CHAPTER 3
THEORIES OF LEADERSHIP

INTRODUCTION

Leadership is often regarded as one of the world's oldest preoccupations (Bass, 1990a). The term "leadership" is a comparatively new addition to the English language. It appeared for the first time approximately 200 years ago in documents of the British Parliament. However, studies of Egyptian hieroglyphics show that symbols for "leader" can be traced back as far as 5000 years ago (Dorfman, 1996). In about 400 B.C., the Greek poet Euripides wrote that "Ten good soldiers wisely led, will beat a hundred without a head." This suggests that the notion that success depends on the quality of leadership is hardly novel.

Despite the vast body of leadership literature generated over centuries, there is no consensually agreed upon definition of leadership (Bass, 1990a; Dorfman, 1996). According to Bass (1990a), the definitions of leadership can be classified as the focus of group processes, as a matter of personality, inducing compliance, as a form of persuasion, as a power relation, as an instrument to achieve goals, as initiation of structure, and as many combinations of the above. Dorfman (1996) stated that most definitions of leadership include a core concept of influence, since leaders influence followers, thus resulting in the incremental influence over and above what is prescribed in the work unit. Burns (2003) stated that leadership is not only a descriptive term but a prescriptive one, and that people do not call for *good* leadership, they expect it to be good. He emphasised that *bad* leadership implied *no* leadership.

Added to this is the general belief that organisational leaders in the twenty-first century will be confronted by a number of significant changes that will impose substantial new role demands. These changes refer specifically to greater diversity in workforces, the faster pace of environmental and technological changes, more geopolitical changes affecting borders and distribution of power among different nations, and increased international competition due to globalisation (House, 1995). Ostermann (2001) elaborated on this by stating that traditional leadership requisites, such as strategic vision, operational know-how, and communication

skills, are joined by abilities such as an understanding of emerging technology, creativity, and the ability to create and manage alliances. He also noted that successful leaders in the new economy will be those who understand what makes it new, while also being aware that it was not created in a vacuum. Adler (1999) expanded on the thoughts about leadership by adding that female leaders will play a significant role in the new global economy. She argued that global leadership in the twenty-first century is not just an extension of domestic leadership, but is based on the interaction of people and ideas among different cultures. As such, leadership qualities often labelled as feminine, meet many of the demands of leadership in the new global economy.

This chapter focuses on leadership and management by presenting a brief overview of existing leadership theories, with an emphasis on the transactional versus transformational theory as expanded by Bass and Avolio (Avolio, Bass & Jung, 1999; Bass, 1985, 1997; Bass & Avolio, 1994; Bass & Steidlmeier, 1999). The concept of new economy leadership is also explored, after which the role of female leaders in the new global economy will be discussed.

LEADERSHIP, MANAGEMENT, AND SUPERVISION

The debate of leadership versus management has been a perennial debate in the literature. This discussion will, however, not attempt to present a comprehensive review of the entire content area. Discussions can be found in the management versus leadership chapter of Bass and Stogdill's Handbook of Leadership (Bass, 1990a), and several management textbooks and articles (see Daft, 1999, 2002; Kotter, 1993, 1996a, 1996b, 1998a, 1998b, 1998c).

According to House, management is defined "as behavior of a person in a position of formal authority that results in compliance of organizational members with their normal role or position requirements" (1995, p. 413). He defined supervision as "behavior intended to provide guidance, support and corrective feedback for the day-to-day activities of work unit members" (House, 1995, p. 413). Leadership is conceptualised as "behavior of individuals that gives purpose, meaning, and guidance to collectivities by articulating a collective vision that appeals to ideological values, motives and self-perceptions of followers" (House, 1995, p.

413). Leadership will result in the influence of values in the organisation, high levels of effort on the part of followers beyond what is expected of them, and willingness to make personal sacrifices in the interest of a collective vision. According to Adair (2005), the concept of leadership can be explored by asking questions pertaining to three approaches. The first relates to a quality approach that asks what a leader should be. The second relates to a situational approach that focuses on what a leader needs to know. The last relates to a group or functional analysis approach that asks what a leader has to do to be effective.

These definitions seem to be in line with the generally held beliefs that management has to do with planning, organising, directing and controlling, while leadership has to do with inspiring, influencing and motivating. Daft (1999, 2002) is of the opinion that although management compliments the old paradigm that emphasises stability and control, and leadership compliments the new paradigm that focuses on changing values, empowerment, and relationships, the two roles can go hand in hand.

