necessary for professional growth. Know Thyself—what do you have to offer employers, coworkers, and friends? An honest self-assessment helps you nail the job interview. So, self-awareness is the first step to leadership development. What are leadership competencies? That is what this course is all about.
**OPENING CASE APPLICATION**

1. *Why is Amazon so successful?*

Founder and CEO Jeff Bezos is the key to Amazon’s success. Bezos motivated employees to be obsessed with customer service and innovation of new products and processes and to grow fast. Bezos is also cloning himself by developing employees’ leadership skills. Much of Amazon’s success is based on Bezos being the first to deeply integrate data, machine learning, the internet of things, and artificial intelligence into his company’s decision-making process and products, ensuring that Amazon is driven by facts, not intuition and opinions. Amazon has been a global company since it started back in 1995, as it sold books internationally during its first month in business. Alexa, a voice assistant developed by Amazon, responded to consumers in more than 80 countries, from Albania to Zambia, fielding an average of 500 million questions each day in 2019 ([Global View](#)).

But for years Bezos rarely gets involved in daily activities, his work focuses on innovation for two to three years from now. To move further from day-to-day operations, he stepped down as CEO, becoming executive chair. His senior executive team, with new CEO Andy Jassy, is responsible for the day-to-day operations of Amazon. However, Bezos will still be in charge and make or be involved in all major decisions.

VP of global customer fulfillment Alicia Boler Davis (one of the few Black women to advance to the executive suite in a *Fortune* 500 company) manages the day-to-day operations side of the business. Boler Davis is an engineer that runs Amazon’s hundreds of warehouses worldwide and she is responsible for customer service. Davis is given much of the credit for helping Amazon maintain a record pace of business growth globally, moving millions of packages a day, caused by the COVID-19 pandemic as online shopping increased significantly ([Global View](#)).

**From the Management to the Leadership Paradigm**

Let’s discuss how management and leadership are not the same, and the shift from autocratic to participative leadership with a stakeholder view using servant leadership. But first, a **leadership paradigm** is a shared mindset that represents a way of thinking about, studying, researching, and understanding leadership.

People tend to use the terms *manager* and *leader* interchangeably. However, that usage is not correct. Management and leadership are related but different concepts. Organizations form a hierarchy of management positions giving them authority to make decisions. Managers perform five major functions: planning, organizing, staffing, leading, and controlling. Organizational success depends on effective managers, and Amazon was ranked first as the most effectively managed U.S. company by the *Drucker Institute*. Note that leadership is just one of the managers’ responsibilities. Keeping it simple for now, **leading** is the ability to influence others.

In this book, we do not use the terms *manager* and *leader* interchangeably. When we use the word *manager*, we mean a person who has a formal title and authority. When we use the term *leader*, we mean a person who may be either a manager or a nonmanager. Leaders have the ability to influence others; a manager may not. Thus, a leader is not necessarily a person who holds some formal position such as manager.

There are managers (coaches)—you may know of some—who are not leaders because they do not have the ability to influence others. Some good leaders are not managers. The emergent informal leader, a group member who takes charge, voices issues, and initiates change, is a case in point. You may have worked in a situation where one of your peers had more influence in the
department than the manager (coach). Anyone can be a leader within any group or department, and everyone in a team is expected to be a leader. Thus, regardless of your position, you are expected to share leadership.\(^{23}\) So leadership is not a position, it’s a personal quality and skill set, and we all have opportunities to lead.\(^{24}\)

Although we have made a comparison between managers and leaders, you should realize that successful organizations need both managers and leaders. Apple’s founding CEO **Steve Jobs** was viewed as a leader in his ability to influence others to make great products, but he was not viewed as a good manager. Chief Operating Officer **Tim Cook** did most of the management at Apple, and as CEO today, he is viewed as both a good manager and a good leader.\(^ {25}\) In fact, Cook was given the title The World’s Greatest Leader by *Fortune* in 2015.\(^ {26}\) The focus is on how to integrate management and leadership, or on developing leadership skills of managers and employees, which we do in this book. To simplistically stereotype people as either managers or leaders does little to advance our understanding of leadership. Also, because the term manager is an occupational title, to foster an inaccurate, negative stereotype of managers is certainly not our intent.

**From Autocratic to Participative Management**

We may have been conditioned to think of leadership as autocratic power and control.\(^ {27}\) However, there has been a shift from the traditional autocratic hierarchy management structure to participative leadership.\(^ {28}\) Why? In the bureaucratic autocratic model, the institution comes first. Individuals are literally human resources used to produce products, services, and income. When people are treated as instruments, they are unlikely to give their best and develop creative improvements. Today’s successful organizational models focus less on maximizing compliance and more on maximizing contributions.\(^ {29}\)

Formal hierarchical differentiation occurs when certain members of a team are appointed to formal management or leadership positions, which has important implications for performance.\(^ {30}\) Clear lines of management authority with formal team managers reduce teams’ adaptability and innovation; teams with participative informal leadership outperform teams that are low on emergent leadership.\(^ {31}\)

With the shift to flattening of organizations by eliminating layers of management, with more employees reporting to one manager, it becomes too difficult to manage autocratically.\(^ {32}\) Managers cannot control everyone, so they need to empower people using a participative shared leadership style.\(^ {33}\) Collaborative decision-making increases performance.\(^ {34}\) Today managers have employees that know more about their jobs than the manager, they may have employees they rarely or never see in person, and they may work with people from several countries (Global View).\(^ {35}\) People at every level must feel they have the freedom to experiment with creative ways to improve processes and products to be more innovative.\(^ {36}\)

Today, leadership is a serial emergence of both official and unofficial leaders as part of a simultaneous, ongoing, mutual influence process. Leadership is being shared today through empowering all,\(^ {37}\) so everyone is expected to lead when the need arises.\(^ {38}\) Successful managers know when to lead and when to get out of employees’ way.\(^ {39}\) In Chapter 4, you will learn what level of participation to use in a given situation.

**From the Shareholder to the Stakeholder View**

The old approach to managing major corporations was to only focus on making a profit to increase the value of the stock for the owners of the corporation shareholders. Conversely, today’s corporate managers are focusing on making a profit while addressing societal needs.\(^ {40}\)
by taking a stakeholder view. With the stakeholder view, when making decisions, managers try to create a win-win situation for all relevant stakeholders so everyone benefits from the decision. Stakeholders include anyone affected by the decision; such as employees, customers, suppliers, the local community, governments, and greater society. The Business Roundtable, made up of CEOs of major corporations, made the statement that corporate leaders should take into account "all stakeholders." CEOs of 181 corporations signed a Business Roundtable letter declaring they are "truly committed to meeting the needs of all stakeholders." Airbnb has a vision for it to "benefit all our stakeholders over the long term." Unfortunately, it is difficult to balance the competing demands of different stakeholders, and there may be unintended consequences. You cannot always create a win-win situation, such as when a company has a layoff. Clearly, employees don't win when they lose their jobs and the local community also suffers when several employees have less income to spend at local businesses and they pay fewer taxes to the government.

**From the Self-Serving to the Servant Leadership View**

According to best-selling leadership author and consultant Ken Blanchard, there are two types of leaders—self-serving and serving.

**Self-serving leaders** think leading is all about them and having others serve them to get what they want. They focus on their own self-interest, rather than what is best for the organization and its employees. Self-serving, they often do not treat all people right—with respect, care, and fairness to all stakeholders creating an I win you lose environment. When organizations let managers go, it’s often the self-servers. Sustained superior firm performance is based on strategic team leadership, without self-serving leadership misaligned with owner and other stakeholders’ interests.

**Servant leaders** help others rather than being served by others. Essentially, they turn the organization chart upside down placing others above themselves. They help all stakeholders accomplish goals and complete tasks. They treat all people right; creating a win-win environment. Servant leadership is the engine that drives high-performance organizations.

If you focus on serving others and relationships, you will be surprised at how successful you can be. Examples of great servant leaders include Mahatma Gandhi, Tenzin Gyatso (Dalai Lama), and Malala Yousafzai. Mother Teresa (1910–1997) was a true servant leader and had no interest in wealth, power, or status. Mother Teresa did not ask for money, yet her ministry received financial backing to help all the “poorest among the poor.” She founded the Missionaries of Charity in India and grew globally operating more than 750 missions, schools, and shelters in 139 countries with more than 5,000 Sisters of Charity nuns and thousands of nonreligious people globally serving the poor. Mother Teresa was given the highest status wherever she went globally, and she received many awards including the Nobel Peace Prize and was canonized a saint. For more information on Mother Teresa visit https://www.motherteresa.org (Global View).

