

Chapter I

The Changing Face of Leadership: The Influence of Information Technology

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Leadership, as a concept, has been with us ever since people have fashioned themselves into groups. Although the definition of leadership depends upon one's theoretical perspective, "few of us would dispute the point that leaders exercise influence, taking actions that, in one way or another, shape the behavior of others" (Mumford, Zaccaro, Harding, Jacobs, & Fleishman, 2000, p. 11). Effective leadership, however, is somewhat dependent upon the current context and environment. In this regard, it is readily apparent that advancing information technologies have forever changed the management landscape (Hitt, 2000). "As we enter the post-industrial information age, ... a premium is placed on the organization's ability to rapidly adapt to changing competitive environments and new technologies" (Mumford, Zaccaro, Connelly, & Marks, 2000, p. 167). Organizations will operate in a state of continual transformation, leaving managers to struggle in a changing environment of ambiguity and uncertainty (Hitt, 2000). Indeed, many prominent university programs are beginning to offer courses that attempt to "explore and analyze dynamic, practical solutions for breaking the shackles of traditional management techniques to develop the leadership

organizations need to succeed in the fast-changing business environment” (Clerk, 2000, p. 16). To further compound the confusion, it is obvious that emerging technology is also changing the leader-follower context and that traditional leadership constructs are simply not adequate during such a period of escalating technological advancement (Fulmer, Gibbs, & Goldsmith, 2000). What is clear is that emerging technologies have forced many organizations to alter their hierarchical management designs (Dervitsiotis, 1998) and diminished the traditional power base of many managers (Sawhney & Prandelli, 2000). No longer is it common for a manager to possess the information monopoly necessary to sustain such formal position power (Wang, 1997). As technologies emerge and advance, it is simply a business imperative that organizational leadership evolves as well. There is much agreement that an organization’s IT human capital must be effectively managed for both organizational and individual success (Mata, Fuerst, & Barney, 1995; Ross, Beath, & Goodhue, 1996). There is a growing consensus that in the new world of advancing technology, human capital may well be the preeminent strategic capability (Stewart, 1997) and the primary asset by which organizational change and effectiveness can be achieved (Roepke, 2000). Many IT leaders understand that the greatest challenges to organizational success are more often associated with people rather than information technology itself (Roepke, 2000) and that a new type of leadership will be needed to effectively develop this human capital (Hitt, 2000).

In this Chapter’s beginning, we introduce the degree to which emerging information technologies have changed both the organizational context and the traditional leader-follower power relationship, and the significant challenges that have arisen from this evolution. In addition, we examine the emergence of leadership substitutes, such as teams, that are common to many information technology work groups and discuss the kind of leader influence that appears to be warranted. Most important, however, we present a leader behavior model tied closely to the situational leadership paradigm. In this model, we seek to show that unique actions and behaviors are associated with four specific leadership styles. Further, the model shows leaders’ behavioral differences based upon whether they do or do not possess rational legal authority, commonly referred to as “position power.” Most leadership discussions are limited to the descriptive nature of leadership and fail to offer specific guidance in identifying which leadership style is situational appropriate. We seek to remedy that shortcoming and take the critical next step of identifying leader behaviors that are appropriate for enhancing followers’ effort toward successful goal-directed behavior.

THE NEW LEADERSHIP LANDSCAPE

From the very dawn of business enterprise, organizational success has resided within the ability of individual leaders to obtain an acceptable performance level from their subordinate followers. Leadership, however, became a serious topic of interest within the business community with the expansion of industrialization. The concept of leadership was very basic. Whether leading the entire organization, or a few production workers, leadership entailed the issuance of specific rewards in exchange for conformance to the standards set by the leader. Burns (1978) labeled this exchange relationship as transactional leadership. He suggested that, within this bargaining process, both leader and followers are aware of the power resources and attitudes of the other party. Although leader and follower share a related purpose, the relationship does not transcend the exchange process. Therefore, the leader and followers are not bound together in a mutual and continuing quest of higher purpose (Burns, 1978). This form of leadership was effective during an era of marketplace expansion and nonexistent competition (Tichy & DeVanna, 1986). Much of what we consider standard management thinking was developed during a time of relative environmental stability (Hitt, 2000).

Today, however, we find a much different environment. The competitive landscape of the 21st Century will be characterized by ever-increasing complexity and continual transformation. Authors are beginning to assert that transformational innovation will be the key to organizational survival (Foster, 2000) and that firms must begin to communicate a transformational IT vision (Armstrong & Sambamurthy, 1999). Appropriately, many believe that advancing information technologies will continue to drive this state of constant transformation (Mumford, Zaccaro, Connelly, & Marks, 2000; Wang, 1997). Hitt (2000) declares, “As we enter this new business frontier, new forms of managerial thinking along with new organizational structures will be required” (p. 13). Clearly, these new organizational structures have begun to emerge and management thinking is racing to keep up.

Organizational Structure: The Movement From Hierarchy To Teams

Today, we see a shift away from the old-style management pyramid as a direct result of the escalation of information technology (Vroman, 1994). The literature details a “proliferation of new organizational designs—virtual, boundaryless, horizontal, shamrock, lattice, collateral, and network organizations, all of which share a flattening of the traditional hierarchy, that is, the

vertically integrated bureaucracy” (Klenke, 1997, p. 149). The growth of work teams has certainly emerged from these new designs as a means to encourage collaboration, fluidity, innovation, and creativity. These teams often create very complex relationships and can become smaller organizations unto themselves with members drawn from within and outside the parent firm (Handy, 1995; Jarvenpaa & Leidner, 1999; Slowinski, Oliva, & Lowenstein, 1995). This complexity, along with the diminished management control that accompanies it, raises serious questions about effective leadership of such teams. Of particular importance, what are the specific behavioral roles of leaders of such teams in relation to team members?

This concern is particularly relevant for leaders of high performance teams. Larson and LaFasto (1989) suggest that high performance teams are characterized by the following components: 1) a shared commitment; 2) unambiguous goals that are perceived by team members as crucial; 3) a results-driven structure that emphasizes participation and collaboration; 4) skilled and competent team members; 5) an environment that is conducive to trust, camaraderie, and communication; 6) standards of excellence; and 7) systems of support and recognition. These features certainly mirror those found in many teams made up of IT professionals. These teams “are unique and different from both traditional work groups and other organizational teams because of the nature of their work which depends not only on individual and collective performance and mutual accountability, but it is also governed by reciprocal interactions between organizational and technological process” (Klenke, 1997, p. 161). Klenke (1997) shows that information technology teams are different from other teams in three important aspects: 1) they possess a unique set of knowledge, skills, and abilities; 2) they are knowledge workers; and 3) they are engaged in continuous learning.