Management focuses on controlling complexity, while leadership focuses on creating change by creating and communicating a gripping vision to followers. Leadership is not conceived as better or a replacement for management, rather leadership and management are seen as two distinctive and complementary systems of action. Both roles are needed in an organisation. Some people have the capacity to become good leaders, but not strong managers, while others have great managerial potential but struggle to become great leaders. "Smart companies value both kinds of people and work hard to make them a part of the team" (Kotter, 1996b, p. 620). Adair (2005) cautioned against this dichotomy between leaders and managers. He contended that leadership occurs at the team level, the operational level and the strategic level.

TRENDS IN LEADERSHIP RESEARCH

Dorfman (1996) claimed that leadership is often depicted as having passed through three eras, namely the trait, behaviour, and contingency eras. Each era is distinguished by a dominant research strategy and focus of interest. Van Seters and Field (1990) described nine phases of leadership development. Historical overviews can, however, imply that the research has

evolved in a linear and coherent way through these phases, which was not the case. The field of leadership is often in a state of tumult and perplexity with multiple focuses occurring simultaneously. This discussion should, however, be seen as a simplified introduction to the trends in leadership research.

The *personality era* can be sub-divided in two periods, namely the "great man period" and the "trait period". According to Kirkpatrick and Locke (1996), few issues had a more controversial history than the so-called "great man" leadership theories that were popular in the nineteenth and early twentieth centuries. These theories contended that leadership traits are inherited — with the well-known belief that great leaders were born, not made. Research results showed a weak relationship between personal traits and leader success. Various examples can be found in the literature of leaders with very different personality traits, but all being successful in their specific environment or society (Daft, 1999, 2002). Van Seters and Field (1990) concurred with this opinion by mentioning that the world's most effective political leaders like Ghandi, Mandela, Churchill, Thatcher, and others, display very different personality qualities. The "great man" theories evolved into trait theories during the early 1900s.

Trait theories do not make assumptions about the hereditary quality of leadership traits, but merely asserts that leaders' characteristics are different from non-leaders'. Traits here refer to people's general characteristics, motives, patterns of behaviour, and capacity. Many studies were conducted to identify traits that distinguished leaders from non-leaders and successful leaders from unsuccessful leaders. Earlier studies were not successful in identifying traits that were necessary for leadership success, but recent studies have revealed that some traits are consistently related to leadership emergence, but not to leadership effectiveness.

Traits alone are not sufficient for successful leadership. They are only pre-conditions. Leaders, who possess the necessary traits, must still take certain actions to be successful. These actions include formulating a vision, role modelling, and goal setting. Traits on which leaders differ from non-leaders in Western cultures were identified as drive, leadership motivation, honesty and integrity, self-confidence, cognitive ability, knowledge of the

business, achievement orientation, and a strong drive for responsibility. It is also evident that it is not just traits determining which leaders are successful or not, it also depends on the specific situation and the interaction of traits and the specific situation (Bass, 1990b; Dorfman, 1996; Kirkpatrick & Locke, 1996, Van Seters & Field, 1990).

Implicit leadership theories (ILTs) have received increasing attention in recent years in an attempt to identify the sets of traits people refer to implicitly when they distinguish leaders from non-leaders. ILTs maintain that individuals possess their own implicit theories of leadership that are generated and refined over time, as a result of their experiences with actual leaders or descriptions of leaders. Research on ILTs can, according to Offermann, Kennedy and Wirtz (1994), provide information that will help in the development of explicit theories to understand leadership.

The *influence era* acknowledged that leadership is a process that involves relationships between people, and can therefore not be understood by focussing exclusively on the leader. The "power relations" phase seeks explanations concerning the sources of power and their utilisation. The "persuasion" phase examined leader success by skills of persuasion (Van Seters & Field, 1990).

Dorfman (1996) commented that the behavioural approach to leadership, or the *behavioural era*, started in the early 1950s, partly as a response to the unsatisfactory results of the trait approach to leadership. The aim of the behavioural approach was to identify and measure relevant leadership actions and behavioural patterns that lead to successful leadership outcomes, such as productivity and morale. As a result, the focus changed from what leaders are to what leaders do.