Of course, there are very few great servant leaders, but many managers focus on serving others and call themselves servant leaders, such as Nike CEO John Donahoe. Also, there are very few people that are always one or the other, so a good way to think about it is on a continuum going from Self to Servant leadership, say on a scale of 1–10. Do you prefer to be led by and work with self-serving or servant leaders? Think about the managers you have had, where on the scale of 1–10 are they? How about your coworkers and friends? Are you a self or servant leader? What score would you give yourself?
Every day we can choose to be self-serving or serving. All of us can be servant leaders at home, at work, and in our communities. High-performing organizations have servant leadership at every level of the organization. Leadership emerges everywhere, as leadership is shared. Individuals with expertise lead when their competencies are needed to achieve a goal or task. People know when to lead and when to follow.\(^3\)

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**YOU MAKE THE ETHICAL CALL: IS LEADERSHIP REALLY IMPORTANT?**

**1.1 ETHICAL AND SOCIAL IMPACT**

Scott Adams is the creator of the cartoon character Dilbert. Adams makes fun of managers, in part because he distrusts top-level managers, saying that leadership is a crock. He says leadership is about manipulating people to get them to do something they don’t want to do, and when there may not be anything in it for them. According to Adams, CEOs basically run the same scam as fortune-tellers, who make up a bunch of guesses and when by chance one is correct, they hope you forget the other errors. First, CEOs blame their predecessors for anything bad, then they shuffle everything around, start a new strategic program, and wait. When things go well, despite the CEO, the CEO takes the credit and moves on to the next job. Adams says we may be hung up on leadership as part of our DNA. It seems we have always sought to put somebody above everybody else.\(^3\)

1. Do you agree with Scott Adams that leadership is a crock?
2. Do we need to have CEOs?
DEFINING LEADERSHIP WITH FIVE KEY ELEMENTS

LEARNING COMPETENCIES

1.2 Briefly describe the five key elements of leadership.

There is no universal definition of leadership because leadership is complex, and because leadership is studied in different ways that require different definitions. Here, we define leadership based on the leadership paradigm and discuss its five elements.

Leadership is the influencing process between leaders and followers to achieve organizational objectives through change. Let’s discuss the five key elements of our definition; see Exhibit 1.1 for a list.

Leaders–Followers
Leadership is typically understood to take place where leaders and followers share a formal group membership with formal and informal leaders. If you are not interested and not willing to be in charge, you are better suited to be a follower. However, leadership is plural, not singular, as leadership is shared and you should have many leaders. Good followers also perform leadership roles when needed. And followers voice ideas, suggestions, concerns, or opinions that influence leaders. Thus, in our definition of leadership, the influencing process is between leaders and followers, not just a leader influencing followers; it’s a two-way street. Leadership shifts between them based on the tasks that need to be done and who has the competency and commitment to get the job done. Knowing how to lead and developing leadership skills will make you a better leader and follower because you need to be a good follower to be a good leader. Good followers give input and influence leaders. If you want to be an effective follower, you need to share your ideas. Also, as a leader you need to listen to others and implement their ideas to be effective. So whether you want to be a leader or a follower, you will benefit from this book.
Influence

Influencing is the process of a leader communicating ideas, gaining acceptance of them, and motivating followers to support and implement the ideas through change. The essence of leadership is influencing. Anytime you influence the thoughts, what people say and actions (behavior) of others toward goal accomplishment in your personal or professional life, you are engaging in leadership. Let’s face it; we all want to get our way, which is being influential.

McDonald’s founding CEO Ray Kroc said the quality of a leader is reflected in the standards they set for themselves, and Peter Drucker said leadership is influencing others to raise their level of performance to a higher standard. When you have a management position, you have more power to influence others. But, effective followers also influence others. Your ability to influence others can be developed. Influencing includes power, politics, and negotiating; you will learn more about how to influence others in Chapter 6.

Influencing is also about the relationship between leaders and followers. Managers may coerce subordinates to influence their behavior, but leaders do not. Leaders gain the commitment and enthusiasm of followers who are willing to be influenced as they share leadership. Good leaders seek input from all team members.

Organizational Objectives

Employees need to know what their organization stands for and in which direction it is going, and what their job objectives are. Top-level managers set the tone and direction (vision, mission, and strategic plans) for the organization that guide members’ decisions. A vision for everyone is about knowing where you are going and setting goals and plans to get there. Your objectives are your end results, and your plans are the means to accomplish them. Dr. Marsha Firestone of Women Presidents’ Organization states, “Leadership is the crossroad where many qualities intersect. A leader has a vision, can effectively and passionately communicate it, and can motivate others to be part of the dream. True leaders are creative and informed risk-takers. Most of all they are team builders. Every successful entrepreneur has a supportive team behind her.”

Effective leaders influence followers, but to do what—to accomplish shared objectives throughout the organization. All good performance starts with a clear goal. If your objectives measure what really matters for success you can multiply your leadership impact on performance. Effective leaders set clear goals with their team. You will learn how to set objectives in Chapter 3.

Change

Influencing and setting objectives is about change, as leaders set objectives for innovative change. Technology is a major business challenge, as technology improvements continue to change how we work and live. It creates new business opportunities and requires existing business to change. To stay competitive, firms need to continuously improve work processes, such as at Toyota, and to develop new innovative products and services, such as at 3M. Innovations come from shared leadership implementing creative ideas from employees for improvement. Thus, employees need to continually make changes. So as a leader, you need to overcome resistance to change and provide a reasoned argument to support what you are asking your team to do.

Globalization has changed the world, as it impacts even local small business, requiring changes to stay competitive with global corporations (Global View).
To be an effective leader and follower you must be open to change. When was the last time you did something new and different? You will learn more about leading change in Chapter 11.

WORK APPLICATION 1.2

Are the managers where you work(ed) effective at influencing their employees to bring about change? Explain.

Trusting Relationships

Although the term people is not specifically mentioned in our definition of leadership, after reading about the other elements, you should realize that leadership is about leading people through relationships because people are a firm’s most valuable asset. It’s the people that set and accomplish the objectives. So, your most important job as a leader is developing relationships, and relationships are built on trust because trust is the foundation of all good relationships. Organizations are social places where people develop relationships that are important to individual performance and to team performance. It is easier to work effectively as a team when you have strong relationships of trust and members collaborate to achieve team goals.

Employees want a sense of belonging and to trust managers to look out for their best interests. Unfortunately, the level of trust in management to do so has decreased. “Do you trust your managers?” “Does your manager trust you?” These are important questions. If not, your chances of getting raises and promotions are limited.

You need to trust others, and that trust empowers them to increase performance. People want to associate with others that care about them. Wegmans has built its culture based on caring about its employees. Think about your best boss, coach, teacher—did that person care about you? For people to trust you, you need to convince them that you care about them and are willing to help them (servant leadership). The good news is building trust is a teachable skill that begins with effective open and honest communications. Trust can take years to develop, but only one violation of trust, such as a lie, can break it.

To be effective at almost every job today, you must be able to work well with people. You will learn how to develop your people skills throughout this book.

OPENING CASE APPLICATION

2. Does Amazon use our definition of leadership?

Jeff Bezos is clearly the leader at Amazon, but he also gets ideas from his followers. Bezos is also very influential. He didn’t personally invent all of Amazon products/services and processes. He also convinces investors to give him money to grow Amazon, gets other businesses to offer products and services through his Web site, and gets customers to buy those products. Bezos has a clear shared vision and objectives for the company. Amazon is fundamentally changing the way people live and work. Amazon leadership is based on trusting relationships with employees, suppliers, and customers.
LEADERSHIP SKILLS

LEARNING COMPETENCIES

1.3 Identify three leadership skills.

In this section, let's start by discussing the three skills you need to succeed, with additional focus on interpersonal skills, and ending with your leadership profile.

The Skills Approach

Leadership success is based on personal characteristics and skills. Personal characteristics are who leaders are (covered in Chapter 2) and skills are what a leader can accomplish. Skills are needed to be an effective leader, and your skills can be learned and developed making leadership available to everyone. The skills approach takes a leader-center perspective on developing individual leadership skills, which serves as the foundation for the first two parts of the book: Individuals as Leaders (Chapters 1–4) and Leadership Skills (Chapters 5–6). Thus, this book provides leadership skill development.

