

# DEVELOPING CHANGE LEADERS

The principles and practices of change  
leadership development



Paul Aitken | Malcolm Higgs



# **Developing Change Leaders**

“Dr Paul Aitken and Prof. Malcolm Higgs’ book “Developing Change Leaders” is refreshingly unusual as it provides a fruitful combination of well-researched academic authority and rich description of how to develop the individual and create a change leader environment.

The book expertly fills the gap between leadership, change management and personal and organisational development. The text draws on a wealth of evidence from key authors in the field and combined this with checklists and case studies which illustrate the main learning with enormous relevance. There is a logical flow through the major issues of leadership, change management, the change leader, value-led change, creating an appropriate environment for change, developing capabilities, identifying the impact of change and leading talent. Throughout, the authors draw on many theoretical fields which include the behavioural, coaching and personal development literature.

This book delivers a comprehensive, multi-dimensional work which will inform both the individual and organization on the necessary environment for and best practice in developing change leaders.”

**Claire Collins**, Director, Henley Partnership, Subject Area Leader,  
Leadership & Change, Henley Business School, UK

“This book is based on high quality research. It uses practical real-life case studies around which to implement the learning generated from research. Case studies from the UK and New Zealand complement research undertaken around the world. As a result, this book is applicable across organizational cultures and national boundaries. Paul and Malcolm were at the forefront of change leadership interventions in the New Zealand public sector, and have worked widely with public and private sectors for many years. This is required reading for students of business and more-than-useful general reading for managers in all industries and sectors across the world. This is executive education in a book.”

**Professor Ken Parry**, Director of the Centre for Leadership Studies,  
Bond University, Australia  
Founding Director, Centre for the Study of Leadership, New Zealand

“When you work with Paul you appreciate and value not only his academic skills but also his practical side. Everything in this very interesting book helps busy leaders understand how and what to do in a way that is both relevant and helpful. This is because Paul understands the ‘real’ world and the demands all stakeholders put on those of us who lead and are involved in business transformation.”

**Mark Saxton C Dir**, BA (Western Australia), MSc (Bath), MD  
of The Ballintrae Partnership (South West England) and former  
VP HR Cadbury Beverages and Group HR Director Arriva PLC

“As a leader and now consultant I have experienced operating in turbulent, volatile environments characterised by continuous change and changing demands on leadership and management capability. Setbacks are inevitable and it is important to have a set of personal values and anchors against which to recalibrate thinking and behaviour. Paul Aitken and Malcolm Higgs have delivered a text of refreshing clarity enabling understanding of the change journey and provide a wealth of reference points for leaders to develop personal capability and effectiveness”

**Steve McLaughlan**, MBA , Principal Consultant at The Ballintrae  
Partnership and former change leader in LloydsTSB  
Commercial Banking

“This book represents an achievement in drawing together three core concepts; leadership, culture and change. It asks and answers some critical questions to bring wonderful clarity to a complex area, concerning how to develop change leadership capability across organisations. A timely publication!”

**Dr Gareth Edwards**, Head of Research and Academic Exchange,  
Centre for Applied Leadership Research,  
The Leadership Trust Foundation

# Developing Change Leaders

## The Principles and Practices of Change Leadership Development

Paul Aitken and Malcolm Higgs

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# Dedications

*For my parents Robert and Florence who from afar continue to release my spirit to change and my wife Sue, together with FJ, for their close support, love and perspective which sustains me day to day.*

–Paul

*To my wife Sue who has been so supportive throughout the many hours of working on this and provided so much encouragement when the task seemed impossible.*

–Malcolm

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# Introduction

## Why this book was written?

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There is no doubt billions of words have been written on the topic of leadership. Notably, Goffee and Jones (2000) estimated that in an eighteen-month period some 2000 books had been published on this topic. In a similar vein we have witnessed an outpouring of books and papers on the topic of change and its management. Yet, in spite of this we face the reality that a huge proportion of change initiatives fail to realize their goals. Indeed it has been claimed (Carnall, 1999; Higgs & Rowland, 2005) that as many as 70% of change initiatives fail to achieve their intended goals. Surprisingly less has been written about change leadership, although this is a growing area of interest (Aitken, 2007; Rowland & Higgs, 2008). Against this background we would argue that in today's environment the overarching agenda for leadership development is the implementation of change.

However, in the midst of the outpouring of theories, cases and models in these vast literatures we encounter relatively little which begins to address the question:

‘How do we develop effective change leaders?’

Exploring this question is central to this book. In writing this book we have reflected on our experience of consulting with organizations, researching and designing leadership development programmes and educating/coaching individual change leaders and change leadership teams.

## Who this book is for?

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We have sought to provide a range of practical guidelines derived from practice and research insights which can be of value to:

- (i) leaders in organizations faced with implementing change,
- (ii) those with roles advising organizations on leadership development,
- (iii) executive educators and
- (iv) the broader HR community, including those involved with supporting change initiatives or organizational development.

In addition we hope this book will provide an up-to-date resource for students studying for DBA, MBA or specialist Masters degrees in related subject areas. In fact one business school has already used elements of our work in designing a core curriculum for the topic of leadership and change.