The description of leadership styles as autocratic, democratic and laissez-faire by Lewin and Lippitt (1938) is seen as a forerunner of the behaviour approach. Other examples include the Ohio State Studies (Fleishman, Harris, & Burtt, 1955) that analysed the data of surveys to determine the dimensions of leader behaviour. The analysis resulted in two wide-ranging

categories of leader behaviour types, later called consideration (or concern for individual satisfaction and group cohesion) and initiating structure (or concern for the task).

The Michigan Studies (Likert, 1961) took another approach by directly comparing the behaviour of effective and ineffective supervisors. Effectiveness was determined by die productivity of the subordinate group. Researchers identified two types of leadership behaviour that consist of two dimensions each. An employee-centred leader focuses on the needs of employees, with leader support and interaction facilitation as the two underlying dimensions. Job-centred leaders lead activities that are focussed on efficiency, cost-cutting, and scheduling; the two underlying dimensions are goal emphasis and work facilitation (Daft, 1999, 2002; Van Seters & Field, 1990).

Blake and Mouton's (1964) leadership grid, known as the Managerial Grid, consisted of a two-dimensional leadership theory. According to this grid, a leader's role is two-fold ― promoting high morale and commitment to the job among employees, and ensuring that the task is performed efficiently. The grid outlines different leadership styles according to two axes, namely concern for people and concern for production that are derived from the dimensions of consideration and initiating structure identified in the Ohio State Studies (Daft, 1999, 2002, Sadler, 2003).

However, this approach does not incorporate situational factors. Dorfman (1996) argued that just as personal traits may be more or less important depending on the situation, leadership behaviour should also be tailored to suit the situation, the requirement of the task and the characteristics of the employees performing the task.

The *situation era* focused on the context in which leadership is exercised. The "environment period" explored how leaders emerge in the right place at the right time to take the lead, and accomplish the task. In this approach, the person in the leadership position is irrelevant. Should the person leave the position, someone else will take that place. The "social status period" is based on the idea that as individuals complete specific tasks, they reinforce the expectation that each individual will continue to act congruent with previous behaviour. The

leader's and subordinate's roles are thus defined by mutual expectations of their behaviour. The "socio-technical period" combined the environmental and social influences (Van Seters & Field, 1990).

Daft (1999, 2002) pointed out that the *contingency era* considered the fit between a leader's style and the situation the leader faces ― the basic principle being that leadership behaviour can be effective in some situations, and ineffective in others. What might work in one organisation, with a specific culture, employees and customers, might not work in a different company with a different culture, employees and customers. This era represented the view that effective leadership is contingent on one or more factors of behaviour, personality, influence, and situation. As such, it is seen as a key development in the advancement of leadership theory. However, most theories falling in this category involve complex models that are difficult to relate to, especially by practicing managers (Dorfman, 1996; Shriberg, Shriberg & Lloyd, 2002; Van Seters & Field, 1990).

Several contingency approaches to leadership exist. Fiedler's (1964) Contingency Model of Leadership, according to Bass (1990a), may be the most widely researched model of leadership. Other models include the Situational Theory of Hersey and Blanchard (1969), the Path-Goal Theory of House and Evans (House, 1971) and the Vroom-Jago (1988) Model of Decision Participation.

The *transactional era* added to the insights gained during the previous era with the view that leadership is not just in the person or the situation, but also in role differentiation and social interaction. Bass's (1985, 1990a, 1990b) work characterised the "exchange period", and emphasised the importance of transactions between leaders and employees, as well as the leader's role in initiating and sustaining interaction. Leaders may also have different relationships with different employees. According to Sadler, "Bass's work is still a respected element in leadership theory" (2003, p. 12).

The "role development period" also included an element of change, but referred specifically to relative roles of leaders and employees. Theories of this period included the Social

Exchange Theory (Hollander, 1979) and the Role-Making Model (Graen & Cashman, 1975). In models of this period, the group expresses esteem and status to the leader in exchange for the leader's skills in goal accomplishment. According to this approach, leadership can sometimes reside in the subordinate rather than in the leader. This was a disturbing revelation and caused researchers to ask the question again, "Where is the domain of leadership?" (Van Seters & Field, 1990, p. 36).