Three Leadership Skills

Back in 1995, Robert Katz published “Skills of an Effective Administrator,” which is the foundation for the skills approach to leadership. Katz identified three administrative skills: technical, human, and conceptual. We have updated the vocabulary to leadership skills: technical, interpersonal, and decision making. They are listed in Exhibit 1.2 and discussed here. We also point out the differences in the skills needed based on the level of management.

EXHIBIT 1.2  ■  Leadership Skills

<table>
<thead>
<tr>
<th>Three Skills</th>
<th>Primary focus on</th>
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<tbody>
<tr>
<td>Technical Skills</td>
<td>Things</td>
</tr>
<tr>
<td>Interpersonal Skills</td>
<td>People</td>
</tr>
<tr>
<td>Decision-Making Skills</td>
<td>Conceptual ideas</td>
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</tbody>
</table>

Technical Skills

Technical skills involve the ability to use methods and techniques to perform a task. This includes knowledge about methods, processes, procedures, and techniques, and the ability to use tools and equipment to perform a task. When managers are working on budgets, for example, they may need computer skills to use spreadsheet software such as Microsoft Excel. Most employees are promoted to their first management position primarily because of their technical skills. Technical skills vary widely from job to job, and they are the easiest of the three management skills to develop. Therefore, we do not focus on developing technical skills.
Interpersonal Skills

Interpersonal skills involve the ability to understand, communicate, and work well with individuals and groups through developing effective relationships. Interpersonal skills are also called human relations, people skills, and soft skills. As we interact with others, we are using our interpersonal skills. Diane Von Furstenberg, credits her success to interpersonal skills, “I am not a good C.E.O., but I have the passion and the force of a founder, and therefore I can make things happen. I can inspire people and motivate people.”

Interpersonal skills are your ability to work with people based on trusting relationships. Effective interpersonal skills involve an understanding of why people react the way they do, and the ability to influence them to achieve objectives. We will expand our discussion shortly.

Decision-Making Skills

Decision-making skills involve the ability to conceptualize situations and select alternatives to solve problems and take advantage of opportunities. Decisions are commonly made to solve problems, which is the keystone in the skills approach, so leaders need to have problem-solving skills. Conceptual ability is also important in decision making in order to see the big picture and how the alternatives will solve the problem. The decisions you have made over the years affect who you are today, and your present and future decisions to take advantage of opportunities will affect your career success.

An important part of making good decisions is critical thinking. Critical-thinking skills are in high demand in the workplace as more employers stated that critical-thinking skills are more important than technical skills. Critical-thinking skills will increase in importance over the next five years. So, employers want college graduates with critical-thinking skills. Thus, critical thinking is a core competency for career readiness. Unfortunately, employers say they have difficulty finding candidates with good critical-thinking skills.

Decision-making skills are based on several other skills, including diagnostic, analytical, quantitative reasoning, and time management skills, as well as the ability to be creative, perceive trends, anticipate changes, and recognize problems and opportunities. Making decisions collaboratively through shared leadership increases performance. We will discuss decision-making skills throughout the book, and you will have the opportunity to develop your decision-making skills through this course.

WORK APPLICATION 1.3

Select a manager, preferably one who is or was your boss, and state the specific management skills he or she used on the job.

Applying the Concept 1.1

Leadership Skills

Identify each activity as being one of the following types of management skills:

- technical
- interpersonal
- decision making
Skills Needed Based on Management Level

Although managers need all three skills, the need for each skill does vary based on the level of management. Top-level managers have a greater need for interpersonal and decision-making skills than technical skills. Middle-level managers have a balanced need for all three skills. First-level managers have a greater need for technical and interpersonal skills than decision-making skills.

OPENING CASE APPLICATION

3. What leadership skills does CEO Jeff Bezos use at Amazon?

Jeff Bezos has technical skills as he developed the first online bookstore as a high-tech pioneer. He continues to challenge his employees’ technical operations that expand the company’s performance and customer service. Bezos is a demanding boss who challenges employees, and he has been known to make harsh comments. But his criticism is almost always on target that leads to improvements. Bezos does have interpersonal skills as he motivates employees to continually grow the business. He clearly has decision-making skills as he is the one who has the conceptual ability to develop a successful business model and to continually change it to grow the company with new products and processes.

Interpersonal Skills

We stated that leaders need three skills. In this book, we focus primarily on interpersonal or soft skills. Why? Leadership is based on interpersonal skills.110 “Relationships are the threads in the fabric of organizational life.”111 They affect performance112 and turnover.113 With the trend toward more teamwork, interpersonal skills increase in importance.114 Employers want graduates with soft skills,115 and interpersonal skills will become more important over the next five years.116 US jobs requiring high levels of social interaction are growing at a faster rate than science, technology, engineering, and math (STEM) occupations.117 Technical skills turn over fast, so employers are looking for fast learners with exceptional soft skills.118 So interpersonal skills are a core competency for career readiness.119

Although interpersonal skills are all about working well with people, many skills can be classified as interpersonal rather than technical or decision-making. Thus, Part II of the book titled Leadership Skills. In Chapters 5 and 6 you can develop your leadership skills to Communicate effectively, Coach others to high levels of performance, and Network to get a job and to get others to help you meet your objectives. You will learn about Power and how to increase it ethically, and how to work within the Organizational Politics environment. You will also develop your skills at Negotiating such things as salary and raises, and how to resolve Conflicts without hurting relationships. These seven leadership skills will help you succeed in your personal and professional lives.
Your Leadership Point of View

Everyone has different views on leadership and who they regard as a leader. Leadership starts within you as a self-leader—your thoughts, attitudes, beliefs, and perception about leadership. Effective leaders have a clear leadership point of view—a vision of the type of leader they strive to be. Career decisions are among the most important choices you have to make. Important types of questions related to leadership include: What is leadership to you? How would you describe a leader? Do you consider yourself a leader? What is your view of servant leadership? Developing a leadership point of view takes self-assessment, time, and reflection, and it should be based on knowledge of leadership. Based on the type of leader you strive to be, you should develop your leadership skills. Developing Your Leadership Skills exercises 1.1–1.3 will help get you started developing your leadership point of view. As you progress through the book, especially Chapter 2 because your leadership style is reflected in your personality, you should refine your leadership point of view. So, developing your leadership point of view can be considered “a course on you!”

LEADERSHIP MANAGERIAL ROLES

1.4 List the ten managerial roles based on their three categories.
In this section, we discuss what leaders do on the job—the management roles they play. Skills are transferable, or we use them, often without even realizing it, whenever we do anything; whereas, roles are clearly defined. How well people play the ten roles discussed here is based on their skills—or their ability to perform technical tasks, their interpersonal relationships, and their ability to make decisions while playing each role. For example, quantitative, computer, reading, and other skills help a leader perform managerial roles more effectively.

Henry Mintzberg identified ten managerial roles that leaders perform to accomplish organizational objectives. He grouped these roles into three categories. The managerial role categories are interpersonal, informational, and decisional. Exhibit 1.3 shows the ten managerial roles, based on the three categories.

### Interpersonal Roles

The interpersonal leadership roles include figurehead, leader, and liaison. Interpersonal skills are needed to successfully play interpersonal roles.

- The **leader role** is that of performing the management functions (planning, organizing, staffing, leading, and controlling) to effectively operate the managers’ unit to accomplish organizational objectives. Therefore, the leader role influences how the leader performs the other roles. You will learn more about the leadership role throughout this book.

- Leaders perform the **figurehead role** when they represent the organization or department in legal, social, ceremonial, and symbolic activities. Here are some of the figurehead activities: signing official documents; entertaining clients or customers as official and ceremonial events; informally talking to people and attending outside meetings as a firm representative; presiding at meetings.

- Leaders perform the **liaison role** when they interact with people outside their organizational unit. Liaison behavior includes networking to develop and maintain relationships, serving on committees with members from outside the organizational unit, and attending professional/trade association meetings.

### Informational Roles

The informational leadership roles include monitor, disseminator, and spokesperson. Informational role success is also based on interpersonal skills.
Leaders perform the *monitor role* when they gather information by talking to others, reading (memos, reports, professional/trade publications, newspapers, etc.), attending meetings, visiting competitor facilities, and so forth.

