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Four Leadership Theories Addressing Contemporary Leadership Issues as the Theories Relate to the Scholarship, Practice, and Leadership Model

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Introduction

The concept of leadership has been around for centuries beginning with Plato's belief that leaders are created based on his or her class position, whereas, current leaders are created based on his or her relationships with other individuals. In August 1994, 54 researchers from 38 countries gathered for the first GLOBE research conference, and during this conference the researchers came to a consensus on the universal definition of leadership (House, Javidan, & Dorfman, 2001): the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members. A leader's upbringing, life experiences, and daily interactions define his or her leadership style. The difference between a good leader and a great leader is his or her ability to adapt to change (Collins, 2001). Good leaders tend to follow his or her leadership plans even when the leadership plan is not working, but a great leader will adjust his or her leadership plans accordingly. Organizations are currently concerned with a lack of leadership talent (McShane & Glinow, 2005).

Purpose

A social network has to be present for any leadership theory to work, because "relationships serve as conduits for information flow and influence processes" (Bono, 2005, p. 5). For a leader to build a social network the leader needs to gain trust, which is accomplished by having a solid value system, which aligns to his or her leadership style. A leader also needs to be socio-centric rather than self-centric so they can lead ethically because failure to lead ethically will have a greater chance of resulting in a leader's demise.

Leaders have more issues to contend with today than 30 years ago, which is partly due to accelerated innovation and informatics. Leaders value systems are constantly tested within our society "through the exercise of power" (Knights & O'Leary, 2006, p. 132). Power struggles have caused "competitive pursuit of individual's success transcending any moral obligation" leading leaders to amoral decisions (Knights & O'Leary, 2006, p. 132). A direct correlation exists between innovation and knowledge managers and effective leaders will possess skills in both areas. Accelerated change in innovation and informatics causes leaders to readapt leadership styles continuously to manage the changing environment. Leaders need to understand his or her leadership style and how their leadership style impacts the scholarship, practice, and leadership model because leaders need to see emerging opportunities before becoming manifest in the marketplace (Crawford, 2005, p. 5).

Leadership has evolved over the centuries and our concepts of effective leadership have changed (McShane & Glinow, 2005). "Given the increased globalization of industrial organizations and increased interdependencies among nations, the need for better understanding of cultural influences on leadership and organizational practices has never been greater "(House, Javidan, & Dorfman, 2001, p. 489). Previous control and command leadership styles are no longer effective in expanding global

organizations, but further discussion is needed to determine effective leadership styles for the future (McShane & Glinow, 2005). The purpose of this paper is to compare and contrast transformational, transactional, charismatic, and contingent leadership theories and to determine similarities and differences between these theories in able to determine their future effectiveness. Additionally this paper looks at four leadership styles in term of how each address the following contemporary leadership issues: knowledge management, informatics / innovations and rapid change, and ethics.

Literature Review

According to McShane and Glinow (2005) due to the complexity of leadership it is broken into five different perspectives: competency, behavioral, contingency, transformational, and implicit. Transactional, transformational, charismatic and contingent leadership styles were chosen based on these five perspectives. Fiedler's contingency model was the primary sub focus of contingent leadership, because it is the earliest contingency theory of leadership. Transactional leadership was chosen because the behavioral and contingent perspectives adopt the transactional style. Transformational leadership was chosen because organizations need both transactional and transformational leadership styles to be efficient. "Transactional leadership improves organizational efficiency, whereas, transformational leadership steers companies onto a better course of action" (McShane & Glinow, 2005, p. 57). Lastly, charismatic leadership was chosen because of the close correlation charismatic leadership has with transformational leadership. Some researchers believe charismatic leadership is a characteristic or extension of transformational leadership, whereas, other researchers do see the two leadership styles as distinct. "Charisma is a personal trait that provides referent power over followers, whereas transformational leadership is a set of behaviors…used to lead the change process…it is…possible to be a transformational leader without being charismatic" (McShane & Glinow, 2005, pp. 58-9). For the purpose of this paper the two leadership styles are being used as two distinct styles but with the recognition of some overlapping characteristics.