An opinion developed during the *anti-leadership era* that there was possibly no convincing concept called "leadership". This era consisted of two periods, namely the "ambiguity period", which argued that leadership is only a perception in the mind of the observer, and the "substitute period", which evolved out of the situational era. During this period, the focus was to determine how the task, the characteristics of the employees, and the organisation could act as substitutes for leadership in affecting performance (Sadler, 2003; Van Seters & Field, 1990).

The *culture era* proposed that leadership is omnipotent in the culture of the organisation, and for the first time, the focus changed from increasing the quantity of the work, to improving quality. Van Seters and Field also mentioned that this era could be seen as an extension of the leader "substitute period", because of the idea that if a leader can create a strong culture in the organisation, employees will lead themselves (1990).

Due to the focus on intrinsic, rather than extrinsic motivation, the *transformational era* is seen as a dramatic improvement over previous periods. Transformational leadership is essential during organisational transition, in that these leaders create visions of the desired future state, while instilling employee commitment to change. The subdivisions of this era are the "charisma period" and the "self-fulfilling prophesy period".

The theme of the "charisma period" is that leadership must be visionary and transform those who see the vision by giving them a stronger sense of purpose and meaning. Leadership thus becomes a state of consciousness, rather than a personality or set of skills, since it rests not only of the shoulders of the leader, but on all who share in the mission and the vision. This

period included charismatic leadership theory, in which leadership traits, behaviour, influence and situational factors combine to increase employees' willingness to carry out the created vision. Bass and Avolio's Transformational and Transactional theory (Bass, 1985, 1990a, 1990b) is representative of charismatic theories and is discussed in more detail later in chapter.

The key factor of the "self-fulfilling prophesy period" is to build, monitor and reinforce positive expectations. This period also considered that transformation can occur from the leader to the subordinate just as much as from the subordinate to the leader. This leader can therefore be influenced from lower or upper levels in the organisation (Van Seters & Field, 1990).

Van Seters and Field (1990, p. 39) summarised their review by providing researchers with the following five aspects that will assist in the further development of leadership theory:

1. Leadership is a complex process, consisting of behavioural, relational and situational elements;
2. It exists not only in the leader, but also in individual, dyadic, group and organisational relationships;
3. Leadership can stem upwards from lower organisation levels as much as it is initiated downwards from higher levels;
4. Leadership occurs both internally and externally in the situational environment; and
5. It motivates people intrinsically by improving expectations, as well as extrinsically by enhancing reward systems.

Sadler (2003) remarked that the research by Van Seters and Field (1990) is useful to provide a framework into which various approaches and theories can be fitted. However, he agreed with Dorfman (1996) that leadership research is often complex and not as simplistic as it seems. Many leadership approaches cannot be accommodated in the framework provided by Van

Seters and Field (1990), either because it is difficult to fit into one of the categories, or because they are spread over several of them.

TRANSACTIONAL VERSUS TRANSFORMATIONAL LEADERSHIP

The distinction between transactional and transformational leadership was first made by Burns (1978) and expanded by Bass (Bass, 1985; Sadler, 2003). Transactional leaders are described as motivating followers by exchanging rewards with them for services rendered, in that they approach followers with the goal of exchanging one thing for another (Bass, 1985). Transformational leaders are able to move followers upward on Maslow's (1954) hierarchy from the need for safety and security, to work for transcendental goals, and for self-actualising needs, as opposed to focussing on lower level exchange relationships (Bass, 1985, 1995). Burns (1978) also pointed out that the transformational leader engages the full person of the follower in a relationship of mutual stimulation and elevation.

It must, however, be kept in mind that, although the two constructs of transactional and transformational leadership will be discussed separately, most leader profiles include both transactional and transformational attributes. Leaders who are described as transformational, display more of the transformational than transactional behaviour and vice versa. Bass (1985) conceptualised the two types of leadership as separate dimensions and not as two opposites of a continuum. This implies that a leader can be both transactional and transformational. However, transformational leadership builds on transactional leadership, not vice versa (Bass, 1985, 1990, 1995, 1997; Bass & Steidlmeier, 1999; den Hartog, van Muijen & Koopman, 1997).

