

# Strategic leadership assignment



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This assignment critically evaluates leadership theories within a strategic framework by drawing upon literature sources and contrasting different academic perspectives. It will explore the relevance of strategic leadership within a small organization, as it appears that, from an initial review of the literature, that strategic leadership theories are aimed at large, complex, corporate organizations. Recommendations will be made as to whether or not the strategic leadership theories are of relevance to a small organization and which theories have more relevance than others in this specific organizational context.

**Leadership** The concept of leadership is not new and it has been suggested that it was philosophers from ancient civilizations who first started to examine the definition of leadership (Grant 2001). The oldest known military text *The Art of War* (circa 400 BC) states: 'the leader of armies is the arbiter of the people's fate, the man on whom it depends whether the nation shall be in peace or in peril' (Sun (undated)). As early as the fourth century BC Plato believed leadership and the development of leaders to be of fundamental importance (Bass 1990).

However, over the last few decades the concept of leadership has been heavily studied and abated; so much so that, for the first-time reader on the subject matter, the definition leadership appears, at first sight, to be intangible. It would appear that every layperson, when asked, instinctively knows what a leader is, but when asked to describe this in detail they falter. Fielder (1987) states that there have been at least 65 definitions of leadership put forward, and Stodgily (1974) argues that there are almost as many definitions as there are commentators.

Leadership has been defined by Bennie (1998) as ‘ a function of knowing yourself, having a vision that is well communicated, building trust among colleagues, and asking effective action to realize your own leadership potential’. However, Heifers argues that there is little chance of ever resolving an all-embracing definition of leadership. This view is supported by Trucker (1996) who argues that ‘ the only definition of a leader is someone who has followers’ and Anus (1997) who states that ‘ leadership is like the Abominable Snowman, whose footprints are everywhere but who is nowhere to be seen’.

Recent research carried out by the South West Regional Development Agency concludes that ‘ Despite recognition of the importance of leadership, there remains a certain mystery as to what dervish actually is or how to define it (Bolder 2004). Everyone has their own intuitive understanding of what leadership is, based on a mixture of experience and learning, which is difficult to capture in a succinct definition.

The situation appears to be far more complex than the statement by Maxwell (1998) that ‘ leadership is influence – nothing more, nothing less’ would have us believe. There does however appear to be some consensus that leadership is not management, and Galilean (1977) was one of the first to delineate the differences between leadership and management. He saw a leader as an artist, who uses reiterative and intuition to navigate his way through chaos, whilst the manager is seen as a problem solver dependent on rationality and control.

The dichotomy between leaders and managers was forcefully established by Bennis and Anus (1985) who suggest that managers ‘do things right’ whilst leaders do ‘the right thing’. Bennis (1989) went on to draw twelve distinctions between the two groups: Managers administer Leaders innovate Managers ask how and when Leaders ask what and why Managers focus on systems Leaders focus on people Managers do things rightwards do the right things Managers maintain Leaders develop

Managers rely on control Leaders inspire trust Managers have a short-term perspective Leaders have a longer-term perspective Managers accept the status-quo Leaders challenge the status-quo Managers have an eye on the bottom line Leaders have an eye on the horizon Managers imitate Leaders originate Managers emulate the classic good soldier Leaders are their own person Managers copy Leaders show originality Source: Bennis (1989)

Morehouse (2004) also saw a distinction between leadership and management and observed that in general terms managers concerned themselves with tasks while leaders concerned themselves with people.

Central to most of these distinctions is an orientation towards change. This concept is well represented in the work of Cotter (1990) who concluded that ‘management is about coping with complexity’ whilst ‘leadership, by contrast, is about coping with change’. He proposed that good management brings about a degree of order and consistency to organizational processes and goals, whilst leadership is required for dynamic change. Strategic Leadership As with the definition of leadership, there is a similar problem when attempting to tie down precisely what strategy is.

There are strongly differing opinions on cost of the key issues of strategy and the disagreement runs so deep that a common definition of the term ‘strategy is illusive (De Wit 2004). This leads to their being little hope of ever being able to define ‘strategic leadership’. However Johnson and Schools (2001) define strategy as the direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations’.

It could be argued that leadership is inherently about strategy and there is little merit in using the term ‘strategic leadership’ yet Humpback and Pettier (2001) note two distinctions between the terms ‘leadership’ and ‘strategic leadership’. First, leadership theory refers to leaders at any level in the organization, whereas strategic leadership theory refers to the study of people at the top of the organization. Second, leadership research focuses particularly on the relationship between leaders and followers.

**Leadership Theory** There are those who view leadership as the consequence of a set of traits or characteristics possessed by ‘leaders’, whilst others view leadership as a social process that emerges from group relationships. Such divergent views will always result in a difference of opinion about the nature of leadership. A number of differing theories on leadership have developed over time. Whilst early theories tend to focus upon the characteristics and behaviors of successful leaders, later theories begin to consider the role of followers and the contextual nature of leadership (Bolder et al. 003). **Great Man Theories** Based on the belief that leaders are exceptional people, born with innate qualities, destined to lead. The use of the term ‘man’ was

intentional nice until the latter part of the twentieth century leadership was thought of as a concept which is primarily male, military and Western. This led to the next school of Trait Theories Trait Theories The lists of traits or qualities associated with leadership exist in abundance and continue to be produced.

