

3.12: Summary

Key Terms

Charisma

A special personal magnetic charm or appeal that arouses loyalty and enthusiasm in a leader-follower relationship.

Charismatic leader

A person who possesses legitimate power that arises from “exceptional sanctity, heroism, or exemplary character.”

Consideration

A “relationship-oriented” leader behavior that is supportive, friendly, and focused on personal needs and interpersonal relationships.

Contingency theory of leadership

A theory advanced by Dr. Fred E. Fiedler that suggests that different leadership styles are effective as a function of the favorableness of the leadership situation least preferred.

Designated leader

The person placed in the leadership position by forces outside the group.

Emergent leader

The person who becomes a group’s leader by virtue of processes and dynamics internal to the group.

Formal leader

That individual who is recognized by those outside the group as the official leader of the group.

Great man theory of leadership

The belief that some people are born to be leaders and others are not.

Informal leader

That individual whom members of the group acknowledge as their leader.

Initiating structure

A “task-oriented” leader behavior that is focused on goal attainment, organizing and scheduling work, solving problems, and maintaining work processes.

Leadership

A social (interpersonal) influence relationship between two or more persons who depend on each other to attain certain mutual goals in a group situation.

Least-preferred coworker (LPC)

The person with whom the leader least likes to work.

Path-goal theory of leadership

A theory that posits that leadership is path- and goal-oriented, suggesting that different leadership styles are effective as a function of the task confronting the group.

Transformational leader

A leader who moves and changes things “in a big way” by inspiring others to perform the extraordinary.

Visionary leader

A leader who influences others through an emotional and/or intellectual attraction to the leader’s dreams of what “can be.”

Summary of Learning Outcomes

3.2 The Nature of Leadership

1. What is the nature of leadership and the leadership process?

Leadership is a primary vehicle for fulfilling the directing function of management. Because of its importance, theorists, researchers, and practitioners have devoted tremendous attention and energy to unlocking the secrets of effective leadership. They have kept at this search for perhaps a greater period than for any other single issue related to management.

3.3 The Leadership Process

2. What are the processes associated with people coming to leadership positions?

Organizations typically have both formal and informal leaders. Their leadership is effective for virtually identical reasons. Leadership and management are not the same. Although effective leadership is a necessary part of effective management, the overall management role is much larger than leadership alone. Managers plan, organize, direct, and control. As leaders, they are engaged primarily in the directing function.

3.4 Types of Leaders and Leader Emergence

3. How do leaders influence and move their followers to action?

There are many diverse perspectives on leadership. Some managers treat leadership primarily as an exercise of power. Others believe that a particular belief and attitude structure makes for effective leaders. Still others believe it is possible to identify a collection of leader traits that produces a leader who should be universally effective in any leadership situation. Even today, many believe that a profile of behaviors can universally guarantee successful leadership. Unfortunately, such simple solutions fall short of the reality.

3.5 The Trait Approach to Leadership

4. What are the trait perspectives on leadership?

3.6 Behavioral Approaches to Leadership

5. What are the behavioral perspectives on leadership?

Effective leaders are endowed with the “right stuff,” yet this “stuff” is only a precondition to effective leadership. Leaders need to connect with their followers and bring the right configuration of knowledge, skills, ability, vision, and strategy to the situational demands confronting the group.

3.7 Situational (Contingency) Approaches to Leadership

6. What are the situational perspectives on leadership?

We now know that there is no one best way to be an effective leader in all circumstances. Leaders need to recognize that how they choose to lead will affect the nature of their followers’ compliance with their influence tactics and ultimately impact motivation, satisfaction, performance, and group effectiveness. In addition, the nature of the situation—contextual demands and characteristics of the follower—dictates the type of leadership that is likely to be effective. Fiedler focuses on leader traits and argues that the favorableness of the leadership situation dictates the kind of leadership approach needed. He recommends selecting leaders to match the situation or changing the situation to match the leader. Path-goal theory focuses on leader behavior that can be adapted to the demands of a particular work environment and organizational members’ characteristics. Path-goal theorists believe both that leaders can be matched with the situation and that the situation can be changed to match leaders. Together, these theories make clear that leadership is effective when the characteristics and behavior of the leader match the demands of the situation.

3.8 Substitutes for and Neutralizers of Leadership

7. What does the concept of “substitute for leadership” mean?

Characteristics of followers, tasks, and organizations can substitute for or neutralize many leader behaviors. Leaders must remain aware of these factors, no matter which perspective on leadership they adopt. Such awareness allows managers to use substitutes for and neutralizers of leadership to their benefit rather than be stymied by their presence.