Transactional Leadership

In the Bass theory, transactional leadership depends on contingent reinforcement, either positive contingent reward, or the more negative active or passive forms of management-by-exception. These leaders motivate their followers by promises, rewards or praise, while they are disciplined by negative feedback, disciplinary actions and accusations; they consult with

followers about what needs to be done in exchange for rewards. They support employees by recognising the roles and tasks required to achieve the expected outcomes, thereby creating the confidence employees need to accomplish their tasks. Transactional leaders are more concerned with effective processes than with substantive ideas. They use their flexibility and innovation by deciding on the suitable use of their power to punish or to reward what they perceive as satisfactory behaviour or processes (Avolio et al., 1999; Bass, 1985, 1997; Bass & Avolio, 1989, 1994, 1997; Bass & Steidlmeier, 1999).

Contingent Reward implies that the leader and subordinate agree on the expected behaviour, and what needs to be done to be rewarded or to avoid punishment. Contingent positive reinforcement occurs when the agreed-upon performance is achieved and contingent aversive reinforcement is the reaction when employees do not reach the agreed-upon performance targets. Contingent reward can either be monetary, such as pay increases, bonuses and promotions, or nonmaterial, such as praise or recommendations for work well done. Contingent punishment may take various forms, from merely calling attention to the non-compliance or deviation from the agreed-upon contract, to suspensions, loss of leader support or dismissal (Bass, 1985; Bass & Avolio, 1997).

When leaders only intervene when something goes wrong, they are practising *management-by-exception.* The general assumption of these leaders is, "If it isn't broken, don't fix it!" Management-by-exception can be distinguished as either an active or a passive transaction. In the active form, the leader continuously monitors the subordinate's performance to anticipate and identify mistakes before they become a problem and takes immediate corrective action when required. The active management-by-exception leader clarifies the standards that he or she is going to use to monitor performance at the onset. In the passive form, the leader intervenes only after mistakes are made or performance standards not met. The leader often waits until the task is completed before determining that a problem exists and only then discusses it with the subordinate. Most often, passive management-by-exception leaders only clarify standards after a mistake has happened (Bass & Avolio, 1997; Howell & Avolio, 1993).

Bass (1985) wrote that leaders often do not utilise contingent positive reinforcement, because they practise management-by-exception and only act when employees are not achieving performance targets. As such, it is much easier to apply only contingent aversive or negative reinforcement, although Bass (1985) and Bass and Avolio (1997) decried the ineffectiveness and negative impact of contingent negative reinforcement on leader-subordinate relationships.

Unintended Consequences of the Transactional Approach

Transactional leadership depends on the positive or negative power of reinforcement. Bass (1985) stated that, although employees' behaviour can be influenced by reinforcement, a variety of unintended consequences might appear if these threats or promises are interpreted as coercive or manipulative.

The reaction to perceived manipulation is often counter-dependent employees, working in opposition to what was intended by the contingent reinforcements. Furthermore, employees may take shortcuts to ensure the anticipated reward for compliance; for example, reaching the required quantitative targets while the quality of the transactions are below standard because they are not monitored. Complicated "piece-rate" contingent reward systems are likely to induce defensive behaviour, withdrawal or hostility. These systems also encourage the typical monthly cycle of "slowdown" and "speed-up" or "storming", especially during the last ten days of the cycle to achieve contracted performance targets. This practice leads to extended hours and weekend work, which necessitate rest and recuperation during the first ten days of the cycle. Consequently, quality suffers severely during this process (Bass, 1985; Bass & Avolio, 1997).

In conclusion, Bass and Avolio (1997) commented that leaders tend to underutilise transactional methods even when appropriate in a particular situation. This is due to ever-changing demands and time pressures, poor appraisal methods, poor application of performance systems, lack of skill or confidence in the leader, discomfort, and an inability to give negative feedback to deal with poor performance of employees. Another reason why transactional leadership often fails is that the leader lacks the necessary authority or resources

to deliver the agreed upon rewards or consequences. In many organisations, policies and procedures dictate pay increases, incentives, promotions, disciplinary action, and promotions about which the leader has little to say (Bass, 1990b).

Transformational Leadership

The transformational paradigm views leadership as the "moving of followers beyond their self-interests for the good of the group, organization, or society" (Bass, 1997, p. 130). Transformational leaders are also successful in creating an awareness and acceptance of the purposes and mission of the organisation with employees. These leaders often concentrate on longer-term goals, developing a vision and motivating employees to follow the vision ─ they are often seen as agents of change. In addition, transformational behaviour moves the range of leadership beyond focussing only on corrective and constructive actions; they often change or align systems to accommodate their vision, rather than working within existing systems (Bass, 1990b, 1995, 1996a; Howell & Avolio, 1993).