Leaders perform the *disseminator role* when they send information to others within the organizational unit. Using information translated into skills that advance the organization is now often being referred to as *knowledge management*.

Leaders perform the *spokesperson role* when they provide information to people outside the organizational unit. People must report information to their boss and other departments, customers, suppliers, and so forth.

### Decisional Roles

The *decisional leadership roles* include entrepreneur, disturbance handler, resource allocator, and negotiator. Decision-making skills are important and are needed to be successful in decisional roles.

- Leaders perform the *entrepreneur role* when they innovate new or improved products and services and initiate improvements in business processes.

- Leaders perform the *disturbance-handler role* when they take corrective action during a crisis that interrupts business, such as a natural disaster, or emergencies like a breakdown of important machines/equipment or needed material not arriving as scheduled. Leaders typically give this role priority over all other roles during the disruption.

- Leaders perform the *resource-allocator role* when they schedule, request authorization, and perform budgeting activities. Deciding who gets the limited resources is important as people may seek self-interest that may not be in the best interest of the organization.

- Leaders perform the *negotiator role* when they represent their organizational unit during transactions that do not include set boundaries, such as only one price and term of a sale or purchase for a product/service, the pay of an employee, or a raise for themselves.

### WORK APPLICATION 1.4

For each of the three categories give one job example of the specific behavior you or some other leader performed when fulfilling one of the ten managerial roles within each category. For each of the roles you have chosen, be sure to identify the leader as you or another, the role by its name, and the specific behavior.

Although managers are responsible for all ten roles, which roles are most important—and which roles the manager performs and which are performed by other leaders—will vary based on the manager’s job and the organizational environment. You should now begin to realize we perform the leadership roles regardless of management title.
OPENING CASE APPLICATION

4. **What managerial leadership roles does CEO Jeff Bezos perform at Amazon?**

Like all managers who are good leaders, Jeff Bezos plays all ten roles, and he delegates these roles to his followers. His interpersonal roles include signing documents; entertaining customers; running and attending meetings; leadership development and evaluation of followers; and serving on committees and boards.

His informational roles include extensive communications. Bezos is consistently analyzing information in the monitoring role and sending information in his disseminator role and is clearly the spokesperson for the company in the decisional role category. Bezos is an entrepreneur. His other roles include developing new products to keep ahead of the competition and dealing with disturbances created by local and foreign government business laws and regulations.

**Applying the Concept 1.2**

**Leadership Managerial Roles**

Identify each of the following 17 behaviors by its leadership role. Write the appropriate letter on the blank before each item.

**Interpersonal Roles**

a. leader  
 b. figurehead  
 c. liaison

**Informational Roles**

d. monitor  
 e. disseminator  
 f. spokesperson

**Decisional Roles**

g. entrepreneur  
 h. disturbance handler  
 i. resource manager  
 j. negotiator

_____ 7. The manager is selecting the employees who will be given overtime work and pay.  
_____ 8. The manager is telling the employees who will be getting the overtime work and pay.  
_____ 9. The supervisor is being promoted to middle management and is discussing her pay for the new job.  
_____ 10. The supervisor is disciplining an employee for smoking on the job.  
_____ 11. The leader is visiting a competitor’s Web site to find out its prices.  
_____ 12. The leader is getting the maintenance crew to come fix a broken pipe and clean up a flood of water in the work area.  
_____ 13. The manager has decided to stop having customers sign credit card receipts for less than $50 to speed up the checkout line.
14. The manager is breaking up a fight between two employees and getting the other employees to get back to work.

15. The manager is e-mailing the employees to inform them of their work hours for next week.

16. The manager in productions is talking to the manager in facilities about performing routine maintenance for the department equipment.

17. An employee quit and the manager is in the process of replacing the person.

18. The manager is signing a purchase order for new equipment.

19. The public relations leader is sending a press release to the local newspaper.

20. The manager has been given $1,000 to split and give to two of his 20 employees as bonuses.

21. The purchasing manager is discussing the price of an expensive new machine, and its installation and maintenance contract deal.

22. At the company annual employee meeting, the CEO is passing out awards for excellent performance.

23. The manager is reading the monthly trade journal.

LEVELS OF ANALYSIS OF LEADERSHIP

LEARNING COMPETENCIES

1.5 Explain the interrelationships among the levels of leadership analysis.

One useful way to classify leadership and research is by the levels of analysis. The three levels of analysis are individual, group, and organizational. Most leadership theories are formulated in terms of processes at only one of these three levels. You will briefly learn about each level, and their interrelationship, in this section, and the details throughout the book.

Three Levels of Analysis

* The individual level of analysis of leadership focuses on the individual process of influencing others to achieve objectives through change. In Parts One and Two, “Individuals as Leaders” (Chapters 1–4) and “Leadership Skills,” (Chapters 5–6) our focus is on the individual level of analysis.

* The group or team level of analysis of leadership focuses on the relationship between two or more individuals. This second level is a group process. Group leaders need to coordinate team members’ activities and get them to work collaboratively using teamwork skills. You will learn about and develop team leadership skills in Part Three, “Team Leadership” (Chapters 7–8). An important part of the group process is meetings. In Chapter 8, you will learn how to conduct productive meetings.

* The organizational level of analysis focuses on the organization’s performance, such as profits, and is also called organizational process. You will learn more about determinants of organizational performance in Part Three, “Organizational Leadership” (Chapters 9 through 12).
YOU MAKE THE ETHICAL CALL: SOCIAL AND ETHICAL IMPACT

1.2 EXECUTIVE COMPENSATION

Executive compensation is a complex and controversial subject. On one side of the debate, executive management skill has a direct impact on the success of the firm. Top executives should be paid multimillion-dollar compensation packages; after all, if it were not for some effective CEOs, companies would not be making the millions of dollars of profits they make each year. They deserve a piece of the pie they helped create. Like athletes, very few make it to the high-paying professional level. In capitalist countries, talented CEOs, like in pro sports, are entitled to fetch their price.

On the other side, top executives have been criticized for being overpaid. In the past 10 years, CEO pay at S&P 500 companies increased more than $340,000 a year to an average of $14.8 million in 2019. Meanwhile, the average production and nonsupervisory worker saw a wage increase of $836 a year, earning on average just $41,442 in 2019. The average S&P 500 company CEO-to-worker pay ratio was 264-to-1.133 Alphabet (Google) CEO Sundar Pichai was the highest paid at $280,621,552 and the second to tenth highest paid ranged from $66,935,100 to $44,045,070.134 Some say top executives are being overpaid.

1. Do executives deserve to make 264 times as much as the average worker?
2. Is it ethical for managers to take large pay increases while laying off employees and when giving them only small raises?
3. Are companies being socially responsible when paying executives premium compensation?
4. What is the social impact of this pay gap?

OPENING CASE APPLICATION

5. Which level of analysis is the primary focus of CEO Jeff Bezos at Amazon?

Being the CEO, Bezos is responsible for the performance of the entire organization and for the well-being of around 800,000 people that Amazon employs globally. Therefore, he focuses primarily on the organizational level of analysis. But Bezos has lots of teams working on innovative products and processes that he oversees, as well as individuals that report directly to him (Global View).

Interrelationships Among the Levels of Analysis

Individuals work independently and interdependently in teams and shared task performance, which in turn, leads to organizational performance.135 Collaboration creates high-performing individuals, teams, and organizations, and in today’s global environment collaboration is critical (Global View).136 Exhibit 1.4 illustrates the interrelationships among the levels of analysis of leadership. Note the individual is placed at the bottom of the triangle because group and organizational performance are based on individual performance. It has been said that an organization is the sum of all of its individual transactions. Depending on the size of the group and organization you work for, your individual performance may influence the performance of the group and organization positively or negatively.
If individual performance is low throughout the organization, the triangle will fall because it will not have a firm foundation, or performance will be low. The group part of the triangle supports the organizational side. So if the groups are not effective, the triangle will fall or organizational performance will be low. At the same time, both group and organizational performance affect the performance of the individual. If groups are highly motivated and productive (or not productive), chances are the individual will be productive (or not) as well. Success tends to be contagious. Working for a winning organization like Google tends to motivate individuals to perform at their best to stay on top. However, an organization and its performance are more than the simple sum of its individuals and groups.