3.9 Transformational, Visionary, and Charismatic Leadership

8. What are the characteristics of transactional, transformational, and charismatic leadership?

In recent years, there has been a renewed interest in key leader traits and behaviors. As organizations face increasing chaos in their external environments, searching for “the right leader” to bring about major organizational transformations has intensified. This search again focuses on a set of “key” motives, knowledge, skills, and personality attributes. Emerging from this search has been the identification of the charismatic and transformational leader.

3.10 Leadership Needs in the 21st Century

9. How do different approaches and styles of leadership impact what is needed now?

Leadership in the high-involvement organization differs dramatically from that in the traditional and control-oriented organization. Leaders who are external to the team have a primary role in empowering group members and the teams themselves to self-lead and self-manage. Leaders internal to the team are peers; they work alongside and simultaneously facilitate planning, organizing, directing, controlling, and executing the team’s work.

Although we know a great deal about the determinants of effective leadership, we have much to learn. Each theory presented in this chapter is put into practice by managers every day. None provides the complete answer to what makes leaders effective, but each has something important to offer.

Finally, our understanding of leadership has many shortcomings and limitations. The existing literature is largely based on observations from a Western industrialized context. The extent to which our leadership theories are bound by our culture, limiting generalization to other cultures, is largely unknown. Cross-cultural leadership research will no doubt intensify as the global economy becomes an ever more dominant force.

? Chapter Review Questions

1. Define leadership and distinguish between leadership and management.
2. Discuss the processes associated with people coming to positions of leadership.
3. Discuss the different forms of power available to leaders and the effects associated with each.
4. It has been observed that effective leaders have the “right stuff.” What traits are commonly associated with leader emergence and effective leaders?
5. The Ohio State University and University of Michigan leadership studies identified central leader behaviors. What are these behaviors, and how are they different from one another?
6. Blake and Mouton’s work with the Leadership Grid® identified several leadership types. What are they, and how does this leadership model look from the perspective of situation theories of leadership?
7. Identify and describe the three situational variables presented in Fiedler’s contingency theory of leadership.
8. What are the four leadership behaviors in the path-goal theory of leadership?
9. Discuss the differences between the internal and external leadership roles surrounding self-managed work teams.
10. What are substitutes for leadership? What are neutralizers? Give an example of each.
11. What are the distinguishing features of the transformational and the charismatic leader?

Management Skills Application Exercises

1. Identify a charismatic leader and a leader with little charisma. What traits and skills allow them to succeed in their roles? How can you incorporate the traits that enable them to succeed in their roles into the skills you will need in a leadership position?
2. You have just taken a leadership position where 40 percent of the workforce telecommutes. You want to encourage teamwork and ensure that telecommuting is not hurting teamwork. What is your plan to discover how things are working and how to communicate your desire to have effective teamwork?
3. You are at a meeting, and during the meeting, someone on the team addresses their manager and points out a crucial mistake that could doom the project. The person says that their manager should have caught it and, because of that, should resign. As a leader of the group, how would you deal with the subordinate and the manager and communicate with the entire team?

Managerial Decision Exercises

1. You are the newly appointed commissioner of a major sports league in a public game three of a best-of-seven-game playoff. After an emotional opening ceremony that recognizes a tragic event in the community that is widely praised, you settle in to

enjoy the game. Early in the game, a player on one team is seen celebrating a scoring play by acting out a racially insensitive behavior after the play. How would you act in a leadership position? [Read the ESPN article](#) and comment on how this commissioner acted in this instance.

2. One of the challenges for a new manager in a leadership position is managing stress. Reflect on a time in your life when you have taken a leadership role in a summer job, as a member of a team, or in a study group for this or another course. Develop a stress management plan that includes how you can recognize stress, how you will notice the stress, how you will manage changes to address stress, and how you will seek outside counsel and help, including a mentor to help you manage stress.
3. Few people would want to hire a skilled manager with no leadership skills, and you would not want to hire an inspirational leader who can't manage planning, delegating, or keeping things organized. Draw two "T accounts" with positive attributes on the left and negative attributes on the right for managerial skills and leadership skills that you would look for as a hiring manager for a crucial managerial and leadership position in your organization.

Managerial Skills		Leadership Skills	
+	-	+	-

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Critical Thinking Case

The Leadership Challenge at United

Anyone who has traveled even a little has at least one airline horror story: being stranded at an airport, obnoxious passengers, missed connections, flight delays, or just bad in-flight food. Even the most seasoned travelers would be hard-pressed to match Dr. David Dao's experience of being forcibly removed, kicking and screaming, from a United Airlines flight. Most airline horror stories don't end in a concussion, missing teeth, and a broken nose.