Leadership holds organizations together while moving organizations forward through the creation of a social structure of shared values (Hood, 2003, p. 3). The four major leadership theories being addressed are: (1) Transformational Leadership Theory, (2) Transactional Leadership Theory, (3) Charismatic Leadership Theory, and (4) Fiedler's Contingency Theory. Transactional Leadership encourages analytical problem solving, which encourages followers to become knowledge seekers (Jogulu & Wood, 2006, p. 243). Transformational Leadership empowers others to become freethinking, independent individuals capable of exercising leadership (Kinkead, n.d., p. 6). Judge (2004) believes transformational leadership adds to transactional leadership through the augmentation effect making better leaders (p. 756). Without transactional leadership, transformational leadership would not be possible because transformational leadership is an extension of transactional leadership (Judge, 2004, p. 756). Madzar (2001) believes transformational and transactional leadership are two distinct leadership theories, but a single leader can possess traits from both theories (p. 223).

Fiedler and House (1968) describe charismatic leadership as "articulating a vision and mission, and creating and maintaining a positive image in the mind of followers" (p. 78). According to Bedell, Hunter, Angie, and Vert (2006), a link exists between transformational and charismatic leadership because both leadership theories emerge from a single pathway (p. 2). Aaltio-Marjosola and Takala (2000) believe followers who accept charismatic leadership are displaying signs of weakness and subordination. Followers accept charismatic leaders because they are in distress and believe the

leader is extraordinarily qualified (p. 147). According to Aaltio-Marjosola and Takala (2000) charismatic leaders are formed through television, radio, and newspapers, which is a concern due to the inaccuracies portrayed by the news media (p. 149). Al Gore highlights these inaccuracies in his film entitled An Inconvenient Truth by comparing the accuracy of peer–reviewed journals with mass media. He found a zero percent variation among scientists' conclusions in peer-reviewed journals but a 65% variation among conclusions in mass media (Gore, 2006).

Contingency leadership is heavily dependent on the situation, and situations play an important role with regard to the tasks and leaders (University of Phoenix, 2007). Factors heavily influencing contingent leadership are outside the organization rather than internal variables (McFadden, Eakin, Beck-Frazier, & McGlone, 2005, p. 3). Leader's effectiveness is directly linked to motivational disposition. "Motivational disposition is defined as the degree to which the leader is either task or relationship oriented" (Miller, Butler, & Cosentino, 2004, p. 362). Fiedler's Contingency Leadership Theory uses the least preferred coworker scale (LPC) to understand a leader's behavior by asking the leader to rate his or her "least preferred coworker: on a set of bipolar adjective scale" (McFadden, Eakin, Beck-Frazier, & McGlone, 2005, p. 3). Leaders providing negative assessments are designated task-oriented and those providing positive assessments are designated relations-oriented. Task-oriented individuals lead effectively under any situation, whereas relations-oriented individuals only lead effectively under favorable situations (Miller, Butler, & Consentino, 2004, p. 363).

Framework

The framework for this paper is the scholarship, practice, and leadership model, which is an appropriate framework for studying leadership theories in relationship to contemporary leadership issues, because of the complex individual and group dynamics leader's face today. "Leaders today must shape organizational culture, communicate value systems, model ethical behavior, engage and inspire followers, and manage diversity" (University of Phoenix, 2007, para. 2). The contemporary leadership issues addressed in this paper were chosen based on these organizational goals. For a leader to achieve these organizational goals they need to integrate scholarship and practice, which can be accomplished by obtaining a theoretical understanding of core leadership principles and applying this understanding through practice. When a leader has been successful in integrating the three aspects of the model they will be able to lead organizations through difficult and challenging times. The three aspects of the model bridge the academic world with the professional world by merging theoretical knowledge with application-based knowledge to create leaders with both scholar and practitioner knowledge (Winter & Griffiths, 2000).
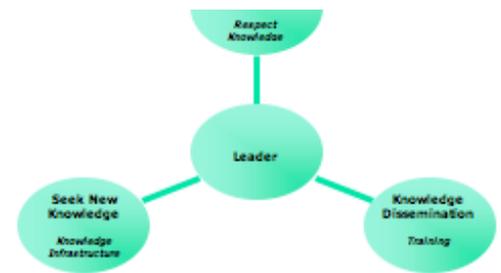
Discussion