**LEADERSHIP THEORY PARADIGMS**

**LEARNING COMPETENCIES**

1.6 Compare and contrast the following leadership theories: trait, behavioral, contingency, and integrative theories.

The first thing we need to do is define the important concepts of this section. A leadership theory is an explanation of some aspect of leadership; theories have practical value because they are used to better understand, predict, and control successful leadership. So, the main purpose of a theory is to use it to improve performance in the real world. There are four major classifications of leadership theory, also called research approaches, used to explain leadership. Leadership theory classifications include trait, behavioral, contingency, and integrative theories. In this section, we discuss each classification and indicate where it is covered in more detail later in this book.

The leadership paradigm has changed in the 60+ years during which it has been studied. The four major classifications of leadership theory all represent a change in the leadership paradigm.

**The Trait Theory Paradigm**

In the early 1900s, leadership studies were based on the assumption that leaders are born, not made. Researchers wanted to identify a set of characteristics or traits that distinguished leaders...
from followers, or effective leaders from ineffective leaders. **Leadership trait theories** attempt to explain distinctive characteristics accounting for leadership effectiveness. Researchers analyzed physical and psychological traits, or qualities, such as high energy level, appearance, aggressiveness, self-reliance, persuasiveness, and dominance, in an effort to identify a set of traits that all successful leaders possessed.

The list of traits was to be used as a prerequisite for promoting candidates to leadership positions. Only candidates possessing all the identified traits would be given leadership positions. You will learn more about trait theory in Chapter 2.

**The Behavioral Leadership Theory Paradigm**

By the 1940s, most of the leadership research had changed its paradigm, going from trait theory to focusing on what the leader did on the job (behavior). In the continuing quest to find the one best leadership style in all situations, researchers attempted to identify differences in the behavior of effective leaders versus ineffective leaders. Another subcategory of behavioral leadership focuses on the nature of management work. Thus, **behavioral leadership theories** attempt to explain distinctive styles used by effective leaders, or to define the nature of their work. Mintzberg’s ten managerial roles are an example of behavioral leadership theory. Behavioral research focuses on finding ways to classify behavior that will facilitate our understanding of leadership. You will learn about some of the most popular behavioral leadership theories in Chapter 3.

**WORK APPLICATION 1.5**

Give examples of traits and behaviors that helped make your past or present manager a successful leader.

**The Contingency Leadership Theory Paradigm**

Both the trait and behavioral leadership theories were attempts to find the one best leadership style in all situations; so they are called **universal theories**. However, the right answer often depends on the situation. Thus, the leadership paradigm shifted to contingency theory in the 1960s. **Contingency leadership theories** attempt to explain the appropriate leadership style based on the leader, followers, and situation. In other words, which traits and/or behaviors will result in leadership success given the situational variables. You will learn about the major contingency leadership theories in Chapter 4.

**The Integrative Leadership Theory Paradigm**

In the mid-to-late 1970s, the paradigm began to shift to the integrative, to tie the theories together, or neo-charismatic theory. As the name implies, **integrative leadership theories** attempt to combine the trait, behavioral, and contingency theories to explain successful, influencing leader–follower relationships. Theories identify behaviors and traits that facilitate the leader’s effectiveness and explore why the same behavior by the leader may have a different effect on followers, depending on the situation. Current research is studying charismatic and transformational leadership, servant leadership, which are discussed in Chapter 10. The integrative leadership theory paradigm is emphasized in our definition of leadership and thus influences this entire book, especially Chapters 7 through 12.
Applying the Concept 1.3

Leadership Theories

Identify each research approach by its leadership theory paradigm. Write the appropriate letter in the blank before each item.

a. trait
b. behavioral
c. contingency
d. integrative

24. A researcher is giving a job applicant a personality test.
25. A researcher is determining which leadership style is most appropriate.
26. A researcher is observing managers’ actions as they interact with employees.
27. A researcher is attempting to understand how managers influence employees to achieve high levels of performance.
28. A researcher is attempting to determine if the way managers dress influences their effectiveness.

OBJECTIVES AND ORGANIZATION OF THE BOOK

LEARNING COMPETENCIES

1.7 Describe the three objectives of the book and how it is organized.

In this section, we discuss the three objectives of the book and describe the two ways it is organized.

Objectives of the Book

Let’s start with a rationale for the three objectives of the book. Employers recruit students with leadership skills, so leadership is a core competency for career readiness. Unfortunately, over 85 percent of business leaders say college graduates do not possess the skills needed to succeed on the job, and students are not prepared to lead. Thus, students want to be engaged in interactive learning and develop practical job skills. We need to support individual competencies including leadership knowledge, abilities, and skills.

The overarching objectives of this book are reflected in its subtitle: Theory, Application, and Skill Development. We call it a three-pronged approach, with these objectives:

- To teach you the theory and concepts of leadership knowledge
- To develop your ability to apply leadership theory through critical thinking
- To develop your leadership skills in your personal and professional life

There has been a call to bridge the gap between research and practice (knowing and doing) to teach students how to apply the concepts, and for students to develop leadership skills. To
meet these calls, unlike most other books, ever since our first edition, we don’t simply teach you leadership theory; we develop your ability to apply the theory and develop skills. This book offers some unique features relating to each of the three objectives (see Exhibit 1.5). We encourage you to turn back to the preface and read our goals in writing this book, and the descriptions of the features so you can get the most from this book.

Leadership Theory

A theory answers the questions of how, when, and particularly why of leadership. Conceptual knowledge is the foundation for its application and skill development, or if you don’t understand something, how can you apply it and develop skills? Throughout this book, you will learn about several leadership theories and the concepts on which they are based. As shown in Exhibit 1.5, this book offers six features to help you learn the leadership theory. The theories and concepts you will learn are based on research (EBM) and are considered important (AACSB), as discussed here.

EXHIBIT 1.5 ■ The Three-Pronged Approach: Features of the Book

<table>
<thead>
<tr>
<th>Theory</th>
<th>Application</th>
<th>Skill Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>Opening cases</td>
<td>Self-Assessments (online only)</td>
</tr>
<tr>
<td>References</td>
<td>Business examples</td>
<td>Case role-playing exercises</td>
</tr>
<tr>
<td>Learning Competencies</td>
<td>Work Applications (both in the reading and online)</td>
<td>Step-by-step behavior models</td>
</tr>
<tr>
<td>Key terms</td>
<td>Concept applications</td>
<td>Behavior model videos (online only)</td>
</tr>
<tr>
<td>Summary</td>
<td>Critical-Thinking Questions</td>
<td>Developing your leadership skills</td>
</tr>
<tr>
<td>Review questions</td>
<td>Cases</td>
<td>exercises</td>
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<tr>
<td></td>
<td>Videos (online only)</td>
<td>Behavior modeling training</td>
</tr>
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<td></td>
<td>You Make the Ethical Call</td>
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</tbody>
</table>

Evidence-Based Management

Research-based knowledge is relevant and useful to practice, and evidence-based management translates theory into workplace behavior. Evidence-based management (EBM) means that decisions and organizational practices are based on the best available scientific evidence. The theories and concepts you will learn in this book are based on scientific research (not opinions, outdated research, or myths). If you look at the references at the end of this book, you will see that a majority of the journal articles are published by the premier professional association, the Academy of Management (AoM), and what it publishes is relevant to practicing leaders. However, unlike the AoM journals, we write about the theory and concepts at a level that is easy to read and understand.

Our objective is to move you away from making decisions based on feeling, personal preference, and unsystematic experience toward EBM. So the question isn’t can you develop your leadership skills through this book, the question is “Will you do the work to improve your leadership competencies?” If you go to the next level and apply EBM theory and concepts, you can develop your leadership skills.
AACSB 2020 Business Accreditation Standards

It is important to develop leadership competencies. So how do we know what leadership competencies are important to your career success? For the answer, we turned to the Association to Advance Collegiate Schools of Business (AACSB). To attain AACSB accreditation, the college must validate assurance of learner success and must identify competency standards. AACSB competencies throughout this standard are understood to broadly encompass knowledge (we provide text theory), skills (we have skills activities), and abilities (we include application activities of theory).

AACSB advocates for skills that effective leaders have, such as communication skills, analytical thinking, ethical reasoning, interpersonal relations and teamwork, and application of knowledge. Two growing areas of importance include working with a diversity of people including multicultural skills and having a global mindset, which we discuss in Chapter 11 (Global View).

Application of Leadership Theory

AACSB stresses the application of knowledge, and the application of knowledge requires critical-thinking skills. Critical-thinking skills are in high demand in the workplace as they are often considered more important than technical skills, and they will continue to grow in importance in the next five years.