United Airlines CEO Oscar Munoz's strangely detached response only made things worse. The incident was caught on video, and that video went viral almost immediately. Munoz issued a response that mischaracterized what plainly happened in the video and termed the violent assault as a passenger "re-accommodation" (Taylor, 2017). Social media erupted with condemnation, which was echoed by late-night monologues. United was left with a damaged reputation, and its management was left wondering why their processes failed, what to do to mitigate the damage, and how to both restore their reputation and ensure that company values are followed in the future.

William Taylor (2017), in a commentary in *Fortune*, attributes United's "re-accommodation" disaster as the product of company policy, airport security procedures, pilot protocols, and the "wisdom of crowds." At each step, the gate agent, pilot, airport security, and the passengers themselves could have intervened but didn't.

Brian Fielkow, business leader, author, and keynote speaker, writing at *Entrepreneur.com*, outlined some points that apply to Munoz's response and the first reactions by United. Citing United's core values, Fielkow points to Munoz's failure to address the incident in light of the company's values, take the blame, or even accurately describe what happened on the plane. Any one of these lapses in leadership would have caused confusion or stymied the recovery process. As a leader, Munoz was setting the tone for thousands of people. Seemingly abandoning United's core values likely caused a rift in trust or just simple confusion company-wide. Miscasting the situation in a world of smartphones and social media reach only multiplied the effect. As a leader, Munoz was duty-bound to take responsibility for what literally the entire world saw—a breach of social ethics, let alone United's core values.

Failing to do this immediately created a problem larger than poorly planned company policy or just a perfect storm of contributing outside factors. Fielkow is keen to point out another crucial part of a company response— “You can’t walk it back” (2017, n.p.). Before responding, leadership should take time to gather the facts and thoroughly consider the possibilities of how the message will be received. Again, Munoz’s response failed at several key points, leading to the perception that Munoz’s second statement was “an attempt at damage control” (Fielkow, 2017, n.p.).

William C. Taylor, co-founder of Fast Company, also criticized the lack of leadership across United. As the presumptive leader of the flight, shouldn’t the pilot have done something? Why didn’t the gate agent think outside the box to solve the problem of getting the crew members from Chicago to Louisville, Kentucky? Why didn’t—or couldn’t—the gate agent use what Taylor refers to as a “common sense and a little bit of creativity” and prevent a highly embarrassing (and ultimately expensive) fiasco? Taylor muses that he would like to think he would have done more than shoot video, but the passengers on the flight remained quiet and submissive, expressing no group outrage. Finally, Taylor questions the weak initial response from United’s CEO, Oscar Munoz (2017), writing, “If CEO Oscar Munoz’s goal was to make a disastrous situation even worse, well, he gets credit as a leader for succeeding at that.” And of the board, he questions their response, and says that response will be a “make or break test” of the company’s character (Taylor, 2017).

So, what will it take to lead United out of such a public mistake?

According to Brian Fielkow, the incident flew in the face of United’s core values, values which should never be sacrificed. United should have acknowledged this and addressed that failure. United should have held itself accountable for the incident rather than try to deflect blame. Fielkow contends that Munoz’s first response was to blame the passenger when Munoz should have accepted responsibility instead. Further, Fielkow writes that companies should anticipate what “can” go wrong, something the gate agents at United failed to do. Increasing passenger compensation to even three times the normal ticket price would have been cheaper than the PR nightmare (and stock price drop) that followed. After Munoz’s tepid response failed to quell general complaints about United’s handling of the passenger, he tried to issue a second “more appropriate” statement, but by then the damage had been done. Fielkow recommends waiting before issuing a response if need be. It’s better to be prepared and issue a suitable response than to try to walk back a bad response. Above all, Fielkow recommends leaders “be human.” The first response Munoz gave had little empathy and made him, and United, appear insensitive and callous. A company’s first response should be to empathize with the customer, even if the customer is wrong. He writes, “When triaging a difficult problem, above all recognize the human factor” (Fielkow, 2017).

Writing in *Forbes*, Glenn Llopis emphasizes that how managers react to failure shapes their futures as leaders. Not only how leaders respond, but what they learn from a failure will affect how those leaders approach future decisions. Remember, you have to be doing something to fail; if you never fail, then you aren’t stretching yourself. Venturing into the unknown and unfamiliar always risks failure (Llopis, 2012).

Sources:

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Llopis, G. (2012). 5 things failure teaches you about leadership. *Forbes*. <https://www.forbes.com/sites/glennllopis/2012/08/20/5-things-failure-teaches-you-about-leadership/?sh=6837b4da168b>.

Taylor, W. C. (2017). Where was the pilot on that United Airlines flight? *Fortune*. <https://fortune.com/2017/04/11/united-airlines-video/>.

Questions:

1. How have other airlines handled similar situations?
2. How much was in United Airlines’ control, and how much was actually outside their control? What social or company factors caused a seemingly common practice to escalate to this level?
3. How did the other airlines or the industry respond to the United Airlines incident?

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