Bass and Avolio conceptualised transformational leadership as consisting of four components, or "the four I's": Idealised Influence (charisma), Inspirational Motivation, Intellectual Stimulation and Individualised Consideration (Avolio et al., 1999; Bass, 1997; Bass & Avolio, 1994, 1997; Bass & Steidlmeier, 1999).

Idealised Influence

Transformational leaders are agents of change and are admired, respected, and trusted by employees to such an extent that they imitate the leader's behaviour. Employees want to identify with these leaders and develop strong feelings about them. Bass (1985, 1990, 1996a) and Bass and Avolio (1989) emphasised the importance for transformational leaders to attain charisma in the eyes of their followers or employees. They motivate and inspire their employees with the idea that they may be able to achieve great things with extra effort.

Bass initially conceptualised "idealised influence" as "charismatic" (Bass, 1985; Bass & Avolio, 1989). However, Bass and Avolio (1997) acknowledged that a charismatic leader

with an "own agenda" is often set up as an idol, but not idealised. They further conceded that leaders with personal charisma often fail to develop employees to lead themselves to the point of resisting the empowerment of employees, because they find it threatening to their own leadership. As such, these leaders fall short of being transformational. Bass and Steidlmeier (1999) referred to these leaders as pseudo-transformational idealised leaders who fantasise about power and success, even at the expense of their followers. These leaders present an image of authenticity, but do not align themselves with the organisation's purposes.

Authentic transformational leaders are willing to inhibit their use of power and achieve higher levels of long-term performance by developing employees, creating higher levels of autonomy and the achievement of each employee's full potential. As such, they are often willing to risk the threat of replacement for the greater gain of seeing autonomous employees contributing to the overall mission and goals. Furthermore, they are highly committed to promote ethical policies and procedures, and codes of ethical conduct that support acceptable standards (Bass & Avolio, 1997; Bass & Steidlmeier, 1999).

Self-concept Based Theory of Motivation

Shamir, House and Arthur (1996) proposed a self-concept based motivational theory to explain the impact of charismatic leaders on their followers. The theory is based on the assumption that humans are not only pragmatic and focused on goals, but also self-expressive. At the same time, behaviour is not just calculative, but also expressive in terms of feelings, values, and self-concepts. People are motivated to enhance and maintain their self-concept, which is based on a sense of competence, achievement and the ability to deal with, and control one's environment. When goals cannot be clearly specified, or accomplishments and rewards are not high, people may be motivated by faith — to have hope in a better future is an essentially rewarding condition.

The assumptions about the motivational implications of the self-concept were instrumental in proposing a theory that suggests that charismatic leaders achieve transformational effects through involving the self-concept of employees. They do this by increasing the intrinsic

value of employees' efforts and the fact that by making the effort, one makes an ethical statement. The value of the effort is also increased by ensuring that participation in the effort becomes an expression of the collective identity. Charismatic leaders also enhance employees' self-concepts by expressing high expectations of employees, while showing confidence that employees will be able to meet these expectations. One of the most important motivational aspects of charismatic leadership is to increase the intrinsic value of goal accomplishment. The expression of a vision and mission to achieve certain goals is brought about by demonstrating how these goals are consistent with the collective past and the future, thereby creating a sense of evolving which is important to create a sense of meaningfulness (Shamir et al., 1996).

Charismatic leaders frequently de-emphasise the importance of extrinsic rewards while accentuating the value of intrinsic rewards for engaging in the effort. Moreover, they are also able to create a sense of unconditional commitment from employees to a common vision, mission, and inspirational goal. According to Shamir et al. (1996), this is achieved when what is expected becomes part of an individual's self-concept, and the action is not simply a means of doing, but a way of being.

<div align="center">Inspirational Motivation</div>

Inspirational leaders are able to inspire employees to achieve more than what they thought was possible (both in terms of performance and their own development), while at the same time providing meaning and challenge to employees' work. They have the ability to articulate and provide visions of what is possible and how employees can achieve them. Bass (1985) stated that leaders do not have to be charismatic to be inspirational. Bass and Avolio (1997) concurred by stating that employees can be inspired by a leader without the need for identification with the leader.