Scholarship – Knowledge Management

A leader is responsible for knowledge management, knowledge dissemination, and encouraging followers to seek

new knowledge. Crawford (2005) suggests leaders need to focus on establishing a culture, which respects knowledge, provides proper training to management, and develops a knowledge infrastructure and support system (p. 5). Transformational leaders build a learning infrastructure through three critical areas: committed service, charisma, and intellectual stimulation (Kinkead, n.d., p. 3). Some researchers see charisma as a seperate leadership theory, but according to Bono (2005) charismatic leadership is an element of transformational leadership (p. 4). However, Kark and Dijk (2007) see charismatic leadership as a separate leadership theory and believe charismatic leaders build a learning infrastructure through four behaviors: "(1) communicating high performance expectations, (2) exhibiting confidence in followers' ability to reach goals, (3) taking calculated risks that oppose the status quo, and (4) articulating a value based vision of the future" (p. 501). Transactional leaders build a learning infrastructure through contingent reward. Transactional leaders using contingent reward, "reward followers for attaining designated performance levels," which encourage followers to be knowledge workers (Hood, 2003, p. 14). However, according to Kanungo (2001) transactional leaders use control strategies and by using control strategies transactional leaders prohibit followers any opportunity for autonomy, self-determination, and self-development (p. 6). Followers are gaining knowledge to serve the interests of all parties, rather than for individual self-improvement and advancement. Contingency leadership theory builds a knowledge support system through second-guessing. Contingency leaders change leadership style to "suit circumstances instead of having systems that absorb outside pressures" (Davis, 2007, p. 30).
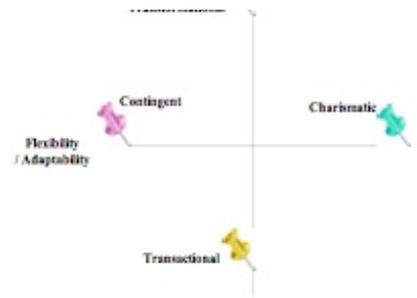
The development of knowledge skills is "essential to two core business processes: problem solving and strategic planning" (Zabel, 2004, p.19). The concept of knowledge management has been around for centuries but only recently defined due to rapid innovation changes. The OECD defines knowledge management as "the need for continuous learning of both codified information and the competencies to use this information" (O'Sullivan, 2002, p. 8). The Labor's Knowledge Nation Report expands on this by stating that knowledge management "is the ability to use knowledge to transform society, the economy, and the environment (O'Sullivan, 2002, p. 8). Knowledge management is a true paradigm shift for most organizations. According to Crawford (2005) knowledge management is about making tacit knowledge more accessible (p. 5). "Tacit knowledge is unarticulated knowledge in a person's head that is often difficult to describe and transfer" (p. 4). Leaders are responsible for "connecting people to people to enable them to share what expertise and knowledge they have at the moment" (p. 14).

Dissemination of knowledge is critical for inspiring visionary thinking and developing future leaders. Hollis (2007) believes this is accomplished with the "leader-as teacher model" (p. 85). The leader "will need to understand the way the learner learns, the way they value knowledge, and the stages they go through in knowledge comprehension and management" (University of Phoenix, 2007, para. 1). Additionally, leaders need to understand how knowledge is valued so they will know "how the learners will respond to various learning opportunities" (University of Phoenix, 2007, para. 5).

Practice – Innovations and Rapid Change

Technology has brought new innovations, which are helping to grow globalization on both an economic and social level. Innovation is a

characteristic of knowledge managers and according to Crawford (2005) transformational leaders are significantly more innovative than transactional leaders (p. 13). However, with theseadvancements obsolescence in the workplace has increased creating a need for continuous flexibility and leader adaptability. Organizations experiencing advancements are continuously moving and a charismatic leader will be able to handle the change efficiently (Aalitio-Marjosola & Takala, 2000, p. 147). In contrast, Contingency leadership is not efficient in atmospheres of accelerated change because leaders do not change his or her style of leadership but rather place themselves into positions matching his or her leadership style (McFadden, Eakin, Beck-Frazier, & McGlone, 2005, p. 3). Changing leaders during times of accelerated change causes turmoil within an organization, because adaptability will be slowed increasing the risk of losing market share.

Leaders need to recognize the impact technological change has on followers and their ability to manage proactively. "Informatics/Innovations effect the process of leadership by speeding up the inputs, requiring faster and more personal transformation of the products, all in a business climate that builds competition through 'response time' to customer demands" (Crawford, 2005, p.1). Leaders need to adapt to rapid changes because "a change in one necessitates a change in the other" (p. 10). The process of change has three basic stages: "unfreezing, changing, and re-freezing. This view draws heavily on Kurt Lewin's adoption of the systems concept of homeostasis or dynamic stability" (Nickols, 2004, para. 12). Contingency leaders cannot transcend Nickols stages quickly because contingent leadership style leaves little room for "dynamism, proactivity, innovation, or enterprise" (Davis, 2007, p. 30). Contingency leaders see the world in a "linear and predictable fashion" catching them off guard when rapid change happens (p. 30). Leaders need to transcend short-term goals and envision future changes rapidly to remain competitive.