Achieving true teamwork is difficult because it necessitates merging individual accomplishment and satisfaction with team maintenance (McGrath, 1990). Moreover, there are additional complications with IT teams as they are often confronted with greater ambiguities, more information, and directives from multiple perspectives (Klenke, 1997). In this climate, team success is reliant upon matching the knowledge and skill set of the team members with specific project requirements. High performance IT teams are often composed of information technology professionals who are highly trained and typically hold strong beliefs, not only about technology, but about teamwork and leadership as well. In addition, they often carry out responsibilities once reserved for management. As such, they are often referred to as self-managing teams. High performance IT teams are typically more likely to be cross-functional, cross-disciplinary, multifunctional, high involvement, and self-

managing than other types of teams (Klenke, 1997) and are often comprised of individuals that excel in regulating their own behavior (Goodman, Devadas, & Hughson, 1988). Because of this self-regulation, there is the belief that leadership of high performance technology teams is potentially governed by the presence of leadership substitutes (Howell & Bowen, 1990; Klenke, 1997).

Leadership Substitutes

Leadership substitute theory suggests that the need for hierarchical leadership is diminished when certain attributes of followers, tasks, and organizations are present (Kerr & Jermier, 1978; Howell & Dorfman, 1986). Howell and Bowen (1990) offer eight individual/organizational attributes they believe have the potential to replace ineffective leadership:

- 1) Closely-knit teams of highly trained individuals—experience and continuous training, along with significant group cohesion, can substitute for formal leadership.
- 2) Intrinsic satisfaction—intrinsic satisfaction of followers, created by producing high quality work, alleviates the need for formal leadership.
- 3) Computer technology—when followers have access to organizational data, and to other workers to help them solve problems, they become less dependent upon formal leadership.
- 4) Extensive professional education—employees with a great deal of formal education can perform most assignments without supervision and may actually rebel against direction provided by a formal leader.
- 5) Team approaches—followers' professional norms and standards, and feedback from competent team peers, can substitute for formal leadership.
- 6) High-ability independent workers—even when followers don't have extensive formal education, ability combined with experience can serve as a substitute for formal leadership.
- 7) Distributed feedback—feedback from peers, clients, and even the work itself, can replace hierarchical feedback and substitute for feedback from formal leadership.
- 8) Procedures—specific work rules, guidelines, and policies can provide task guidance to a certain extent, thereby diminishing the need for guidance from a formal leader.

Highly experienced, formally educated, well-trained professionals pursuing intrinsically satisfying work personify what we think of when we envision a cohesive IT work team. It is obvious that in many high performance IT teams, these potential leader substitutes are commonplace. So, can we

assume that a high performance IT team doesn't need effective leadership? Our position is absolutely not. First of all, leader substitutes are thought to be helpful when ineffective or weak leadership is present; they're certainly not the ideal. Also, many of the early empirical examinations of this theory were not very supportive (Howell & Dorfman, 1981, 1986; Podsakoff, Dorfman, Howell, & Todor, 1986) and more recent studies have not proven to be any more supportive than earlier ones (Podsakoff & MacKenzie, 1997). Moreover, leadership substitutes theory does not suggest the abolition of leadership: rather, it is in itself an act of leadership (Howell & Bowen, 1990). Even in high performance teams, the demand for leadership does not vanish (Klenke, 1997). In fact, several studies show that although more demanding, leadership in such teams is even more critical than in other work groups (Hackman, 1986; Katzenbach & Smith, 1993; Manz & Sims, 1993).

So the question remains, "What leadership styles would be appropriate for leading a high performance team of professionals in an advancing technological environment?" A review of the literature offers some rather consistent answers from which a couple of particular leadership theories can be inferred. In continuing with the leader substitute theme, Pool (1997) suggests managers may need to alter their leadership style when a leadership substitute is present or to simply increase workers' motivation. DeVries, Roe, and Taillieu (1998) "assume that situational characteristics have an effect on subordinates' need for supervision, whereas need for supervision in its turn influences the opportunity the leader has to influence subordinate behavior by means of his or her leadership style" (p. 486). Motivating followers by altering one's leadership style to accommodate a follower's need for supervision is a textbook description of Hersey and Blanchard's Situational Leadership Theory.

SITUATIONAL LEADERSHIP THEORY

Situational Leadership Theory (SLT) is primarily based on the interaction among the degree of leader task behavior, relationship behavior, and the followers' readiness to perform (Hersey & Blanchard, 1993). SLT views the readiness of followers as a primary factor in any leadership event (Fernandez & Vecchio, 1997). The primary premise is that an effective leader should vary his/her leadership style based upon the readiness, or maturity level, of the follower (readiness is determined by the follower's need for achievement, willingness to accept responsibility, ability, and education/experience). SLT states that followers with very low readiness should be given a telling style, low readiness would suggest a selling style, high readiness would suggest a

participating style, and very high readiness would elicit a delegating style. Again, the notion is that one leadership style will not work for all followers. If you have a new team member with little experience, precise directives and close supervision would likely be in order. If you have a direct report with many years of experience, who is willing to take on the task, and who wants to succeed, the leader should simply delegate what needs to be accomplished. One would assume that participatory and delegation leadership would be the norm among many professional IT teams. This model also moves away from the notion that a leader is either task oriented or people oriented. Situational leadership proponents advise that to be effective across a spectrum, leaders must be able to be both and know when one or the other is appropriate.

A discussion of SLT, however, must also include the fact that empirical studies have produced a very mixed record of support at best (Fernandez & Vecchio, 1997). Although criticized by many in academia (Blank, Weitzel, & Green, 1986, 1990; Graeff, 1983; Norris & Vecchio, 1992), Hersey and Blanchard's Situational Leadership Theory has been widely adopted by practitioners (Butler & Reese, 1991). SLT has been a major component of leader training in such Fortune 500 companies as IBM, Mobile Oil, and Xerox and is accepted in all branches of the military (Robbins, 1989). University Associates (1986) suggests that SLT has become the most widely accepted managerial philosophy in the United States, Canada, Mexico, Europe, Africa, and the Far East.

In addition, some have speculated that followers may actually self-select themselves into teams and/or jobs that require a particular level of employee readiness. Indeed, it should come as no surprise that IT professionals often self-select themselves not only into the profession, but into organizations and/or teams where opportunities for education and learning are valued (Klenke, 1997). Fernandez & Vecchio (1997) support the view that this dynamic would possibly help to account for the findings that are supportive of the theory but it would not negate the theory's basic principles.

Situational Leadership Theory does have a number of strengths (Caskey, 1988). It is straightforward and easy to learn, it functions at the most basic level of leader-follower interaction, and focuses primarily on follower performance. However, Hersey and Blanchard's theory may offer the greatest benefit to the extent that it reminds us that it is crucial to treat individual followers differently (Fernandez & Vecchio, 1997). This idea of individualized consideration is a hallmark of Bass' (1985) conceptualization of transformational leadership.

TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP: THE FULL RANGE OF LEADER BEHAVIOR

In reviewing the literature concerning organizational change, structure, and leadership in the information age, it is apparent that many are also sending the siren's call for transformational leadership as a model for effective influence. Roepke (2000) asserts that the traditional, hierarchical management style will not be effective with today's workers, particularly those involved with emerging information technologies. These, and other, autonomous workers are sending out a signal that organizations must move to a more collaborative philosophy where value is placed on people and participation. Hitt (2000) declares that "as we move into what will be a century of unprecedented challenges, successful leaders will rely even more intently on ... flexibility, capable delegation, teamwork, the ability to build for the long-term while meeting short-term needs, and vision" (p. 17). Dervitsiotis (1998), while discussing the management of organizational change and the new learning organization, states that today's leaders must bind people together around a shared identity and sense of destiny and offer a common vision that propels an organization to focused action. Wang (1997), when discussing the impact of information technology on organizational leadership suggests, due to the dynamic nature of cooperative work team networks, the leader's role is that of a coach. In examining high performance teams in particular, Gardiner (1988) concluded that commitment, not authority, produced the greatest results. Klenke (1997) describes effective IT leaders as facilitators that are not dependent upon legitimate authority based on position power. Waldman (1994) points out that these leaders "move team members to higher levels of self-control so that competent team members are empowered to control their own responsibilities, to lead their own components of the project in coordination with other team members whose coordination efforts are assisted by the leader" (p. 97). We believe that these writers are united in the belief that transformational leaders are needed in this period of turbulence created by emerging high-technology innovations.

Bass proclaims that in such a volatile environment, transactional leadership can be a prescription for mediocrity. He asserts that to achieve long-term superior performance, a new type of leader must emerge. These leaders will "broaden and elevate the interests of their employees, generate awareness and acceptance of the purposes and missions of the organization, and stir the employees to look beyond their own self-interests for the good of the overall entity" (Bass, 1990, p. 19). Transforming leadership occurs when leader and

followers are involved in such a manner that they elevate the motivation and morality of one another. The related purposes of leader and followers are joined together as one. Therefore, by inspiration, heightened success criteria, and the application of alternative problem solving methods, transformational leaders are able to get their followers to accomplish maximum performance.

In recent years, management theorists have given considerable, and well deserved, attention to the testing of transformational leadership as a viable model. In fact, during the five-year period from 1990 to 1995 alone, over 100 theses and dissertations investigated the concept and behaviors of transforming leadership (Avolio, Bass, & Jung, 1995). Bass (1990) suggests that by applying the behavioral characteristics of transformational leadership, leaders can guide their followers toward extra effort and extraordinary performance.

The historian James MacGregor Burns, in his book Leadership (1978), was the first to coin the terms transactional and transformational leadership. His interest was primarily political leadership but the terms quickly caught on in organizational management circles.

Transactional Leadership

The key to the transactional style of leadership is the exchange between the leader and follower. They influence each other in a way that both parties receive something of value. In other words, the leaders give subordinates something that they want (for example, a salary increase) in exchange for something that the leaders desire (for example, greater productivity, conformity to standards, etc.). The parties are mutually dependent upon one another and the contributions of each side are understood and rewarded (Burns, 1978). In this transaction, leader influence is based on the premise that it is in the best interest of the subordinates to follow.

Transactional leadership is usually characterized by the leader behaviors of contingent reward and management-by-exception (Avolio, Bass, & Jung, 1995; Bass, 1985). A more active transactional leader typically employs a style of contingent reward (reward is contingent upon the follower meeting an agreed upon, and mutually understood, goal) whereas a more passive transactional leader tends to practice the avoidance of corrective actions as long as goals are met. This type of leader behavior is characterized by the old adage, “if it ain’t broke, don’t fix it” (Bass, 1990).

Transactional leader behavior is the style of leadership that is most often exhibited in industry today (Yammarino & Bass, 1990). Moreover, active transactional leader behavior (contingent reward) has been positively correlated to follower attitudes and performance (Avolio, Waldman, & Einstein,

1988; Bass & Avolio, 1990; Dubinsky, Yammarino, Jolson, & Spangler, 1995; Waldman, Bass, & Yammarino, 1990). The published literature indicates that this is not the case with contingent punishment or management-by-exception leader behavior (Avolio, Waldman, & Einstein, 1988; Bass, 1985; Howell & Avolio, 1993; Kessler, 1993; Kirby, Paradise, & King, 1992; Podsakoff, Todor, & Skov, 1982).

Transformational Leader Behavior

Transformational leader behavior does not depend upon an exchange of commodities between leader and follower (Bass, 1985). Transformational leaders operate out of deeply held personal value systems that cannot be negotiated or exchanged between individuals. By expressing these personal standards, transformational leaders unite their followers but, more importantly, they can change their followers' goals and beliefs. Because of Bass' influence, it is commonly assumed that transformational leaders achieve this in four distinctive ways by demonstrating: 1) individual consideration, 2) intellectual stimulation, 3) inspirational motivation, and 4) charisma.

Individual Consideration. Transformational leaders tend to pay close attention to the interindividual differences among their followers. They often act as mentors to their subordinates. Coaching and advising followers with individual personal attention characterize this behavior. These leaders are intent on removing obstacles that might inhibit both the development and performance of their followers. A primary component of individual consideration is the understanding that each follower has different needs and that those needs would change over time. Therefore, transformational leaders must accurately diagnose the needs of individual followers in order to optimize each follower's individual potential (Avolio, Waldman, & Yammarino, 1991).

Intellectual Stimulation. Transformational leaders also provide ways and reasons for followers to alter their perceptions of problems and even their own attitudes and values (Avolio, Waldman, & Yammarino, 1991). This is characterized by promoting intelligence, rationality, logical thinking, and careful problem solving. An intellectually stimulating leader is intent on showing subordinates new ways of looking at old problems (Avolio, Waldman, & Einstein, 1988). They tend to emphasize teaching their followers to search for sensible solutions. They develop followers who see difficulties as problems to be solved (Bass, 1990).

Inspirational Motivation. Transformational leaders inspire their followers to accomplish great feats. This dimension of transformational leadership is characterized by the communication of high expectations, using symbols to

focus efforts, and expressing important purposes in simple ways. The potential to inspire followers is partially realized by the synergy created by demonstrating individual consideration and intellectual stimulation (Avolio, Waldman, & Yammarino, 1991). Such behavior increases the leader's appeal as it increases the confidence and self-worth of followers. Inspirational leaders often provide encouragement and optimism during difficult times and set the group standard as far as work ethic is concerned.

Charisma. Attaining charisma in the eyes of followers is a critical step in becoming a transformational leader (Bass, 1990). Charismatic leaders exert an enormous amount of influence (Conger & Kanungo, 1988; Howell & Frost, 1989). They are people that followers want to trust and show commitment. Followers consistently place an inordinate amount of confidence and trust in charismatic leaders (Howell & Avolio, 1992). This charismatic dimension of transformational leadership is characterized by providing vision and a sense of mission, instilling pride in and among the group, and gaining respect and trust. A recent study by Waldman, Ramirez, House, and Puranam (2001) has provided evidence that leader charisma is a significant predictor of organizational performance under conditions of uncertainty.