## **How this book works?**

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Given the range of readerships identified earlier we have structured this book in a way in which it can be used as a flexible resource. Whilst some may wish to read this book sequentially, others may wish to focus on specific aspects. Thus Part 1 provides a review of the contemporary context within which change leadership needs to be considered. Part 2 focuses specifically on values and leadership culture research insights which play an important, often overlooked, part in shaping, defining and evaluating the organizational impact of the necessary change leadership capabilities we detail here. Finally, Part 3 explores broader organizational considerations which affect the nature, development and impact measurement of change leadership capability. We finish with an overarching framework which makes sense of our core material and acts as a starting point for those responsible for developing change leaders. A concluding commentary pitches forward to describe potential new demands and roles for contemporary change leaders.

A summary of the content for each part is outlined in the following paragraphs.

### **Part 1: The Contemporary Context for Developing Change Leadership**

Chapter 1 begins by exploring the broader context which gives rise to a need to examine the nature of change leadership and the importance of developing associated capabilities. In doing so, this part begins with an overview of developments in our thinking about the nature of leadership and the significance of exploring leadership within specific organizational contexts, including the highly significant impact of organizational culture. Chapter 2 reviews the challenges involved in implementing change effectively. This entails a discussion of barriers to change and differing approaches to change implementation. We also examine recent research into change management and frameworks which provide insights into potentially effective approaches to managing change. Chapter 3 concludes Part 1 with a review of our understanding of what it takes for leaders to contribute to the effective implementation of change. This review begins by considering the range of roles which individuals and leaders play in the change process. Building on recent research the chapter ends with an overview of generic change leadership competencies, behaviors and practices.

### **Part 2: How to Develop Change Leadership Capability**

Whilst Part 1 sets the scene for developing effective change leaders, Part 2 covers the necessary development interventions. Chapter 4 explores what lies beneath

the surface of leadership behaviors and looks at values which may drive or restrict change. Chapter 5 then takes us beyond individual leader development to consider the importance of collective and distributed leadership as expressed through leadership culture. In the course of this discussion the importance of authenticity and role-modeling of behavior is emphasized and the impact of an integrated transformational leadership culture is highlighted. Chapter 6 uses the prevailing practice and research to chart the journey of a developing change leader and specifies what we consider to be the top 10 ‘must have’ dynamic capabilities required by leaders tasked with leading and implementing change. Chapter 7 explores a broad range of development tools and techniques which are anchored in our 10 dynamic capabilities, also including some illustrative cases that demonstrate how capability development programmes can be designed in a way which models our core learning principles.

### **Part 3: Organizational Considerations**

Part 3 of this book provides linkages between the first two parts. As with any development activity, sustained effort to build change leadership capability has to demonstrate a clear return on investment. Chapter 8 includes some different and more relevant metrics to monitor and evaluate interventions designed to build change leadership capability. Chapter 9 explores the accountabilities for managing change talent and the debate around differing roles in the change talent management processes. In this discussion the respective roles of line leaders and HRD specialists are explored. The chapter concludes with a clear view that line leadership accountability for change talent management is more significant than technical processes in ensuring success. However, this accountability has to be underpinned by effective processes. Chapter 10 rounds off this book by providing an organization-wide framework for developing change leaders that integrates the generic and context-specific strands covered throughout this book, giving change leader developers somewhere to begin if they are coming to this topic for the first time, or a powerful way of positioning the purpose of development activities for experienced practitioners advising senior managers.

Given this structure those already familiar with the context for change leadership summarized in Part 1 may wish to go straight to Part 2. Similarly, those who feel they have effective development programmes and mechanisms, but are not achieving sustainable impact, may wish to focus on Part 3. Exploring a main focus of interest may raise questions or issues which warrant dipping into other Chapters of this book. In any event we would not want you to miss our top 10 research and practice derived ‘must have’ capabilities for exceptional change leaders, together with allied development activities, described in Part 2.

As mentioned earlier, this book is designed to meet a diverse range of reader interests and needs. Along the way we have tried to combine theory and practice; rigor and relevance. We also recognize that any form of learning is a journey. We do not claim to have all the answers, neither to have covered every aspect of the

subject. In line with this we have provided signposts to further resources throughout this book. If we have one overall aim for this book it is to contribute to the development of more effective change leadership in organizations. This will not only help organizations to flourish, but also hopefully reduce the pain and suffering of the ‘targets of change’ and their leaders alike. We hope to achieve this through encouraging our readers to become more reflective practitioners of change leadership development.

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# Part 1

## The Contemporary Context for Developing Change Leadership

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### **Introduction**

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In this part of the book we provide a broad context within which the development of change leaders needs to occur. In exploring this development it is important to consider both what we know about leadership and the context of change within organizations.

We begin by exploring the way in which our understanding of leadership has evolved. It has been argued that our attempts to understand leadership have represented a search for the 'Holy Grail' (Higgs, 2003). In the course of this search we

have consistently critiqued the journeys and conclusions of our predecessors and attempted to supplant them with ‘new truths’. However, as Weick (1995) pointed out:

*Social and organisational sciences, as opposed to physics or biology, do not discover anything new, but let us comprehend what we have known all along in a much better way, opening up new, unforeseen, possibilities of reshaping, re-engineering and restructuring our original social environment.*

Thus, we should perhaps attempt to understand this journey as a process of ‘sense-making’ rather than one of discovery. Importantly in this context Chapter 1 points to the importance of understanding the impact which corporate culture has on the nature of developing effective change leadership.