They draw on virtually all the adjectives in the dictionary which describe some positive or virtuous human attribute, from ambition to zest for life Behaviorism Theories These concentrate on what leaders actually do rather than on their qualities. Different patterns of behavior are observed and categorized as ‘ styles f leadership’. This area has probably attracted most attention from practicing managers Situational Leadership This approach sees leadership as specific to the situation in which it is being exercised. For example, whilst some situations may require an autocratic style, others may need a more participative approach.

It also proposes that there may be differences in required leadership styles at different levels in the same organization Contingency Theory This is a refinement of the situational viewpoint and focuses on identifying the situational variables which best predict the most appropriate or effective leadership style to it the particular circumstances Transactional Theory This approach emphasizes the importance of the relationship between leader and followers, focusing on the mutual benefits derived from a form of ‘ contract’ through which the leader delivers such things as rewards or recognition in return for the commitment or loyalty of the followers Transformational Theory The central concept here is change and the role of leadership in envisioning and implementing the transformation of organizational

performance Source: Adapted from Bolder et al (2003) The Trait Approach arose from the 'Great Man' theory as a way of identifying the key characteristics of successful leaders. It was believed that through this approach critical leadership traits could be isolated and that people with such traits could then be recruited, selected, and installed into leadership positions. This approach was common in the military and is still used as a set of criteria to select candidates for commissions (Bolder 2003).

In a comprehensive study of leadership traits, Stodgily (1974) found some qualities that appeared more often than others. Goodwill's Leadership Traits Strong drive for responsibility, Focus on completing the task, Vigor and persistence in pursuit of goals, Venturesomely and originality in problem-solving, Drive to exercise initiative in social settings, Self-confidence, Sense of personal identity, Willingness to accept consequences of decisions and actions, Readiness to absorb interpersonal stress, Willingness to tolerate frustration and delay, Ability to influence the behavior of others, Capacity to structure social systems to the purpose in hand.

Source: Stodgily (1974) Despite the extensive research that has been carried out to attempt to produce a definitive list of leadership traits, consensus has not been reached. After reviewing several studies of leadership characteristics and traits, Morehouse (2004) concluded that there was no consistency in what traits were associated with great leaders. It has now been widely accepted that a definitive set of traits will never be identified (Bolder 2004). Wright (1996) has commented that researchers have 'found no differences between leaders and followers with respect to these

characteristics [traits], or even found people who possessed them were less likely to become leaders’.

Another significant criticism of trait theories is that they ignore the situational context. In other words, they presume that the same traits would work on a battlefield and in the staff room of a school (Sadler 1997). They minimized the impact of the situation (Wright 1996). Another criticism is that theories tend to present a gender bias. When men and women are asked about each others characteristics and leadership qualities, some significant patterns emerge; both tend to have difficulties in seeing women as leaders (Rosen 1997). An alternative to the trait approach was to consider what leaders actually do, rather than their underlying characteristics.

Interest in this approach largely rose from work by Douglas McGregor (1960), which proposed that management and leadership style is influenced by the persons’ assumptions about human nature (Bolder 2004). He summarized two contrasting viewpoints of managers in industry: type X Managers have a more negative viewpoint whereas type Y Managers are more positive. McGregor X-Y Manager Theory Theory X managers believe that: Theory Y managers believe that: The average human being has an inherent dislike of work and will avoid it if possible. Because of this human characteristic, most people must be coerced, enthroned, directed, or threatened with punishment to get them to put forth adequate effort to achieve organizational objectives. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all else. The expenditure of physical and mental effort in work is as natural as play or rest, and the average human being, under

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proper conditions, learns not only to accept but to seek responsibility. People will exercise self-direction and self-control to achieve objectives to which they are committed. The capacity to exercise a relatively high level of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population, and the intellectual potentialities of the average human being are only partially utilized under the conditions of modern industrial life.

Source: McGregor (1960) Although behavioral theories introduced the notion of different leadership styles, which was in advancement from trait theories, they have been criticized because they give little guidance as to what constitutes effective leadership behaviors in different situations. Situational leadership theories take a natural step on from behavioral and Tyler theories, they argue that leaders must constantly evaluate the context in which they operate, depending upon such factors as the people, the task, the organization and other environmental variables. Fiedler (1964) proposed that there is no single best way to lead; instead the leaders' style should be selected according to the situation. He went on to distinguish between task orientated managers and relationship orientated managers and noted that they performed differently depending on the incumbent situation.

Hershey and Blanchard (1969) also maintained that it was not the leader style which led to effectiveness, but either the ability of the leader to adapt the style to the needs of their followers. They argue that the development level of the subordinates has the greatest impact on which leadership style is most appropriate, and as the followers develop, the leader will need to adapt their style from directing to coaching, supporting and delegating. However,

one of the difficulties of employing these types of theories is that there is a lot of evidence to suggest cultural factors influence the way that people carry out, and respond to, different leadership styles (Northeast 2004).