More recent iterations of Bass' conceptualization of transformational leadership have divided this charismatic dimension into behavioral and attributed idealized influence. Idealized influence can be considered a culmination of the other three I's (individual consideration, intellectual stimulation, and inspirational motivation) coupled with a strong emotional bond with the leader (Avolio, Waldman, & Yammarino, 1991). Leaders who demonstrate idealized influence develop much personal power and influence with followers and are, therefore, often labeled as charismatic.

These leadership factors define the constructs associated with the leadership style and behaviors that constitute what Avolio and Bass (1991) have termed the "full range" of leadership styles and behaviors. This full range includes leader styles and behaviors that are extremely transformational at one end to those that are highly avoidant at the other end (Avolio, Bass, & Jung, 1995).

Benefits of Transformational Leader Behavior

There is a preponderance of literature indicating that transformational leadership can lead to substantial organizational rewards (Bass, 1990; Deluga, 1988; Yammarino, Spangler, & Bass, 1993) and that transformational leader behavior delivers an augmentation effect, that is, performance, effort, and satisfaction that rises above that derived by contingent reward leader behavior alone (Avolio, Waldman, & Einstein, 1988; Geyer & Steyrer, 1998; Waldman,

Bass, & Yammarino, 1990; Yammarino & Bass, 1990; Yammarino, Spangler, & Bass, 1993).

Transformational leadership has been positively correlated to leader effectiveness ratings, leader and follower satisfaction, follower efforts, and overall organizational performance (Avolio, Waldman, & Einstein, 1988; Bass, Avolio, & Goodheim, 1987; Hater & Bass, 1988; Howell & Avolio, 1993; Kessler, 1993; Lowe, Kroeck, & Sivasubramaniam, 1996; Seltzer & Bass, 1990; Waldman, Bass, & Einstein, 1987; Yammarino, Spangler, & Bass, 1993). In addition, findings have been reported that suggest that transformational leader behavior is associated with employee commitment to the organization, trust in the leader, and positive organizational citizenship behaviors (Bycio, Hackett, & Allen, 1995; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Further, there is evidence to indicate that transformational leadership is particularly effective during periods of turbulence (Humphreys & Parise, 2000) and has produced empirical support in a high-technology context (Ehrlich, Meindl, & Viellieu, 1990). Recent research has also suggested that leaders who support emerging information technologies exhibit more transformational leader behaviors than those leaders who offer no such support (Humphreys, 2001).

Personal Characteristics Of Transformational Leaders

The personal characteristics of transformational leaders have also been the topic of research (Dubinsky, Yammarino, & Jolson, 1995; Kirby, Paradise, & King, 1992; Ross & Offerman, 1997). Tichy and DeVanna (1986) conducted face-to-face interviews with some of America's best-known transformational leaders (for example, Lee Iacocca, Jack Sparks, and Robert Stemple). Their observations led them to suggest seven common characteristics that these leaders seemed to possess that differentiated them from transactional managers.

First, they identified themselves as change agents. Their professional and personal image was to make a difference and change the organization for which they had assumed responsibility. They were compared to athletic coaches that took over a troubled program with the intent of making them champions. They embraced the accountability of transforming the organization. Transactional managers tend to manage what they find and leave things pretty much the way they found them (Tichy & DeVanna, 1986). Transformational leadership is about change and innovation.

In addition, each of these leaders demonstrated courage. They exhibited the willingness to take risks and challenge the status quo in the larger interest of the organization. They demonstrated the emotional courage to reveal truths

that others did not want to hear.

A third characteristic was a strong belief in people. These leaders were very powerful but tended to avoid an autocratic style. They were sensitive to the needs of their followers and worked to empower their subordinates. Each played the multiple roles of cheerleader, coach, counselor, and leader as they attempted to unite different personalities into a singular organizational mission.

These transformational leaders were also value driven. Each person interviewed could articulate a set of core values and exhibited behaviors that were consistent with those beliefs.

Another characteristic shared by these leaders was their quest for knowledge. They were all dedicated life-long learners. They viewed past mistakes as learning experiences. Even at their lofty status, this group remained adaptable in their attitudes and approaches.

A sixth common characteristic was their ability to deal with ambiguity and uncertainty. They had little difficulty coping with an ever-changing environment. They were able to gracefully balance the emotional and cognitive aspects of problem solving.

Finally, each of these leaders was a visionary. Not only were they able to dream, they could translate those dreams into images and symbols that allowed their followers to share them. The ability to draw others into the vision is a critical component of transforming leadership. Bass (1990) asserts that effective leaders must have this ability to influence the attitudes and behaviors of their followers.

It is extraordinary how closely these characteristics match the types of leadership previously suggested by those examining the leader-follower dyad in high performance IT teams. Clearly, in this new management landscape of technological change and innovation, organizations need transformational leadership (Tichy & Ulrich, 1984). When discussing the initiative to align the human side of IT with proper leadership at 3M, Roepke (2000) speaks to the organization's desire to have their employees move from a transactional psychological contract (i.e., short-term exchange of benefits) to a relational psychological contract (i.e., long-term, mutually satisfying relationship). It is obvious that he is advocating transformational leadership. Klenke (1997) believes that in IT teams, transactional leadership is "likely to be limited by a technical perspective which sees technological change as needing primarily technical problem solving skills, with little attention to interpersonal skills and organizational consequences" (p. 160). Transformational leadership, on the other hand, requires considerable people and conceptual skills to overcome resistance to change and facilitate greater benefits from the investment

in ITs (Beatty & Lee, 1992). Klenke (1997) goes on to say that depending upon the task and the development stage of an IT team, the leader(s) should exercise the full range of leadership styles ranging from autocratic to transformational leadership. This full range of leader behavior is an integral component of our new model for influence in the current high performance IT context.

A NEW MODEL

With the call for both situational and transformational leadership, we believe it is time for a new model. In their review of Situational Leadership Theory (SLT), Fernandez & Vecchio (1997), based upon the mixed empirical support, suggest, “it may be useful to expand on the original logic contained in SLT to incorporate evidence that relatively more effective leaders employ a greater range of tactics that manifest a variety of styles, and that such leaders are better able to identify tactics that are most appropriate for a given target person” (p. 76).