Within this sense-making frame Chapter 2 explores the challenges of change faced by organizations today. In doing this we not only explore the drivers of change, but also the reasons why it is so difficult to implement change successfully. This entails not only enumerating the barriers to change, but also attempting to understand the causes of the difficulties we face and the need to challenge many of our assumptions about the reasons for behavior which makes change so difficult to implement.

Finally, Chapter 3 brings together these different contextual themes and explores a number of ways in which we attempt to define the requirements of an effective change leader. In doing so, we explore lessons from research and practice and examine differing frameworks which range from role-based to competence-based models. In doing this we explore an emerging framework which links leader behaviors and the contextual approach required for the leadership of organizational change implementation.

## References

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# Chapter 1

## The Change Leadership Context

---

*I wanna be the leader!*

*I wanna be the leader!*

*Can I be the leader?*

*Can I? I can?*

*Promise! Promise!*

*Yippee! I'm the leader!*

*I'm the leader!*

*OK, what shall we do?*

*Roger McGough*

### Introduction

---

It is increasingly evident that change is not a process which can be simply managed. Change needs to be led and research has shown the way in which change if led can make a significant difference to the chances of success in achieving change goals.

Before exploring the specific challenges and requirements of leading change successfully (which we will do in Chapters 2 and 3), it is worth reflecting on what we have learned about leadership in general. In doing so, we will explore the following:

- Developments in thinking about the nature of leadership and understanding what it takes to deliver successful performance as a leader.
- The changing context within which leadership is both required and being exercised, plus developing an understanding of the dynamic between context and leadership behaviors.
- The significant role of organizational culture in the selection and development of leaders and the interaction between leader behaviors and organizational culture. In doing this, we will also explore the relationship between culture and change within an organization.

### Developments in our understanding of leadership

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It is worth beginning our exploration of developments in thinking about leadership by reflecting on Roger McGough's poem at the beginning of this chapter. What meaning do you take from this poem? In using this poem in introducing leadership development workshops over many years, some of the common responses to this reflection we have encountered include:

- 'No one understands what leadership is'.
- 'People pursue leadership for its status and recognition of their ambition'.
- 'You need to be driven by a desire to be a leader in order to become a leader'.
- 'You can only become a leader, if you have permission from others to lead'.
- 'We do not have a clear understanding of what it is that leaders do'.
- 'Leadership involves engaging others in determining our priorities and plans'.
- 'Leadership is a team game'.

This experience is by no means restricted to our own interactions with leaders and potential leaders. Burns (1978) pointed out that we do not have a clear view of the nature of leadership. In his research, he identified some 284 different definitions

of leadership. The progression of time and further research has clearly failed to clarify this ambiguity. Kets de Vries (1993) commented that:

*The more leaders I encounter the more difficult I find it to identify a common pattern of effective leadership behaviours.*

Ultimately this leads to a view expressed in this adaptation of a comment by the Canadian educationalist, Lawrence Peters:

*Leadership, like truth, beauty and contact lenses, lays in the eye of the beholder.*

Indeed the above quotation provides the basis for an important insight; this being that follower's needs and requirements play a significant contextual role for understanding the nature of effective leadership. We will return to this point later.

Faced with this apparently impossible compendium for thinking about leadership, how can we make sense of what we know and what we have learned? If we consider leadership as a long line of study, it could be argued that societies have had an interest in leadership which stretches back over millennia. Core to this tends to be views concerning the purpose of leadership, the nature of power, the sources of leadership and the nature or source of leadership excellence. Considering these issues could be the subject of a book (or even a treatise) in its own right. However, it may be useful to attempt to chart the developments in this debate over the course of the period during which we have more systematically studied leadership as a significant aspect of organizational behavior (arguably beginning in the 1930s).

The key developments would seem to be:

#### ■ The purpose of leadership

Thinking about leadership has been dominated for a significant period of time by the view that the purpose of leadership is to deliver results. In much of the literature, this perspective has been focused on the specific delivery of financial results. During the 1970s, a somewhat different view of the purpose began to emerge. This saw, in some cases, a shift from seeing the purpose as delivery of results to that of effecting a transformation in the organization. In essence this view saw the purpose of leadership as being to bring about significant change within an organization in order to deal with significant changes in the business environment.

Many examples of effective leadership, from the business world, began to lose credibility when 'successful' CEOs left an organization only to see a significant dip in performance. This, in part, led to a view about the purpose of leadership being concerned with the delivery of sustainable performance. This view, which began to emerge in the late 1980s, positioned the purpose of leadership as being the development of capability. Building individual and organizational capability

is seen as central to the delivery of sustainable organizational performance. Today, the thinking about the purpose of leadership is more concerned with an integration of the above three views. This viewpoint sees leadership as enabling results to be delivered through the development of capability; importantly, the capability to effect change, transformation and sustainability.

### ■ The focus of leadership studies

The focus of leadership studies has shifted notably over the period we are considering. This shift has occurred in two ways. First, our approach to leadership studies has begun to move away from a focus on top leaders, which has traditionally dominated research in this area, to a more distributed view of leadership within an organization. This leadership has moved from being purely associated with position within an organization to being seen to be concerned with the process by which anyone who needs to engage followers in the organization achieves such engagement. In part, this shift responds to the critique that leadership studies have been in essence little more than studies of the traits and behaviors of white, male American CEOs (Alimo-Metcalfe, 1995). In seeing leadership as more widely distributed within the organization, we are now able to move from a constant focus on ‘distant’ leaders to exploring the behaviors and practices of ‘near’ leaders.