Leadership – Ethics

Organizations today put pressure on leaders to produce short-term gains with little consideration to long-term implications. These pressures are due to risks relating to health and the environment, which organizations are rarely uninvolved in making business ethics an area of greater interest (Knights & O'Leary, 2006, p. 125). Leaders can "conduct a full cost-benefit analysis" (Popejoy & Delaney, 2004, p. 12) to determine if the long-term gains justify short-term fixes. Once a leader determines how the organization should proceed he or she needs to determine if the decision is ethical. A leader can determine this by aligning his or her choices with core values, and leaders should find "dichotomy between the values they recognize as important and those they actually demonstrate" (Popejoy & Delaney, 2004, p. 12). Determining if the decision is ethical is important because decisions filter throughout the organization affecting the organizational culture. In addition, congruity between what the leader states and does is critical to maintaining trustworthiness. "A level of trust in an organization leads to commitment and committed employees meet strategic goals" (p. 12). When an organization experiences higher levels of motivation transformational leadership has occurred (Krishnan, 2001, p. 1).

In addition, "good ethics is good business because it build brands, draws customers, and saves money in the long run" (Verschoor, 2006, p. 3). A delicate mixture of transformational and transactional

leadership is necessary to maintain the ethical dimensions of leadership (Kinkead, n.d., p. 5). However, transactional leaders give followers something they want in order to obtain goals, which cause followers to perform actions they may find unethical (Judge, 2004, p. 755). In contrast the leadership actions of transformational leaders are unrelated to the leaders' unethical practices: "a person could be seen as being highly transformational despite" unethical behaviors (Banerji & Krishnan, 2000, p. 7). According to Banerji and Krishnan (2000) charismatic leaders may not have ethical dispositions (pg 6). However, Banerji and Krishnan(2000) state the level of unethical decisions by a leader is outside the scope of a charismatic leader (p. 6). "Charismatic leadership is not significantly correlated to any of the dimensions of ethics (p. 6). Kark and Dijk (2007) define charismatic leadership as "transforming the values and priorities of followers and motivating them to perform beyond their expectations" (p. 501). Howell and Shamir (2005) believe charismatic leadership promotes a heroic stereotype were the leader is seen as omnipotent (p. 96). Followers who idolize leaders tend to be persuaded beyond their belief system regardless of the ethical nature.

Corporate scandals are on the rise over the last century due to unethical leadership practices. Failure to lead ethically "derives from the pre-occupations with the self that drives individuals to seek wealth, fame, and success regardless of moral considerations" (Knights & O'Leary, 2006, p. 126). Transformational leaders are concerned with the "we" while transactional leaders are concerned with the "self." The transactional leader "puts high value on" complete autonomy and organizational goals are viewed as pragmatic (Kanungo, 2001, p. 262). In contrast, transformational leaders put more value on "meeting social obligations" and view them as being idealistic (p. 262). The interests and motives of transactional leaders are "self-centric" which means transactional leaders have a greater tendency to lead unethically (p. 262). Whereas, Transformational leaders are "socio-centric" which means transformational leaders have a greater tendency to lead ethically (p. 262).

Conclusion and Future Direction

This paper used the scholarship, practice, and leadership model to determine the future effectiveness of transformational, transactional, contingent, and charismatic leadership styles through knowledge management, informatics / innovations and rapid change, and ethics. Organizations today are concerned with a lack of leadership talent, which is why there is a need for creating a bridge between theoretical and application-based knowledge. Due to increased globalization and innovation the command and control leadership style of the future will no longer suffice, but rather a hybrid of leadership styles blending the best characteristics will be necessary. In addition leaders need to be coaches to help followers learn and gain autonomy. Learning how followers learn will be necessary for a successful leader when disseminating information. Leaders will need to learn continuously, refine, and lead: a continuous 360-degree cycle.

Future research, analyzing other leadership styles is necessary to see how their effectiveness relates in relation to these four leadership styles. Also, interviewing and surveying employees in corporate organizations can help to identify needed characteristics of today's leaders. Once these characteristics are identified then they can be tested through case studies to see if the desired characteristics are effective in today's global world. Lastly, testing to see if generational differences are a driving force behind desired leadership styles is another possible venue.

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