In addition, although Bass and colleagues’ notion of the full range of leader behavior has enjoyed exceptional empirical support, critics of transformational leadership theory have questioned Bass’ (1985) construct as to its practical implementation for everyday, frontline leaders and managers. Therefore, we propose a new, practical model for matching situational diagnostics with appropriate leader behaviors. We expand on Hersey and Blanchard’s situational model and relate it to the leadership work of Bass, and others, providing guidance for leaders holding no position power (e.g., leading a cross functional team), as well as those with such power. The model describes what behaviors a leader might effectively employ, after careful diagnosis, and how those behaviors might be employed in four key leadership situations. In the last three decades, the work of Hersey and Blanchard (1969 through 1996), Burns (1978), and Bass, with his colleagues (1985 through 1997), have evoked much scholarly activity aimed at elucidating the work and empirically testing its efficacy (Avolio, Waldman, & Einstein, 1988; Avolio, Waldman, & Yammarino, 1991; Bass, 1985, 1996, 1997; Bass & Avolio, 1989, 1990, 1994; Bass, Waldman, Avolio, & Bebb, 1987; Einstein, 1995; Graeff, 1983; Howell & Avolio, 1993; Lowe, Kroeck, & Sivasubramaniam, 1996; Vecchio, 1987; Waldman, Bass, & Einstein, 1987; Yammarino, Spangler, & Bass, 1993). To date, however, there have been few attempts to explicitly combine the leadership model of Hersey and Blanchard with the transactional-transformational leadership ideas of Burns and Bass, et. al. in such a way as to provide behavioral guidance for leader-managers in practical situations. Certainly in the 21st Century workplace, with the emphasis on cross-functional teams and

participative environments, adaptation of these important works to such contexts is warranted.

Therefore, it is our purpose to: (1) present a diagnostic model that integrates Hersey and Blanchard's situational model with the leadership work of Bass; and (2) propose a new model that outlines specific leadership behaviors which, flowing from the diagnostic model, might be employed by leader-managers in situations involving formal leaders with position power and informal leaders without such power.

We will propose particular leadership behaviors as they apply to situations where:

- The leader has position power (formal authority) and, after diagnosis, chooses to exert control over followers;
- The leader has position power and, after diagnosis, chooses not to exert control over followers;
- The leader does not have position power (e.g., is "project leader" in a team environment) and, after diagnosis, chooses to exert control over others (we intentionally avoid the use of "followers" in this instance as the term follower implies that the leader does in fact have position power); and
- The leader does not have position power and, after diagnosis, chooses not to exert control over others.

Leadership is about influence, which is often defined as the ability to change another's behavior. Effective leadership, however, requires that leaders not only exercise influence but they must determine when, where, and how to exercise it (House & Howell, 1992; Winter, 1991). The goal of leadership is to exert influence with the involvement of others; e.g., they willingly agree to change; leadership involves the use of power and influence to affect a person or group whether the person wielding the influence has the ultimate authority (position power) to do so or not. Therefore, effective leaders should be consciously focused on the analysis of power relationships.

Transformational leaders analyze these relationships by diagnosing leader-follower relations, understanding the job demands, and then matching the maturity level (readiness) of followers to the situation (Bass, 1985). Thus, they are in control of the situation and can identify successful ways of dealing with people by selecting a style of leadership called "contingent reward." Einstein (1995) recognized that in the early stages of the leader-follower relationship, the leader is in control and, as in parenting, is "responsible for" the success of followers. As times goes on, the leader begins transferring control and moving toward an interdependent state called "responsible to." This movement from contingent reward leader behavior to the mutual state of

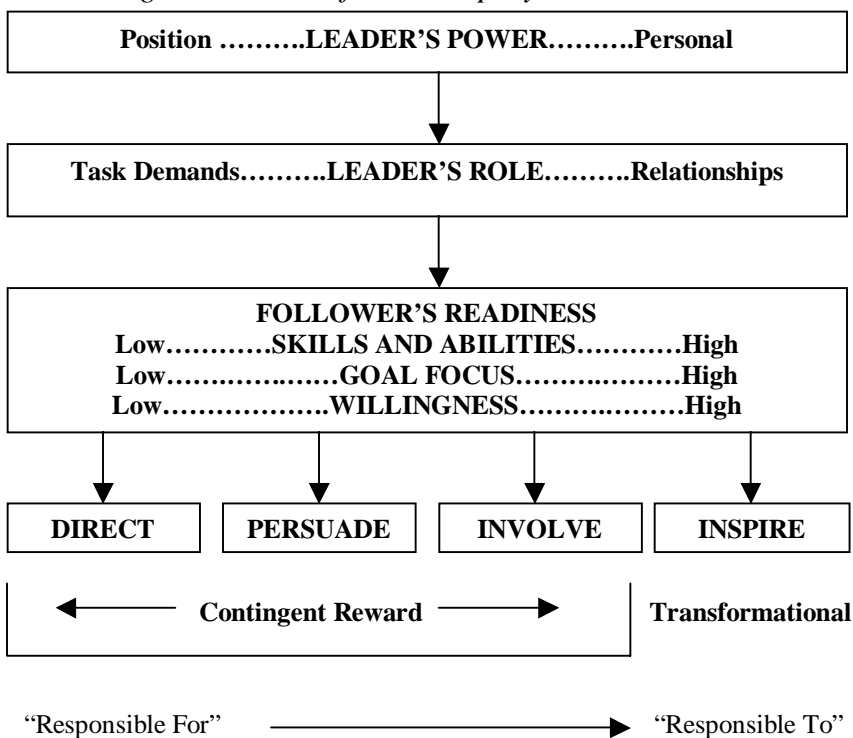
“responsible to” is the basis for the augmentation effect described by a plethora of previous research examining transforming leadership (Avolio, Waldman, & Einstein, 1988; Geyer & Steyrer, 1998; Yammarino, Spangler, & Bass, 1993). Transformational leaders begin the leader-follower relationship with a sense of “responsibility for” the growth and development of followers. They seek to enhance the relationship by arousing and maintaining trust, confidence, and desire, even in the transactional role. The goal is to transform followers toward a relationship that shifts the dependent “responsibility for” into a relationship that is interdependent, and people are “responsible to” each other. A transformational leader’s bottom line goal is to bring followers up to the level where they can succeed in accomplishing organizational tasks without direct leader intervention. Unfortunately, many traditional leaders entrap themselves and their followers by making themselves indispensable. They do this by remaining in a relationship that relies on contingent reward. They rely on position power to control the relationship. Transforming leadership requires the leader to develop and maintain trust, by being consistent and authentic in behavior toward followers (and others), build confidence by sharing in the success of goal achievement(s), and heighten desire by raising the level of individual need. Transformational leaders exercise their skill by way of a three-step process involving:

- Diagnosing the leadership situation with respect to the power dynamics, the priorities of the situation (task or people), and follower willingness (motivation);
- Maintaining control while transacting the basic contingent reward relationship between leader and follower(s); and,
- Transferring control while transforming followers into interdependent, effective, mature people who perform beyond normal expectations and have self-control (i.e., control is transferred as followers’ job capacity increases).