Students can understand the application of concepts through real-world examples. We provide business applications throughout the book referencing popular press such as BusinessWeek, Forbes, Fortune, and The Wall Street Journal, providing a balance of academic research and business practice. However, reading is only one way to apply concepts. The book and online resources offer you eight features (see Exhibit 1.5, the Application column) to practice applying the concepts and theory.

Leadership Skill Development

Employers want graduates with leadership skills. Thus, students need to be given the opportunity to practice their leadership skills. All of the Developing Your Leadership Skills exercises state AACSB General Skills Areas developed through completing the exercise.

To this end, this book offers you six features (see Exhibit 1.5, the Skill Development column) to help you develop your leadership skills. We also discuss a model versus an exhibit, behavior modeling, and the need to practice the skills next.

Models Versus Exhibits

All of the behavioral “models” in this book provide specific, step-by-step instructions, and they are labeled as models. They are “prescriptive models.” When we offer general advice without specific instruction, we label the guidelines “exhibits.” However, the purpose of both models and exhibits is to help you improve your performance.

Behavior Modeling Leadership Skills Training

In some of the chapters, the features listed in Exhibit 1.5 are combined in behavior modeling skills training. For these exercises, you may do a self-assessment, read the step-by-step models, and practice using the model through a skill-development exercise.

Practice

As with just about everything in life, you cannot become skilled by simply reading or trying something once. Vince Lombardi said that leaders are made by effort and hard work. If we want
to develop our leadership skills, we need to learn the leadership concepts, apply the concepts, and do the preparation and skill-development exercises. But most importantly, you need to be disciplined to practice using your leadership skills in your personal and professional lives. Think of leadership development as a sport. If you don’t practice, you will not be good at it, and you will lose the skill you do have over time. Are you committed to developing your leadership skills?

**Flexibility**

This book has so many features they most likely cannot all be covered during a one-semester course. Your instructor will select the features to be covered that best meet the course objectives and the amount of class time available. You may do some or all of the features not covered in the course on your own, or do some exercises with the assistance of others outside of class.

**Organization of the Book**

This book is organized by level of leadership analysis and leadership theory paradigm. See Exhibit 1.6 illustrates the organization of this book.

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**EXHIBIT 1.6  ■ Organization of the Book, Including Level of Analysis and Leadership Paradigm**

<table>
<thead>
<tr>
<th>Part One: Individuals as Leaders</th>
</tr>
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<tbody>
<tr>
<td>(Individual-level analysis of leadership theory—–Trait, Behavioral, and Contingency Leadership Theories)</td>
</tr>
<tr>
<td>1. Who Is a Leader and What Skills Do Leaders Need?</td>
</tr>
<tr>
<td>2. Leadership Traits and Ethics</td>
</tr>
<tr>
<td>3. Leadership Behavior and Motivation</td>
</tr>
<tr>
<td>4. Contingency Leadership Theories</td>
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<tr>
<th>Part Two: Leadership Skills</th>
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</thead>
<tbody>
<tr>
<td>(Individual-level analysis of leadership theory—–Trait, Behavioral, and Contingency Leadership Theories)</td>
</tr>
<tr>
<td>5. Communication, Coaching, and Conflict Skills</td>
</tr>
<tr>
<td>6. Influencing: Power, Politics, Networking, and Negotiation</td>
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<table>
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<tr>
<th>Part Three: Team Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Group-level analysis of leadership theory—–Integrative Leadership Theory Applications)</td>
</tr>
<tr>
<td>7. Leader–Member Exchange and Followership</td>
</tr>
<tr>
<td>8. Team Leadership and Self-Managed Teams</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Part Four: Organizational Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Organizational-level analysis—–Integrative Leadership Theory Applications)</td>
</tr>
<tr>
<td>9. Managing Change and Crisis Leadership</td>
</tr>
<tr>
<td>10. Charismatic, Transformational, and Servant Leadership</td>
</tr>
<tr>
<td>11. Leadership of Culture, Diversity, and Inclusion</td>
</tr>
<tr>
<td>12. Strategic Leadership and High Performing Organizations</td>
</tr>
</tbody>
</table>
The chapter summary is organized to answer the seven learning outcomes for Chapter 1.

**LC 1.1 Describe the importance of leadership development both personally and professionally.**

Leaders within organizations develop the tone and direction of the organization, make key decisions, and create strategic plans. Success or failure largely is based upon these factors.

The better you can work with people, the more successful you will be in both your personal and professional lives.

**LC 1.2 Briefly describe the five key elements of leadership.**

1. **Leader–Follower**—leaders influence the behavior of followers and vice versa.
2. **Influencing**—the relationship between leaders and followers, who change roles.
3. **Organizational objectives**—outcomes that leaders and followers want to accomplish.
4. **Change**—needed to achieve objectives.
5. **Trusting Relationships**—leadership is about leading people.

**LC 1.3 Identify three leadership skills.**

1. **Technical skills** involve the ability to use methods and techniques to perform a task.
2. **Interpersonal skills** involve the ability to understand, communicate, and work well with individuals and groups through developing effective relationships.
3. **Decision-making skills** are based on the ability to conceptualize situations and select alternatives to solve problems and take advantage of opportunities.

**LC 1.4 List the ten managerial roles based on their three categories.**

1. Leaders perform the interpersonal role when they act as figurehead, leader, and liaison.
2. Leaders perform the informational role when they act as monitor, disseminator, and spokesperson.
3. Leaders perform the decisional role when they act as entrepreneur, disturbance handler, resource allocator, and negotiator.

**LC 1.5 Explain the interrelationships among the levels of leadership analysis.**

The three levels of leadership analysis are individual, group, and organizational. Individual performance affects group and organizational performance. Group performance affects organizational performance. Both the group and organization affect individual performance.

**LC 1.6 Compare and contrast the following leadership theories: trait, behavioral, and contingency theories.**

The similarity between the trait and behavioral leadership theories is that they are both universal theories, or they are seeking one best leadership style for all situations. The difference is the approach to determining leadership effectiveness. Trait theory attempts to explain personal
characteristics of effective leaders, whereas behavioral theory attempts to explain what leaders actually do on the job.

The contingency theory is interrelated with the trait and behavioral leadership theories because it uses these two theories as the foundation for determining which leadership style is most appropriate—based on the leader, followers, and situation.

Integrative theory attempts to make connections between each of these theories.

LC 1.7 Describe the three objectives of the book and how it is organized.

The three objectives are (1) to teach the theory and concepts of leadership, (2) to develop the ability to apply leadership theory through critical thinking, and (3) to develop personal and professional leadership skills.

The book is organized in two ways: (1) It is organized by the level of leadership analysis going from the individual to the group to the organizational level. (2) The first two parts, Individuals as Leaders and Leadership Skills, are based primarily on the trait, behavioral, and contingency leadership paradigms. Parts three and four, team leadership and organizational leadership, are based primarily on the integrative leadership theory paradigm.

KEY TERMS

behavioral leadership theories (p. 23)  
contingency leadership theories (p. 23)  
decisional leadership roles (p. 18)  
decision-making skills (p. 14)  
evidence-based management (EBM) (p. 25)  
influencing (p. 11)  
informational leadership roles (p. 17)  
integrative leadership theories (p. 23)  
interpersonal leadership roles (p. 17)  
interpersonal skills (p. 14)  
leadership (p. 10)  
leadership paradigm (p. 6)  
leadership theory (p. 22)  
leadership theory classifications (p. 22)  
leadership trait theories (p. 22)  
leading (p. 6)  
levels of analysis of leadership theory (p. 20)  
managerial role categories (p. 17)  
self-serving leader (p. 8)  
servant leader (p. 8)  
technical skills (p. 13)

REVIEW QUESTIONS

1. Why is leadership important?
2. What are the five key elements in our leadership definition? How do the elements interrelate to form this definition?
3. Are leaders born or made, and can leadership skills be developed?
4. List and define the interpersonal managerial leadership roles.
5. List and define the informational managerial leadership roles.
6. List and define the decisional managerial leadership roles.
7. List and define the levels of analysis of leadership theory.
8. List and define the leadership theory paradigms.
9. How can the shift in paradigm from management to leadership possibly help—and hurt—the management profession?

10. What are the three-pronged approach objectives to this book?

CRITICAL-THINKING QUESTIONS

The following critical-thinking questions can be used for class discussion and/or as written assignments to develop communication skills. Be sure to give complete explanations for all questions.