The second shift we have seen under this heading is a move from seeing leadership as an individually centered phenomenon to being more of a collective activity. Hence, leadership is now being seen by many as a team game.

### ■ Sources of power

In broad terms, the relationships between leadership and power have been under-explored in research into leadership. However, in framing leadership studies it is evident that there have been underlying assumptions made about the source of leadership power. From the early studies of leadership until the 1970s, the dominant assumption about power tended to be that a leader’s power was derived from their position within the organization. In the course of the 1970s, the power base tended to be seen as being less concerned with positional power and more concerned with personal power. This tended to be illustrated by a growing focus on the charismatic aspects of leadership. More recently, as organizational life has become more complex, the power of the leader is being seen to be more concerned with the ability to create connections within the organization. This is clearly linked to the development of the view that the purpose of leadership is to build capability in the organization.

### ■ Existence of leadership

Underpinning much of the research into leadership has been the ‘nature/nurture’ debate. For a considerable time, views on leadership tended to be dominated by a belief that leaders are born. Clearly, such a belief influences the focus of research and indeed led to a significant focus on attempting to identify traits which were associated with effective and successful leaders. In the 1960s, an opposing belief emerged. The focus in this period was based on a view that effective leaders can

be made. Operating on this belief led to a focus on identifying specific behaviors which could be incorporated into the development of leaders. More recently, the view has emerged that leadership is both nature and nurture – leaders are both born and made. This is not an attempt to avoid taking a position. It is a view which suggests that certain traits or characteristics may be necessary to provide a base upon which leadership capabilities might be developed.

In practice, these developments in underpinning assumptions and beliefs relating to the framing of leadership studies have not moved tidily from one stage to another. In reality, many of these exist today in different forms and combinations. What is important, however, is to understand leadership in the context of these assumptions. Against this background, it is worth reflecting on the approaches we have adopted in attempting to describe and understand the nature of effective leadership.

It has been suggested that the study of leadership has a history stretching back over many centuries. Indeed, an historical review of the development of attempts to understand leadership may be illuminating. Below is a brief review of trends and developments in thinking on leadership from such a perspective. However, in presenting developments in this way, it is important to be aware that the process is not linear and early frameworks remain potential lenses for viewing leadership today.

## THE LONG LINE IN RETROSPECT

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Clemens and Mayer (1999) draw on literature to illustrate periods of leadership. The use of literature provides a means of identifying stories, which help us to understand the dominant discourse, which in turn enables us to understand and make sense of a construct within a context. An illustration of this development is provided in Table 1.1. The importance of understanding perceptions of leadership contextually is illustrated by Plato's observation.

*Society values whatever is honoured there.*

However, the key value of reviewing the historical discourse lies not in finding selective evidence for today's views, but in understanding the dynamic between society and the dominant perspectives on leadership. From the above overview of leadership, it is evident that, until the late twentieth century, the paradigm was determined by the rational/analytical perspective of Weber. This led to the emergence of 'Taylorism' and 'Fordism' which has dominated, and to an extent continues to dominate, thinking on business organization and leadership. The impact of the 'modern' school, influenced by Freud, Jung, Skinner, etc., provides the second major leadership behavioural/relational discourse in the latter part of the twentieth century. In some respects the current financial/economic/environmental crisis in western capitalism is encouraging leadership observers to re-visit the more philosophical 'classical' period, albeit now in global terms, with an emphasis on who and what leadership serves.

**Table 1.1** Leadership discourses: A historic perspective

Era	Dominant discourse	Examples of authors
Classical	<ul style="list-style-type: none"> <li>■ Dialogue</li> <li>■ Society</li> <li>■ Democracy</li> </ul>	<ul style="list-style-type: none"> <li>■ Plato</li> <li>■ Aristotle</li> <li>■ Homer</li> <li>■ Pericles</li> <li>■ Sophocles</li> </ul>
Renaissance	<ul style="list-style-type: none"> <li>■ Ambition</li> <li>■ Individual</li> <li>■ Great man not great event</li> </ul>	<ul style="list-style-type: none"> <li>■ Petrarch</li> <li>■ Chaucer</li> <li>■ Castiglione</li> <li>■ Machiavelli</li> <li>■ Shakespeare</li> </ul>
Industrial	<ul style="list-style-type: none"> <li>■ Survival of the fittest</li> <li>■ Control</li> <li>■ Rationality</li> </ul>	<ul style="list-style-type: none"> <li>■ Weber</li> <li>■ Darwin</li> <li>■ Durkheim</li> <li>■ Marx</li> </ul>
Modern	<ul style="list-style-type: none"> <li>■ Psychological</li> <li>■ Behavioral</li> </ul>	<ul style="list-style-type: none"> <li>■ Freud</li> <li>■ Skinner</li> <li>■ Jung</li> </ul>

*Source: Adapted from Clemens and Mayer (1999).*

**TRAIT THEORIES OF LEADERSHIP**

The ‘modern’ study of leadership is viewed as having begun with trait theory in the late 1920s. This was a personality-based approach, and one which led to generally inconclusive findings. However, three key traits associated with effective leadership were identified (and indeed are still evident in recent research). These were:

1. Cognitive abilities
2. Drive
3. Conscientiousness

**BEHAVIORAL AND SITUATIONAL THEORIES OF LEADERSHIP**

The limitations of trait theory were responded to by examining the behaviors and style of leaders. A classic example of this approach is provided by the Blake and Mouton ‘managerial grid’ model. This approach was underpinned by a point of

view, or belief, that there was a ‘best’ style. Reality, however, provided numerous examples of success employing ‘less desirable’ styles. The limitations of the ‘style theories’ were the catalyst for the application of contingency theory to leadership. A classic example of the contingency leadership model is that developed by Hersey and Blanchard (1993) who maintained that it was not the leader’s style per se which led to effectiveness, but rather the ability of the leader to adapt the style to the needs of the followers. This approach drew on the relatively underexplored work on understanding leadership from the follower perspective, originally developed from research carried out by Fiedler (1964).

Whilst the trait theory tended to imply that effective leadership is a matter of selection, the behavioral and situational theories focused more on the development of leadership capabilities. Once again, research using both style and contingency theories failed to provide consistent and compelling evidence for their validity across a wide range of contexts.

## CHARISMATIC THEORIES

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In focusing on top-level leadership performance, Shamir (1992) returned to the qualities of the leaders and identified, through studying cases of successful leaders, the common thread of ‘charisma’. He described charisma as being the ability to inspire others to act in a way, which is required to realize the leader’s vision. This approach led to a period in which the focus of much of the leadership research was on the qualities of the ‘heroic CEO’. This approach not only failed to produce compelling results, but it also tended to be very US focused.

## TRANSFORMATIONAL AND TRANSACTIONAL THEORIES

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In the late 1970s, the state of leadership research was such that methodological and terminological debates were causing more confusion than enlightenment. The rational paradigm derived from a Weberian perspective was in conflict with the psychological paradigm. Zalesnik (1977) summarized the issue, and indeed failures of leadership research as follows:

*Theoreticians of scientific management, with their organisational diagrams and time and motion studies were missing half the picture – the half filled with inspiration, vision and the full spectrum of human drives and desires.*

In many ways, this statement captured the key debate around the difference between leadership and management. In parallel with and possibly influenced by this stream of thought, Bass (1985) developed a leadership model, which identified different sets of behaviors and characteristics required in situations of organizational

transformation and situations of stability. Bass labeled these as transformational and transactional leadership. Further work using this model identified the main characteristics and behaviors associated with each context as being:

**a. Transformational leadership**

- *Charismatic/inspirational*: inspiring and aligning others by providing a common purpose allied with optimism about the ‘mission’ and its attainability.
- *Intellectual stimulation*: encouraging individuals to challenge the status quo, to consider problems from new and unique perspectives and to be innovative and creative.
- *Individualized consideration*: a genuine concern for individuals’ feelings, aspirations and development. They pay special attention to each individual’s needs for achievement and growth, they coach and mentor. Followers are treated differently and equitably.

**b. Transactional leadership**

- *Contingent reward*: encouraging specific performance and behaviors by making rewards (in the broadest sense) contingent on delivery.
- *Management by exception*: only intervening actively when a delegated task or function is failing to perform to expectations.

Bass and Avolio (1996) operationalized this model in the form of a questionnaire (the Multifactor Leadership Questionnaire, MLQ) which has been used as the basis for much empirical work in the field. Whilst the instrument has not been without its critics, there is little doubt that it has been influential in building understanding of leadership in a changing environment.

## **An emerging perspective on leadership**

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The diverse, and often contradictory, findings on the nature of effective leadership share two common factors. They are: (1) a focus on top-level leaders and (2) the measure of success employed is the financial performance of the business. This criticism implies an alternative means of assessing the effectiveness of leadership behaviors, a route initiated by Fiedler (1964) and further developed by Alimo-Metcalfe (1995), in terms of the impact of leader behaviors on the followers.

In addition, it has been suggested that the extensive literature on leadership, and changing schools of thought and models, contain much re-working of earlier concepts. Perhaps, the frustration with the inability of leadership research is rooted in a paradigm which suggests that there is a fundamental truth which is yet to be discovered. Shifting the lens through which leadership is observed may bring new and useful insights. Viewing leadership through a different lens suggests a potential

change in the measure of leadership effectiveness from hard business results to the impact of leaders on their followers. This view resonates with the view that leadership in a change context requires focus on building the capability of people within the organization to deal with continuing change, a dynamic, rather than static, view of enhancing organizational performance over time.

Although not explicitly acknowledging this shift in paradigm, there is a body of literature which is beginning to look at leadership through a 'new lens' in order to attempt to make sense of this complex concept in today's business environment. Within this 'emerging theory' school of thought, there are two common strands which are: (1) the focus of study is on what leaders actually do and (2) the determinant of effectiveness includes the leader's impact on followers and their subsequent ability to perform over time.

It may have been Kotter's (1990) study which prompted a move from studying personality or testing theoretical models in the search for understanding the nature of leadership. His study of the work of leaders certainly appears to influence many of the studies, which may be placed in this 'emerging school'. Typical of these studies is the work reported by Kouzes and Posner (1998), which identified the following elements of effective leadership (with effectiveness judged from the follower's perspective).