Some cultures are more individualistic, or value family s against bureaucratic models, or have very different expectations about how people address and talk with each other; all these factors influence the choice of style. Further criticism has been put forward by Bellman and Deal (1997) who state that some contingency theorists ‘ focus mainly on the relationship between managers and immediate subordinates, and say little about issues of structure, politics or symbols’. Transactional leadership approach emphasizes the importance of the relationship between leader and followers, focusing on the mutual benefits derived from a form of contract through which the leader delivers such things as rewards or recognition in return for the commitment or loyalty of the followers.

Transformational leadership, first put forward by Burns (1978), goes beyond transactional leadership; to him, transforming leadership ‘ is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents’ (Burns, 1978). He comments further that ‘[transforming leadership] occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality’. The transformational approach has been idly embraced within all types of organizations as a way of transcending organizational and human limitations and dealing with change (Bolder 2004).

It has been contrasted with the more traditional transactional leadership approach, in which the leader obtains loyalty from followers by way of a straightforward exchange of pay and security. Comparison of Transactional and Transformational Leadership

Transactional Leadership	Transformational Leadership
Builds on man's need to get job done and make a living	Is preoccupied with power and position, politics and perks
Is preoccupied with power and position, politics and perks	Is mired in daily affairs
Is short-term and hard data orientated	Focuses on tactical issues
Relies on human relations to lubricate human interactions	Follows and fulfils role expectations by striving to work effectively within current systems
Supports structures and systems that reinforce the bottom line, maximize efficiency, and guarantee short-term profits.	Builds on a man's need for meaning
Is preoccupied with purposes and values, morals, and ethics	Transcends daily affairs
Is orientated toward long-term goals without compromising human values and principles	Focuses more on missions and strategies
Releases human potential – identifying and developing new talent	Designs and redesigns jobs to make them meaningful and challenging
Aligns internal structures and systems to reinforce overarching values and goals	

Source: Covey (1992) Jenkins and Ambrosial (2002) state that transformational leadership theories are well grounded in academic research, based on qualitative interviews with leaders. They go on to say that transformational leadership theories are also wide-ranging in the concept that they cover. However, Itchy and Deviant (1986) argue against this, and state that the data has been drawn from the emitted subset. It has also been argued that transformational leaders are simply charismatic leaders. There are many other theories of leadership, such as charismatic leadership, servant and team leadership, and distributed leadership.

Although the presence of these theories is acknowledged, every one of them warrants a stand-alone essay.

Within the confines of this assignment, it is not possible to examine all of the leadership theories that have been postulated over the years while connecting them to an organizational context. Business Context While the importance of strategic leadership for business success seems to be thou question, the practical application of leadership theory is less clear. The importance of strategic leadership has been explored by many sources. Hit and Ireland (2001) states that ‘ strategic leadership is a requirement of success’. Furthermore, Bennie and Anus (1985) argue that leadership plays crucial role in the deployment of an organization’s strategic plan.

Latterly Hit and Ireland (2005) go on to say that ‘ without affecting strategic leadership, the probability that a firm can achieve superior or even satisfactory performance when confronting the challenges of the global economy will be greatly reduced’. It is retainer true that there is a great deal of money being spent on management and executive education, with approximately \$50 billion spent per year on leadership development alone (Earlier, 2004). In a 2003 survey the Financial Times found leading European companies to be spending on average E, 336 per participant per year on executive education, and of the topics offered leadership, followed by general management, were the most typical (Financial Times, 2003).

The importance of strategic leadership is well documented, but a review of the text indicates that the majority of the theories appear to be aimed at large organization. However, effective leadership is equally critical (if not

more critical) within small enterprises. Reagan and Sheboygan (2004) state that, in terms of jobs and wealth creation, small and medium-sized enterprises make a significant contribution to national economies. While Beaver and Jennings (2001) state that leaders of small firms require specific transferable skills, directly related to entrepreneurship, professional management and leadership within the operating environment of the business. Having a well-thought-out strategy is increasingly seen as an important activity for SMEs as well as large firms (Infringer and Mueller 1999).

Many of the leadership theories seem to provide a post-hoc description of leadership qualities. They either attempt to describe what a leader is, or what he/she does rather than focus on the practicalities of leadership which can lead to improved organizational performance. Bolder (2005) states that programmes such as MBAs traditionally seek to develop a range of cognitive skills and capabilities but place relatively little emphasis on how these can be transferred to the workplace. He goes on to argue that 'If the practice of leadership is considered as more than just applying a set of principles, then its development demands a more experiential dimension' (Bolder 2005).

The lack of practical focus is summarized by Gosling (2003): 'It seems much has already been done to define what "qualities", "competencies", "standards" should be sought from our leaders but, as the current debate would imply, this has done little to improve the quality of our leaders and leadership other than, perhaps, for specific organizations (those who have gone through the process of developing their own framework)'. The

overarching recommendation is to acknowledge the importance of strategic leadership to the progress of a small organization, and develop a dervish framework specific to the organization.