1. Should leadership be the manager’s job, or should leadership be a shared process?

2. Are you interested in sharing leadership, or do you prefer to be a follower?

3. Some people say the hard skills (e.g., finance, quantitative analysis) are more important for managers than soft skills (e.g., interpersonal skills) and some say the opposite is true. What is your view?

4. Should leadership courses focus on teaching students about leadership or on teaching students to be leaders?

5. Can college students develop their leadership skills through a college course? Why or why not?

6. Is leadership ability universal, or is a good leader in one environment also effective in another? For example, can a leader in one industry (e.g., a hospital) be successful in another industry (e.g., a bank)?

CASE STUDY

Kim Ng Hits a Home Run With Her Leadership Skills

Kim Ng was hired as the general manager (GM) for Major League Baseball’s (MLB) Miami Marlins before the 2021 season. She became the first person of East Asian descent to run an MLB team and the first female to serve as a GM for any men’s professional league in North America. Through her 30 years in professional baseball, she has been able to use her leadership skills to assert influence over others in challenging and complex situations.

Background

Kim Ng was described as a “real natural leader” by her former softball coach from the University of Chicago where she earned a bachelor’s degree in public policy in 1990 and began her career as an unpaid intern with the Chicago White Sox. In 2015, Forbes ranked Ng #13 on its list of the most influential minorities in sports, and three years later she was tabbed #11 among the list of the most powerful women in sports. When Derek Jeter hired Ng to oversee the Miami Marlins in November 2020, she had the distinction of being the first person of East Asian descent to run an MLB team and the first female to serve as a GM for any men’s professional league in North America. Table 1.1 outlines Ng’s rise through the MLB starting with the unpaid internship with the Chicago White Sox to her current position with the Miami Marlins.

While the debate between whether leaders are made or born looms large, there is little question that Ng has been intentional in her development of the leadership skills necessary for success.
in the business of professional baseball. She has unequivocally demonstrated the merit in both arguments that effective leadership is a function of both nature (e.g., natural personality) and nurture (e.g., skill development). Her ascent through the ranks of professional baseball included numerous positions of authority, but more important than using her title as a weapon of persuasion, she has been successful in using an arsenal of soft and hard skills to influence others on monumental decisions and policies impacting teams and the league.

A managerial approach divides leadership skills into three dimensions: (1) technical; (2) interpersonal; and (3) decision making (or conceptual). To truly assert influence over tasks and individuals, especially in extraordinary conditions, leaders must cooperatively draw from all three dimensions. The three dimensions of leadership skills can be symbolically expressed as the bases on a baseball diamond, with home plate representing successful influence, especially over challenging individuals and situations, acquired by applying all three skills (see Figure 1.1).
First Base: Technical Skills

Technical skills involve the ability to use and apply the methods, tools, procedures, or techniques to perform a task. Typically, first-line employees in an organization are adept or trained to be proficient in the technical skills required of their role assignment or job duties (e.g., operating machinery or software). Technical skills that are general in nature (e.g., digital literacy; creating a force field analysis) or particular to an industry (e.g., first-aid administration; scoreboard operations) are typically introduced in a college classroom setting and practiced in a vocational setting or via on the job training. Leaders and executives accrue technical skills over time through work-related experiences and remain relatively familiar with functional operations, however, they rarely continue engaging in routine procedures to the extent of middle management or lower-tiered employees.

Ng’s exposure to business-related technical skills in professional baseball began when she was drawing charts, compiling scouting reports, and recording statistics in a sophisticated computer program while volunteering in 1990 as an unpaid intern for the Chicago White Sox. When she was promoted to the role of a special projects analyst and then director of baseball operations, a position she continued with the White Sox until 1996, she became more adept in the use of scouting software and data capture analytics. As the director of waivers and records for the American League Office, she developed astute research skills and exercised the specific technical expertise necessary for drafting reports and administering documents. When she assumed the title of assistant general manager for the New York Yankees organization and then the Los Angeles Dodgers, Ng learned and reinforced the technical skills related to managing player contracts, draft procedures, free agency, and immigration protocols. With the Dodgers, organization she also applied specific technical skills to set up a video system for major and minor league players to review at-bats. The depth of the technical skills amassed over experiences in different roles has added to Ng’s ability to truly exert meaningful influence over others.

Second Base: Interpersonal Skills

Interpersonal skills are occasionally referred to as relational or “people” skills predicated on an ability to effectively communicate, understand, and interact with individuals and groups. The ability to communicate clearly, powerfully, and accurately through writing (e.g., emails; memos; proposals) and verbally (e.g., conversations, meetings, pitches, speeches) is necessary for leaders to operate with maximum effectiveness, but relational skills are the highly valued commodity especially when challenged in a situation where the desired outcome necessitates influence. Effective interpersonal skills allow leaders to develop relationships that are instrumental in influencing major or complex decisions or changing the minds of individuals with opposing viewpoints. These relational skills are represented by a wide range of personal aptitudes such as emotional regulation, empathy, self-awareness, social awareness, social judgment, expressiveness, intercultural competence, sensitivity, and the capacity to develop others. Delegation is a valuable interpersonal skill, if used correctly, to develop future leaders. The ability to motivate others, a necessary means to assert influence, also falls under the umbrella of interpersonal skills.

In her role as vice president and assistant general manager of the Dodgers, Ng was known for regularly arranging dinners during spring training for players and front office personnel of Asian descent. Creating a setting to facilitate dialogue among an ethnic population spanning disparate areas of the Dodgers franchise exemplifies how interpersonal skills can diminish the structural barriers created by hierarchy within an organization that can impede open communication. She also demonstrated her savvy interpersonal skills by routinely playing from the men’s tees in golf outings and hosting cookouts for her male colleagues after Sunday afternoon games.
Strong interpersonal skills are vital to negotiations and much of Ng’s career with the Dodgers and New York Yankees included overseeing salary arbitration cases. To influence a desired outcome in a business negotiation such as representing the owners in arbitration or contracting with a third-party vendor, successful leaders use their interpersonal skills to effectively communicate the justification or rationalization for specific terms of an agreement. Ng is not unlike the many successful leaders who use their interpersonal skills to develop and leverage relationships as a means to positively impact trustworthiness and credibility in the negotiation process.

Ng has a natural ability to make others feel comfortable which has served her well in all phases of her employment in MLB. A former supervisor noted, “She was probably the smartest person in the room, and never had to make everybody feel that way.” However, when times necessitated a different approach to working with colleagues or staff, it was noted that she could command a room as she often did as a vice president for the MLB during frequent meetings with authorities in China, India, the Dominican Republic, and other Latin American countries where she oversaw international scouting and development. Ng’s interpersonal skills are a testament to her fierce yet compassionate personality reminiscent of successful leaders known for ruling with an iron fist in a velvet glove.

Third Base: Decision-Making Skills (Conceptual Skills)

Decision-making skills require the ability to conceptualize situations and select alternatives to solve problems and take advantage of opportunities. Included among decision-making skills are goal setting, time management, analytical thinking, quantitative reasoning, anticipation, visioning, forecasting, problem recognition, opportunity-and-threat analysis, solution construction, idea evaluation, innovation, risk assessment, creativity, resourcefulness, and strategy formulation. The ability to perceive trends, anticipate changes, and implement strategies are all vital leadership skills related to the function of decision making.

Ng’s decision-making skills were apparent in her role with the White Sox, Yankees, and Dodgers when she influenced player contracts and arbitration cases. In the American League office, she approved team transactions and at the MLB headquarters, she created and enforced policies associated with international signing rules. While her various positions within the leadership or management structure of each professional baseball organization provided her the authority to make decisions, Ng still demonstrated all the aforementioned skill sets related to decision-making processes.

Home Plate: Leadership Influence

Leadership influence is the ability to impact the ideas, decisions, behaviors, choices, and attitudes of others. Only through the combined application of technical, interpersonal, and decision-making skills is a leader able to increase the likelihood of asserting influence over intricate and complex situations and individuals with opposing views or who are skeptical of change.