DIAGNOSING THE LEADERSHIP SITUATION

The first step in employing effective transformational leadership involves diagnosing the situation in terms of three critical issues: power, priorities, and people (Einstein, 1995). In the diagnostic model of leadership styles (Figure 1), these alliterated symbols refer to the current power relationship, the leader’s role in priorities, and the followers’ readiness.

Figure 1: A diagnostic model of leadership styles



Source: Einstein, W. O. (1995). The challenge of leadership: A diagnostic model of transformational leadership. *The Journal of Applied Management and Entrepreneurship*, 1(2), 120-133.

Leader-Follower Power Relationships

Position Power. Position power, coming from the organization, gives the leader the organizational right (authority) to demand compliance from others. Typically, the leader has the formal position power to hire, fire, impose decisions, and veto the proposals of followers. With position power the leader controls people by allocating rewards (contingent reward) or by dishing out retribution (contingent punishment). Position power is a finite resource; e.g., the more one must use it, the less powerful it is, because people don't like to be intimidated and will at some point start to rebel.

Personal Power. Personal power is different from position power, as it rests with the individual regardless of formal bureaucratic position. Its basis is some combination of expertise on the part of the leader in doing the work

of the organization and willingness on the part of the follower to be influenced. It also stems from the extent to which a leader can use followers' internalized values or beliefs that he or she has the political skill and/or expertise to find paths leading to valued rewards. Managers usually overlook personal power because they have position power to rely upon as their primary control mechanism. While people do not generally like others to hold power over them, their resistance is less likely when the power is perceived to be based on legitimate organizational expertise. A further thought follows from considering power, that is, to the degree power determines the range of choice the leader has to exercise control. The bottom line of power is simply that if one has some combination of position power as well as personal power, that person can influence people more easily and to a greater degree. Therefore, effective leaders must consider personal power as a tool.

Using personal power is essential because leaders are often not given enough position power (authority) to do their jobs. If a manager has an employee who is not performing and whose performance cannot be improved, can the manager fire the employee? Or more importantly to this discussion, if the leader is a project leader with team members that are not subordinates, on what basis does the leader exert influence? Most leaders know that they don't possess the authority they would like to have so they fill the gap by using personal power. Power gaps differ from job to job, of course, but most managers know that they have a power gap in their work. It is one of the frustrating aspects of being a manager. Imagine then, the difficulty in effectively leading a team of professionals in a context where position power is at best very limited or, at worst, completely absent. Although there are several potential personal power characteristics, we believe that relationship power offers the greatest benefits in the current environment.

No personal power resource is better known than relationship power. We hear of "old boy networks" or the saying, "It's not so much what you know as who you know." Such comments reflect an important political reality. It is easier (and more rewarding) to work with people who are liked, respected, and admired than those who are not liked or known. Additionally, most people find that work conflicts are much easier to work through with friends than within the context of formal relationships. Who you know, and more importantly whom you can work with harmoniously, is important. Many successful people could not get anything done if they did not have coworkers, bosses, and subordinates with whom they had solid relationships.

There are situations that require leaders to rely on relationship power to succeed. First of all, managers can experience a power gap in dealing with

their subordinates. In certain circumstances, some subordinates may even have more power than their managers. Consider these subordinates:

- experts in a particular part of the work,
- employees who are so popular with others that if they were disciplined, it would have serious repercussions,
- individuals who are almost impossible to replace,
- key people in the workflow.

Such individuals may be difficult to confront without some political maneuvering and effectively using personal power. In today's high-tech world, this scenario is becoming quite commonplace.

In addition, most people have a host of others in key work groups on whom they rely. These others, often called "internal suppliers," provide them with the raw materials or support they need in order to perform well. If these other groups do not cooperate, managers cannot order them to do so. Many professional IT project teams certainly operate in this manner. The manager, or project leader, may have no recourse but to use effective personal power as other methods of influence would be ineffectual.

Given the diagnosis model (Figure 1), it seems clear that the successful leader must build personal power to expand the range of styles available and move the follower(s) toward a "responsible to" relationship, since the less personal power one has the more one must rely on position power.

Leader's Role Issues

The leader's mission is to balance priorities between accomplishing tasks central to the organization's existence and making people responsive to those job demands. For a leader to approach priorities in this way is particularly important because it focuses the leader's thinking on where leadership control should be directed. The mission of the leader is to make decisions about tasks, take care of people, and set priorities between these two. As the leader proves successful in task accomplishment, the priority for tasks shifts to the follower(s), and effective use of contingent reward enables the leader to shift to a persuasive style. As personal power builds, a bond begins to form between the leader and the follower(s).

Follower's Job Capacity

The third element of the leader's diagnosis has to do with an analysis of the follower's capacity to accomplish the assigned task(s). This area of diagnosis is where the least research has been done under the heading of transformational leadership. The leading work on the concept of readiness has been accomplished by Hersey and Blanchard (1969 through 1996), who state

that readiness, in relation to one's job consists of two combined factors: (1) the readiness factor (innate ability, education, training, and experience), which reflects a person's capability for performing the job; and (2) the psychological maturity factor, which is associated with an individual's self-confidence, desire for achievement, and willingness to accept responsibility.

We believe there is one other critical factor; the degree of understanding and commitment followers and/or team members show toward organizational goals. When a person possesses high capability, high desire for achievement, high commitment, high responsibility, and understands and accepts organizational goals, that person possesses high job capacity.

Having diagnosed the appropriate leadership style, the second step for the effective transformational leader is to help the followers answer the contingent reward question: "What's in it for me?" The leadership style with which the leader accomplishes this step is dependent upon the diagnosis just discussed. For example, if the diagnosis shows that job demands are ambiguous, the follower's capacity to perform is low, and the leader has sufficient position power, then a high degree of direction and leader control may be necessary. By directing followers toward what must be done, there is a greater chance that tasks will be successfully completed and rewards will follow. The leader may consequently use a directive, telling style of leadership. As job demands become relatively straightforward and followers begin to develop clearer "responsible to" behaviors (as determined by effective diagnoses), the leader may employ a more persuasive, involving, or inspiring style.

At its best, the leader is able to diagnose which style will get the best results given the power, priorities, and people with which the leader has to work. Effective leaders shift from directing to persuading, and then make the control shift of being involved but no longer in control, and finally to an inspiring style where transformations can take place.