- (i) *Challenging the process* – a constant questioning of why things are being done in a certain way combined with openness to having their own actions challenged.
- (ii) *Inspiring shared vision* – engaging others with a vision of how things can be and how progress may be made.
- (iii) *Enabling others to act* – working on a belief in the potential of people and creating the conditions to enable people to realize their potential.
- (iv) *Modeling the way* – acting as a role model and demonstrating integrity in terms of congruence of words and actions.
- (v) *Encouraging the heart* – providing recognition tailored to an understanding of the needs and personalities of each person.

In reviewing these findings, clear overlaps with elements of transformational leadership become apparent. However, this does not diminish the potential contribution of Kouzes and Posner when seen in a 'sense-making' context. Examining leadership through this new lens produces insights not normally associated with the 'financial performance' lens. Indeed, some writers are quite explicit in their acknowledgement that a number of 'effective' leaders they studied would not necessarily have been considered so in the absence of the followers' perspective. In reviewing studies such as those outlined above, it becomes evident that this 'emerging school' sees leadership as being a combination of personal characteristics and

areas of competence. The re-emergence of personality implied in this school of thought, seen as a component of effective leadership, is evident in some of the more recent studies of leadership where the focus is on building capability.

**A POTENTIAL FRAMEWORK FOR UNDERSTANDING LEADERSHIP**

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Having reviewed the development in thinking about the nature of effective leadership and, in particular, having looked at the literature from a ‘sense-making’ rather than discovery perspective, a pattern is beginning to emerge. One part of this pattern is that the personality of the leader is a determinant of their effectiveness. The second element is that effective leaders are differentiated from other leaders through the exercise of a relatively small range of skill or competence areas. The way in which these skills and competencies are exercised is not prescribed, but is the function of the underlying personality of the leader. Building on this view, it is possible to suggest a framework which reflects the research and thinking on leadership emerging from a ‘sense-making’ paradigm. This is shown in Figure 1.1.

The elements in this framework are summarized below:

a. Skill/competence areas

- *Envision*: the ability to identify a clear future picture, which will inform the way in which people direct their efforts and utilize their skills.
- *Engage*: finding the appropriate way for each individual to understand the vision and, hence, the way in which they can contribute.
- *Enable*: acting on a belief in the talent and potential of individuals, and creating the environment in which these can be released.

<ul style="list-style-type: none"> <li>• Envision</li> <li>• Engage</li> <li>• Enable</li> <li>• Inquire</li> <li>• Develop</li> </ul>	<p>Skills/competencies</p>
<ul style="list-style-type: none"> <li>• Authenticity</li> <li>• Integrity</li> <li>• Will</li> <li>• Self-belief</li> <li>• Self-awareness</li> </ul>	<p>Being yourself</p>

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**Figure 1.1** An emerging model of effective leadership.

- *Inquire*: being open to real dialogue with those involved in the organization and encouraging free and frank debate of all issues.
- *Develop*: working with people to build their capability and help them to make the envisioned contribution.

**b. Personal characteristics**

- *Authenticity*: being genuine and not attempting to ‘play a role’, not acting in manipulative way.
- *Integrity*: being consistent in what you say and do.
- *Will*: a drive and persistence in working toward a goal.
- *Self-belief*: a realistic evaluation of your capabilities and belief that you can achieve required goals.
- *Self-awareness*: a realistic understanding of ‘who you are’, how you feel and how others see you.

## IMPLICATIONS OF THE FRAMEWORK

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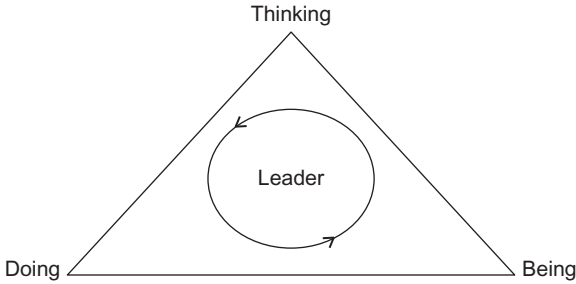
If personality is a significant determinant of effective leadership, then a purely developmental focus will not contribute sufficiently to building an organization’s leadership capability. This implies that any approach to building leadership capability needs to be underpinned by rigorous and effective selection procedures.

The skills encompassed within the framework outlined in Figure 1.1 do not lend themselves to ‘traditional’ training interventions. They require a longer term development approach combining workshops, coaching and monitored implementation and re-inforcement through work-based projects. Higgs and Rowland (2000) reported a study, which demonstrated the effectiveness of such an approach in the context of developing change leadership capability. In the same study, they highlighted the importance of appropriate performance measures which go beyond the ‘traditional’ financial or short-term goal/output-related measures. Thus, in addition to selection and development, the ‘emerging’ framework for understanding leadership has implications for organizations in terms of metrics to track the performance and development of leaders. Such metrics may well include climate studies/employee feedback and measures of follower capability development. We list some indicative measures in Chapter 8. Without appropriate metrics, the required leadership behaviors are unlikely to be identified, developed or open to reinforcement through ‘reward’.

## SUMMARY OF THIS EMERGING PERSPECTIVE

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From the above, we can see that there have been significant developments in our thinking about the purpose and nature of leadership. These have impacted on the focus of research and the development of our understanding of the nature of effective leadership. In broad terms, our framing of effective leadership has shifted notably



**Figure 1.2** The leadership learning and enacting balance frame.

from the ‘Heroic’, leader-centric viewpoint to a more ‘Engaging’ one which focuses on working with followers to address the leadership of organizational challenges.