Kim Ng proved throughout her 30 years in MLB that she possesses superior leadership influence whether it was best showcased by becoming the youngest person to present (and win) a salary arbitration case or when she reached a cordial agreement with nine players before the deadline for exchanging salary numbers with team owners or when she revamped the Caribbean winter league season. She has been a force in influencing the growth of baseball internationally in her previous role with the league headquarters where she exerted influence as the chair of the MLB diversity, equity, and inclusion committee and revamped the entire Caribbean winter league. Now Ng is facing a task to surpass expectations and exert her leadership influence as general manager of the Miami Marlins.
Conclusion

The baseball framework systemizes the leadership skills into three domains which, when collectively applied, results in leadership influence. Leaders such as Kim Ng are much more complex than their technical, interpersonal, and decision-making skills. Exploring her application of the three domains of skills provides insight into the complexity of leadership, especially when asserting influence over others for implementing monumental changes such as new immigration protocols or revamping an entire winter league for a Latin American country.

Kim Ng is an exceptional example of a leader who has proven her ability to effectively assert influence in complex situations due to a combination of industry knowledge, intellectual capacity, and personal attributes that she innately possesses yet has diligently worked to develop over time.

—Case contributed by Bonnie Tiell, Tiffin University

DEVELOPING YOUR LEADERSHIP SKILLS 1.1

Getting to Know You by Name

Preparing for This Exercise

Complete the Self-Assessment: Recalling Names and read the accompanying information before class.

Objectives

- To get acquainted with some of your classmates
- To get to know your instructor
- To develop your skill at remembering and calling people by their name

AACSB General Skills area

The primary AACSB skill developed through this exercise is communication ability with application of knowledge.

In this chapter, you learned about the importance of leader–follower relationships. An important part of leadership relations is making people feel important. Being able to call people by name will improve your leadership effectiveness.

Tips for remembering people’s names

- The first thing you need to do is make a conscious effort to improve your skill at calling people by name. If you say you are no good at remembering names, you won’t be. If you say, “I can be good at it,” and work at it, you can.
- When you are introduced to a person, consciously greet them by name. For example, say, “Hi, Juan, glad to meet you.” Then, during your conversation, say the name a few more times until it sticks with you. Use the person’s name when you ask and answer questions.
- When you meet a person whom you will see again, without being introduced by someone else, introduce yourself by name—and get the other person to say their name. Then, as before, call them by name during your conversation. For example, if you get to class early and want to talk, introduce yourself to someone rather than just talking without learning the person’s name. If someone you don’t know just starts talking to you, introduce yourself.
- When you are in a small group being introduced to people, don’t just say “hi” and ignore the names. Depending on the number of people, you can say “hello” and repeat each name
as you look at the person. If you don’t remember a name, ask. Just say, “I’m sorry, I didn’t get your name.” You may also want to mentally repeat the person’s name several times. As you talk to the people in the group, use their names. If you forget a name, listen for others to say it as the discussion continues.

• If you have been introduced to a person and forget their name the next time you meet them, you have two choices. You can apologetically ask them their name. Or, before talking to the person, you can ask someone else for the person’s name, and then greet them by name. Again, use the person’s name during the conversation.

• Use association to help you remember. For example, if you meet John Higby, you could picture him hugging a bee. If the person’s name is Ted, picture him with the body of a teddy bear. If you know the person likes something, say tennis, picture them with a tennis ball on their head. Think of other people you know who have the same name and make an association.

• Ask for a business card, or ask for the person’s telephone number so you can write it down; this will help you remember the name.

• Write down the person’s name and some information about them after you meet them. Sales representatives use this technique very effectively to recall personal information they may forget. If you are on a committee with people you don’t know and don’t see very often, use the membership list of names (or write them yourself). Then write an association for each person, so you can identify all members (this may be done during the meeting without drawing attention). Your notes might include personal characteristics (tall, thin, dark hair) or something about their work (marketing, engineer). Then, before the next meeting, review the list of names and characteristics so you can make the association and greet each person by name.

**Doing This Exercise**

**In-class procedure 1 (in person or online with breakout groups) (5–8 minutes)** Break into groups of five or six, preferably with people you do not know. In the group, have each member give his or her name and two or three significant things about themself. After all the members have finished, ask each other questions to get to know each other better.

**Procedure 2 (2–4 minutes)** Can anyone in the group call the others by name? If so, he or she should do so. If not, have each member repeat their name. Follow with each member calling all members by name. Be sure each person has a turn to call everyone by name.

**Procedure 3 (5–8 minutes)** Select a person to play the spokesperson role for your group. Remember, this is a leadership course. The spokesperson writes down questions in the following two areas:

- **Course**: Is there anything more you want to know about the course, such as any expectations or concerns that you have?
- **Instructor**: Make a list of questions for the instructor to get to know them better.

**Note**: for online classes, each student may submit their questions.

**Procedure 4 (10–20 minutes)** Each spokesperson asks the instructor one question at a time until all questions are asked in class. If time permits in class, people who are not the spokesperson may ask questions.

**Online** Individual students post questions for the instructor to answer for all to read and make comments or ask more questions.
CONCLUSION
The instructor may make concluding remarks.

Apply it (2–4 minutes) What did I learn from this experience? How will I use this knowledge in the future? Specifically state which tip for remembering names you will use in the future. Identify precisely when you will practice this skill: for example, on “x” day/date when I go to class—or to work, or to a party—I will introduce myself to someone I don’t know.

SHARING
In the group, or to the entire class, volunteers may give their answers to the “Apply it” questions.

Self-Assessment: Recalling Names
On the line before each statement, write Y for yes, or N for no.

1. I enjoy meeting new people.
2. I’m good at remembering people’s names.
3. When I meet new people, I learn their names and call them by name.
4. I’m interested in and willing to improve my ability to remember and use names.

If you answered yes to Questions 1–3, you have developed some skill in this area. Your answer to Question 4 indicates whether you intend to further develop your skill. The choice is yours.

DEVELOPING YOUR LEADERSHIP SKILLS 1.2

Identifying Leadership Traits and Behaviors

OBJECTIVE
To gain a better understanding of leadership traits and behavior

AACSB GENERAL SKILLS AREA
The primary AACSB skill developed through this exercise is analytic skills and application of knowledge.

Read and understand the trait and behavioral leadership theories. On the following lines, list specific traits and behaviors you believe effective leaders have or should have. Your answers may or may not be based on your observation of successful leaders.

Traits:     Behaviors:
——————————————  ——————————————
——————————————  ——————————————
——————————————  ——————————————
——————————————  ——————————————
——————————————  ——————————————

DOING THIS EXERCISE
Option 1 in class or online (5–15 minutes) Students give their answers to the instructor in class or post them online, displaying them under the heading of Traits or Behaviors. During or after the answers are listed, the class may discuss them.
Option 2 in class (in person or online with breakout groups) (10–20 minutes) Break into groups of five or six and select a leader to perform the spokesperson role (remember, this is a leadership class). The spokesperson records the answers of the group and then writes them on the board (5–10 minutes). The instructor leads a class discussion (5–10 minutes).

DEVELOPING YOUR LEADERSHIP SKILLS 1.3

Your Leadership Point of View

Objective
To begin developing your leadership point of view.

AACSB General Skills area
The primary AACSB skill developed through this exercise is analytic and reflective thinking skills and application of knowledge.

Preparing for This Exercise
Write a description of your leader point of view. Review the section Your Leadership Point of View and consider these questions when writing your point of view reflecting on the people you consider leaders, such as parents, friends, teachers, coaches, managers, coworkers.

What traits, characteristics, values do effective leaders have? What do effective leaders do and say (behavior) to motivate others to achieve common goals? How would you describe a leader? Do you consider yourself a leader? What type of leader do you want to be?

Doing This Exercise
Option 1 in class (10–20 minutes) Students tell their leadership point of view to the class, and the instructor may make comments or lead a discussion.

Option 2 in class (in person or online with breakout groups) (15–30 minutes) Break into groups of five or six and select a leader to perform the spokesperson role (remember, this is a leadership class). Each person states their leadership point of view. Then the group discusses the common answers, as the spokesperson takes some notes. Each spokesperson tells the class the common answers of its group. The instructor may lead a class discussion (5–10 minutes).

Option 3 online (0–15 minutes) Students post their leadership point of view online for everyone to read. The instructor may make comments or lead a discussion.

Apply it (3–5 minutes) Reflect on others’ leadership points of view and revise your written statement to include good ideas for your own leadership point of view. Create a document such as Word that you can revise as you progress through the book.

Ongoing application Every chapter includes concepts you may want to incorporate in your leadership point of view. In the next five chapters, we will give you the opportunity to refine your leadership point of view.