MATCHING BEHAVIORS AND STYLE

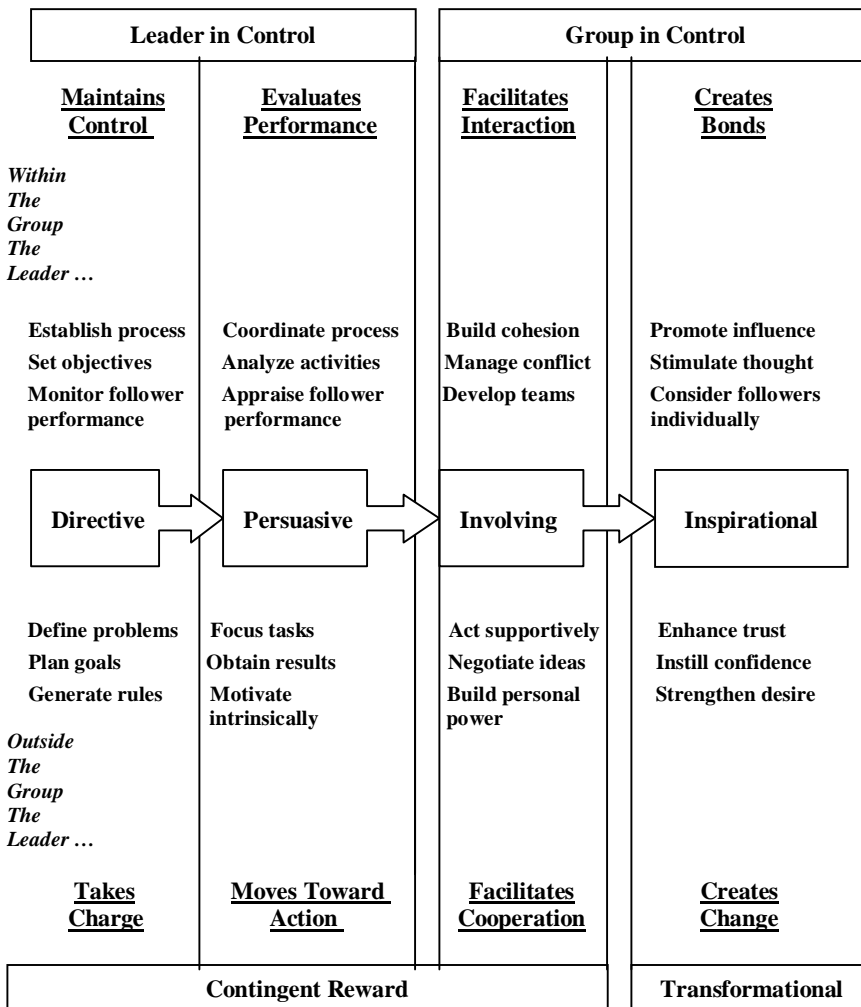
Thus far we have discussed the concepts of Hersey/Blanchard and Bass as seen through a model proposed by Einstein (1995) as they relate to the selection and employment of leadership styles which match a leader's diagnosis of a given situation (Figure 1).

Figure 2 provides an overview of an expansion of the material just discussed, which can be used to help leaders manage their leadership responsibilities not only within their supervisory group, but outside this group as well. Three concepts are presented: (1) leadership behaviors demonstrated

within the group when the leader has position power at his/her disposal (upper half of the model) versus those behaviors outside the group, where the leader does not have position power (lower half of the model); (2) behavioral styles, presented on a continuum from Directive to Inspirational, with a mid-point, between Persuading and Involving, which signals a shift in control from “responsible for” toward “responsible to” behaviors; and (3) a notation indicating the point at which Contingent Reward style leadership moves from Transactional to a Transformational style.

Based on the model represented in Figure 2, we believe that transformational leaders have the opportunity to use any and all leadership styles, as the situation requires. Transactional leaders, on the other hand, stop short. That

Figure 2: Leader behavior matching leader styles within and outside supervisory group



is, they can move left to right within this model but they only go as far as “involve” and never get to “inspire.” You will notice that the behaviors on the left side of the model are quite different from top to bottom. As the leadership styles shift right, however, the behavioral differences are less pronounced because of the “responsibility to” relationship that is emerging.

Leader in Control: Within the Group

If a diagnosis determines the necessity for a leader to employ a Directive style, certain behaviors will be more successful than others. Specifically, as a Directive leader, one should maintain control since the priority is to accomplish required tasks with people who lack certain aspects of job capacity. It is therefore necessary to help members establish an orderly process to accomplish organizational tasks, while simultaneously seeking ways to improve the diagnosed deficiencies in their capacities. Leaders in such situations:

Establish process. Provide direct supervision, set up rules to make repeated actions more routine, and provide a forum for people to suggest alterations or improvements to the rules.

Set job objectives. Assign specific tasks; assure the objectives are measurable; provide mechanisms for ensuring feedback that will compare performance with past and expected future accomplishment; and provide the necessary direct support to make sure that the objectives are attainable, realistic, and timely. As the leader-follower relationship moves toward a “responsible to” relationship, the leader implements a more shared process.

Monitor performance. It is well understood that people desire and require feedback in order to regulate their own performance. Feedback is an essential ingredient in any situation where the leader wishes to maintain control while simultaneously fostering personal growth in followers.

Careful diagnosis may indicate that leader control is necessary but, because of the perceived job capacities of the followers, the appropriate behaviors should be persuasive and evaluative rather than directive and controlling. In such situations, leaders will:

Coordinate process. This style affords more flexible interpretation of rules and more informal talk among followers about accomplishing tasks. In this environment, the leader can spend more time as a coach and less time as boss. Feedback is still an important commodity, with the primary source of data coming from co-workers.

Analyze activities. Setting objectives becomes a shared process as followers take on a greater role. As job capacity increases, so does the personal stake in setting objectives. The leader is building an environment where capable people support the activities they help create.

Appraise performance. In this context, the leader is not so much concerned with formal appraisals but, rather, in the leader being on hand to understand what is going on and what intrinsic rewards might be appropriate for each of the followers.

Group in Control: Within the Group

When diagnoses indicate that the group being supervised might be willing and able to exert more control over situations, the leader may choose to employ an involving style and attempt to facilitate their interaction. In such situations, the leader will:

Build cohesion. Cohesion is developed in collaborative organizational climates, which are grounded in trust (Larson & LaFasto, 1989). Trust flows from a climate that includes: (1) honesty, no lies, no exaggerations; (2) openness—a willingness to share; and a receptivity to information, perceptions, ideas; (3) consistency—predictable behavior and responses; and (4) respect—treating people with dignity and fairness (Larson & LaFasto, 1989).

Manage conflict. In 1981, Fisher and Ury saw conflict as a growth industry. Today, with more emphasis on collaborative climate building, the ability to manage conflict is tantamount to being an effective leader when one's diagnosis indicates the need for an Involving Leadership Style. Lewicki, Hiam, and Olander (1996), outlines effective strategy for reducing conflict: reduce tension by injecting humor (when appropriate), by separating the parties, or by facilitating a tension reduction interaction, during which each person in conflict makes small, usually public, concession and invites the other party to reciprocate.

Develop teams. Larson and LaFasto (1989) provide a succinct overview, empirically based, of team development issues. Leaders, working with these elements, will strive toward developing and maintaining clear, elevating goals, results-driven structures, competent team members, unified commitment, and principled leadership.