Although the ‘emerging’ frame encompasses both behaviors and personality, it is important not to neglect some of the consistent findings from trait-based studies. Importantly, we should remember that effective leadership requires high cognitive ability. Overall, it is feasible to view effective leadership in terms of a balance between skills/behaviors, personality and cognitive abilities. Figure 1.2 presents this schematically.

Within this model the ‘Thinking’ relates to the cognitive abilities and their application in an organizational context. For example, this could include areas such as critical analysis and evaluation of plans, proposals and ideas; decision-making and judgment and strategic thinking. The ‘Being’ relates to core aspects of the leader’s personality and, importantly, awareness of how they impact on the leader’s behaviors and actions as well as understanding how these need to be deployed and managed. ‘Doing’ covers the leader’s actions and behaviors in terms of how the leader works with and engages followers. The model is not intended to be static. Rather, it provides a frame for the leaders to reflect on their effectiveness and consider the need to balance the three components when enacting their leadership. Through this process of active reflection, the leaders should be in a position to learn and develop in a way which improves their effectiveness. We return to this development frame in Chapter 10, superimposed on which, we locate the top 10 dynamic capabilities we consider are required for effective change leadership.

## The significance of organizational context and culture

There are several contextual factors underpinning the increasing pressures on organizations to respond to growing complexity and environmental volatility. In brief, these are (see Chapter 2 for more detail):

- increasing levels of competition;
- investor and stakeholder demands;

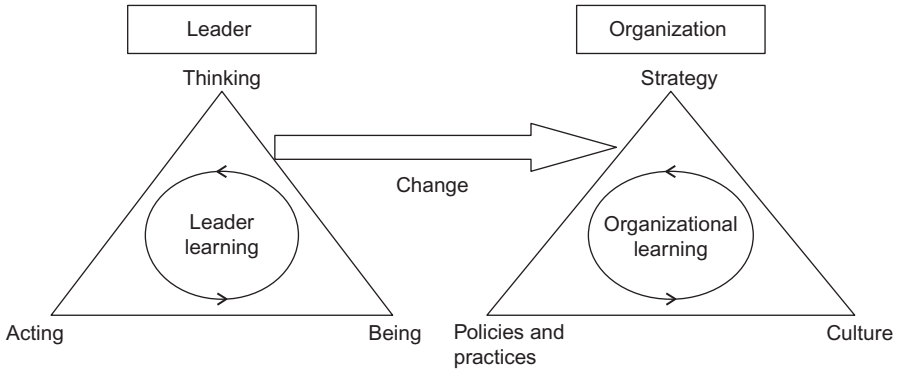
- globalization;
- changing nature of the workforce;
- technology;
- legal and regulatory changes;
- societal changes.

To a large extent, these same factors underpin the ever increasing focus on leadership in organizations and the drive to identify what it takes to exercise effective leadership. Indeed, it is these factors which provide the macro-context within which leaders today need to operate. Whilst all of these factors are of significant importance for leadership, it is worth highlighting the particular impact of the changing nature of the workforce. For some while now, we have known that there is a strong positive relationship between the levels of employee commitment to an organization and the performance of the organization.

However, changing employees' values and expectations are creating conditions which can weaken levels of loyalty and commitment (see Chapter 4). For example, recent surveys have shown declining levels of employee trust in their organizations; without trust it is difficult to build high levels of commitment (see Chapter 8). This represents a significant leadership challenge and illustrates well the interplay between leadership and the context in which it is being exercised. The commitment challenge is illustrated by the rapid growth in employee engagement (a version of commitment) benchmarking by organizations and the burgeoning business of providing advice on actions to increase engagement. However, what we do know is that without leadership attention and action such initiatives have limited (if any) sustainable impact (see Chapter 5).

Whilst it is important that leadership is understood within a macro-context, it is also necessary to consider leadership within the more specific micro-organizational context. In reality, there is a dynamic between leadership and the organizational context (both macro and micro). There is certainly evidence that the nature of an organization, its purpose, strategies and plans play a part in determining the type of leadership which is considered necessary, the type of people who are placed in leadership roles and the types of actions and behaviors which are recognized and rewarded. There is also good evidence to show that leaders can impact significantly on the nature of an organization and its strategic direction. This dynamic is shown schematically in Figure 1.3. In reflecting on the dynamic, it is evident that there is an organizational equivalent of the leadership balance shown in Figure 1.2.

The organizational equivalent of the leader's cognitive abilities (Thinking) may be represented by the organization's strategy. This represents the organization's thought through response to its environment and the intent in terms of achieving its core purpose in the face of an evaluation of the environmental challenges and opportunities. The organizational equivalent of the leader's personality (Being) may



**Figure 1.3** Leadership in context.

be seen as being the overall culture of the organization. Indeed in the vast literature associated with the concept of organizational culture, culture is referred to as the ‘personality of the organisation’. We will explore the nature and significance of culture in a little more detail in the next section. Finally, the organizational equivalent of the leader’s behaviors (Doing) may be seen as being the framework of policies and practices deployed throughout the organization. Combining the leader, and organizational processes creates the opportunity for organizational learning and development, in effect becoming the organizational development agenda, driven by appropriate leadership development. As can be seen from Figure 1.3, there is also a clear interaction between the leader and the organizational context. For example, changes to strategy will create a need for a change in the focus for the leader and often the need to deploy leadership skills in a different way to address changing contexts and priorities.

Much of the thinking and writing on leadership focuses on the leader and leader behaviors. What is often neglected in this area is consideration of the nature of the leadership agenda and the priorities for action. The model described provides a useful framework for helping leaders to identify their action agenda and priorities. If leaders review the key elements of the organizational strategy alongside the current culture and the key organizational policies and practices, they can begin to identify an agenda for actions with a clear sense of priorities and sequencing. This may be best illustrated by considering a brief case study example.

An organization in the United Kingdom financial sector has a major strategic goal of increasing market share by 10% over the next five years. In order to do this, they have identified a number of critical strategic priorities which are:

- (i) Improving the speed of getting new products to market. This will entail increasing the ability to work across organizational functions and boundaries.

- (ii) Encouraging higher levels of innovation across most areas of the organization.
- (iii) Identifying new distribution channels and rapidly establishing means of utilizing them for both new and existing products.

The current culture of the organization is characterized by:

- (i) *Risk aversion*: This tends to be reflected in slow decision-making and a need for the development of lengthy business cases to underpin any decisions.
- (ii) *Hierarchical*: There are a significant number of organizational levels. Decision-making tends to be fairly centralized with relatively limited delegation of authority. In addition, the organization tends to be largely silo-based with limited cross-functional communication or cooperation.
- (iii) *Bureaucratic*: The organization tends to make extensive use of committees for decision-making purposes and for reviewing practices and performances. There are extensive and complex processes for reporting, analysis and communication of information.

Flowing from this culture, some of the relevant policies and practices include:

- (i) Communication flows tend to be downward and upward through the chain of command within each functional area. Communication between functions tends to be formal and largely occurs between functional heads.
- (ii) Objective-setting tends to be carried out on a top-down basis. In practice, individual objectives only tend to emerge some five-six months into the planning cycle.
- (iii) Detailed and tight job descriptions exist for the majority of jobs within the organization. Formal performance reviews focus on individual objectives which are tightly linked to individual job descriptions.
- (iv) Reward is largely related to a combination of organizational level and length of service. Incentive bonuses tend to be restricted to sales force and a few senior executive positions.

From this synopsis, it becomes apparent that in order to achieve the strategic goal, the leadership agenda will need to address the cultural, policy and practice dimensions as an early priority. In reality, cultural change tends to take quite some time (see below) and therefore, the priority areas for leadership to address will be associated with policies and practices. This dimension also tends to encompass structures. Therefore, in this example, a potential priority leadership focus may entail an initial intervention which would establish cross-functional teams to work on improving the effectiveness of product development processes. This example highlights the importance of considering the interaction between leadership and the organizational context in framing and prioritizing the change and development agenda for leaders.

In the above discussion, the importance of culture as a significant aspect of the organizational context for leadership was highlighted. In the example, we considered how an understanding of the organizational context could help to frame the leadership agenda. However, the model in Figure 1.3 indicates a two-way dynamic relationship between the leader and their context. This invites consideration of how a leader can impact on the context and, in particular, on the culture of the organization.

In order to explore the relationship between organizational culture, leadership and change, it is necessary to be clear as to what is meant by organizational culture. This is an area of considerable debate and a voluminous literature. Whilst it is beyond the scope of this paper to explore this vast literature, it is necessary to establish a frame for considering organizational culture. There are numerous definitions of culture that have been produced over the years. In searching for an appropriate definition, it would appear that there are many facets, with emphasis shifting according to the individual author. In addition, culture is impalpable, making definitions hard to relate to. For many, simply describing what culture means let alone managing it can be difficult. Hofstede (1991) describes culture as ‘...software of the mind – a collective programming of the mind that distinguishes the members of one group of people from another’. Schein (1985) defines culture as ‘...the deeper level of basic assumptions and beliefs that are shared by members of an organization, that operate unconsciously, and that define in a basic taken-for-granted fashion an organization’s view of itself and its environment’. A more long-standing definition by Hall (1959) suggests that ‘culture is the pattern of taken-for-granted assumptions about how a given collection of people should think, act and feel as they go about their daily affairs’. Even though this definition is over fifty years old, it does not appear out-of-date today.

There are many other definitions of culture, but most commonly, it is colloquially described as ‘the ways in which things are done around here’ and, as a form of social glue that holds a group of people together. However, there is an increasing recognition that culture may be viewed at two levels which are: (1) what is thought and the way of thinking – implicit beliefs, values and basic assumptions and (2) explicit or observable phenomena – procedures, structures, rituals, logos, etc.

The difficulty in pinning down the nature of culture has led to challenges in finding ways of assessing or measuring an organization’s culture. Although many different approaches are adopted, a relatively recent framework proposed by Goffee and Jones (1996) has proved to be helpful in practice. This framework explores an organization’s culture through examining both of the levels described above. They use two dimensions to describe the way human beings form groups and how they relate to each other: sociability and solidarity. They define sociability as: ‘a measure of friendliness among members of a community’. This measure considers how people relate to each other. High levels of sociability are likely amongst people who share similar ideas, values, personal histories, attitudes and interests. Solidarity is