When the diagnoses indicate that the group can handle it, a leader might engage in inspirational behaviors aimed at creating bonds. Such behaviors would include promoting follower influence, stimulating intellectual inspiration, and being individually considerate (clearly and specifically equitable as opposed to equal). This material is covered at length in the works of Avolio, Waldman, and Einstein (1988), Avolio, Waldman, and Yammarino (1991), Bass (1985), Bass and Avolio (1990), and Einstein (1995). We obviously believe the ideas to be of great importance but space constraints, and our focus in this Chapter, do not allow for extrapolation here.

Leading Groups Outside the Chain of Command

Much of a leader's time is spent in activities outside the group over which she/he has legitimate hierarchical authority (position power). Whereas, in previous discussions, the leader has had both personal and position power at her/his disposal, in these circumstances the leader must evoke power on the basis of personal characteristics outside the realm of organizational authority (personal power).

The diagnostic process is essentially the same with the exception that the leader has no position power. For example, a leader may see it necessary to apply directive control with a group with low job capability, but must do so using different behaviors. However, the process is exactly the same: diagnosis is crucial. The use of contingent rewards is still important, but in these instances, the leader must rely almost exclusively on intrinsic rewards offered to followers. Leaders, consistent with diagnoses, should still move from Directive to Persuasive to Involving to Inspirational (along with the corresponding shift from a "responsible for" towards a "responsible to" relationship) styles of leadership. The differences in leader behaviors may be subtle, but are nonetheless of great importance (see Figure 2, at the bottom, under the heading "Outside the Group the Leader").

Leader in Control: Outside the Chain of Command

The leader of a project team (or other such group outside his/her "chain of command") is in charge of a project that is strictly time-bound, the success of which is often crucial to the survival of an organization. After diagnosis of the project team members, the leader determines that it is necessary to exert some control. This leader has two styles available, depending upon the diagnosis of the team members and the preferred style: Directive or Persuasive. If the leader sees a directive style as being most appropriate, the focus will be on providing the group a definition of the problems or mission, planning the goals related to the problem solution or mission accomplishment, and generating the ground rules for successful completion of the project. In other words, the leader, using personal power, takes charge of the group. The success or failure of the mission will depend upon the correct diagnosis of the situation and the amount of personal power attributed to the leader by the followers in the situation.

If, given the same situation, a determination is made, through diagnosis, that a Persuasive style is better suited, the leader will, after defining the problems and developing the goals and ground rules, win acceptance from the group of these rules and goals, help the group focus on the task, and, using personal power and intrinsic rewards (superordinate goals, sense of accom-

plishment, etc.) as motivators, win support from the group as leader and move them toward action.

Group in Control: Outside the Chain of Command

Where diagnosis of the situation, the organizational climate, and leader-follower relations warrant, leaders may determine that the best style mandates more intensive group involvement. In such situations, the leader will attempt to facilitate cooperation by: acting supportively, employing communication skills such as active listening (Rogers, 1957), and “principled leadership” behaviors (Larson & LaFasto, 1988); negotiating ideas, using the strategic skills outlined in Lewicki, et. al. (1996); and, through the development and use of such skills, building personal power. Unlike position power, personal power is given to leaders by followers and, when used appropriately, becomes stronger with use.

In situations where change initiation and management is a primary issue and where diagnosis of leader-follower relationships, climate, and personal style preferences warrant, the leader may attempt a Transformational style of leadership. Previous research has indicated causal relationships between transformational leadership and innovation/change (Bass, 1985; Conger & Kanungo, 1987; House, 1977; Howell & Avolio, 1993; Howell & Higgins, 1990; Oberg, 1972). Treating people as individuals and providing opportunities and support for intellectual stimulation are at the heart of Bass’ (1985) transformational leadership model, and instill confidence and strengthen desires of followers to do their best. We believe that in the current high technology context, effective influence dictates that leaders employ the full range of leader behaviors from contingent reward to truly transformational, and that the models provided would assist leaders (formal and informal) in determining which behaviors are appropriate.

FUTURE TRENDS

It is clear that information technology has forever changed the structure of many organizations and that this restructuring has created significant leadership challenges. We’ve attempted to provide solutions to some of those challenges in this Chapter. This being said, however, the future will likely exacerbate the current issues and create new ones. We believe that one such area will be providing effective leadership to virtual teams. Firms are already beginning to establish virtual project teams where members tend to only interact via information technology (Grenier & Metes, 1995; Lipnack & Stamps, 1997). Although virtual teams offer tremendous flexibility and the ability to rapidly serve the needs of a dynamic environment, “a dark side to the

new form also exists: such dysfunctions as low individual commitment, role overload, role ambiguity, absenteeism, and social loafing may be exaggerated in a virtual context” (Jarvenpaa & Leidner, 1999, p. 792). Clearly, future research should further investigate the leader-follower relationship within the virtual team context.

CONCLUSION

Rapid technological advancements, especially those associated with information technologies, are forcing organizations to rethink how they operate and accept that many approaches that worked well in the past are simply no longer effective. There is little question that many organizations are becoming less structured and that a premium is being placed upon the firm’s ability to adapt to ever-changing environments often created by new technologies. More than ever, today’s organizations must focus on the development of leaders that can not only cope, but also thrive in this complex and dynamic world.

Bass asserts that for organizations to achieve long-term superior performance, especially in a changing environment, a new type of leader must emerge. We believe it is crucial that as management thinking moves into the 21st Century, effective leadership (both contingent reward and transformational) must be developed at all levels of the organization. We believe that this is particularly true when discussing leadership and high performance teams of technology professionals. How practicing managers determine and deliver the appropriate transforming leader behaviors has been the focus of this Chapter.

In this Chapter, we have provided a diagnostic model of leadership styles. In addition, a new model was proposed that outlines specific leadership behaviors that, when used with the diagnostic model, can provide specific behavioral guidance to leaders. Using the diagnostic model, leaders can evaluate the leader-follower relationship (power), the job demands versus relationship building (priorities), and the readiness of the followers (people) in order to select an appropriate style of leadership that fits the situation. Then leading the group toward interdependence with the leader to a shared “responsibility to,” the leader can move beyond contingent reward to leadership behaviors that are truly transforming. By gaining skill in selecting appropriate leader behaviors and applying the characteristics of transformational leadership, leaders can guide their followers toward extra effort and performance beyond expectations.

Further, the new model, when used in conjunction with effective diagnosis, provides guidance to leaders in situations where they have position power as well as those where such power is lacking. We believe that this issue, where the leader has no position power and is charged with effecting and/or managing change, is both common to many current team environments and rich in research possibilities. Research in organizations should now begin to test the efficacy of the model and, perhaps more importantly, examine the informal leadership behaviors necessary to create and manage change in environments where innovation is simply a business imperative. How do such leaders enhance trust, instill confidence, and strengthen desires in their “followers”? To what extent can organizations that have been successful at managing change attribute their success to such informal leaders? What specific behaviors do such leaders exhibit, particularly those attempting to influence a cohesive IT team? There are many questions yet to be answered.

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