Inspirational leaders display an action orientation to motivate employees to achieve more and do not focus on constraints, privileges, and formalities like the bureaucratic leader. Confidence-building in employees is also seen as an important characteristic of inspirational

leaders. They do not only inspire employees to achieve shared goals, but also say and do things that build employees' confidence in their own abilities to achieve objectives. Along with building confidence, belief in the greater cause is just as important.

People who believe that they are working for the best company, with the best products and resources, are likely to be more dedicated, involved, and prepared to put in an extra effort. Additionally, the "Pygmalion effect" is also relevant. People who believe that they can do well will do better than those who expect to be mediocre, or do not have any expectations about their performance. Employees inadvertently fulfil the "prophesies" of the inspirational leader, who raises employees' expectations about their achievements and stimulates confidence in their own capabilities, and in that of their team members (Bass, 1985).

Pseudo-transformational inspirational leaders often mislead and deceive their followers by, for example, proclaiming that followers are empowered to do their work, while continuing to treat them like dependent children. Even though they portray the image of leaders supporting empowerment of employees, all they want is more control (Bass & Steidlmeier, 1999).

<u>Intellectual Stimulation</u>

Transformational leaders encourage employees to come up with innovative and creative ideas about doing the work, by questioning assumptions and approaching old problems in new ways. Employees are not only encouraged to question their own ideas, assumptions, and practices, but also those of the leader. According to Bass and Avolio (1997), a key measure of the success of a transformational leader is how competent employees function without the leader's presence or direct involvement.

It is imperative to discern between stimulation of employees' action orientation and focus on short-term operations, rather than stimulation of their awareness of problems, problem solving, creativity and innovation, and of beliefs and values. It is obvious that the former does not lead to an increase in an organisation's strategic thinking capacity and transformational ability. This is also the component where there are systematic differences between

transactional and transformational leaders. Transactional leaders are often willing to accept or to maintain the status quo, or pleased with partial solutions. Bass (1985) emphasised that this does not imply that transactional leaders are not intelligent. It is just that their focus is on maintaining the environment and systems for which they are responsible. Transactional leaders often respond reactively to observable deviations and find ways to solve these deviations within the organisational constraints. Conversely, transformational leaders are often more proactive and creative in their thinking, coming up with original ideas, and being less reserved in their pursuit to find new ways of doing things.

Bass (1985) and Bass and Avolio (1997) stressed that intellectual stimulation is something that can be provided distinctly separate form a leader's charisma, but contended that there is a relationship between the two components. Charismatic leaders not only have the ability to create a vision about ways of dealing with specific problems, but also the talent to understand and communicate this vision to employees.

The intellectual stimulation of pseudo-transformational leaders is often based on false assumptions on how to deal with uncertainty, while preferring authority above reason. They are quite prepared to receive acknowledgement for others' ideas, but will not hesitate to blame and accuse others for failure. These pseudo-transformational leaders depend on the ignorance of employees when they present them with more discrepancies, which create more opportunities for their self-enhancement (Bass & Steidlmeier, 1999).

<u>Individualised Consideration</u>

Another aspect of transformational leadership involves paying special attention to each individual's need for achievement, and acting as mentor and coach to employees to maximise and develop their full potential. As such, transformational leaders often encourage organisational cultures supportive of individual growth. Bass (1985) and Bass and Avolio (1997) explained that a transformational leader not only sets examples, but also assigns tasks on an individual basis. According to den Hartog et al. (1997), this component is similar to the Ohio State Study's "consideration" category discussed earlier in the chapter. Not all

transformational leaders display individualised consideration. According to Bass (1985), it is likely that transformational leaders, who do not show individual consideration, depend on their charisma and/or intellectual stimulation to induce transformational change.

Bass and Steidlmeier (1999) stated that pseudo-transformational leaders are more concerned about maintaining the dependence and blind obedience of employees. They will ensure that their personal status is protected by maintaining the personal distance between them and their employees. Whereas the authentic transformational leader is focussed on assisting individual employees to become more competent, the behaviour of the pseudo-leader creates favouritism and unhealthy competition among employees.

Impact of Transformational Leadership

Managers evaluated by both supervisors and direct reports using various types of evaluations, including performance ratings and standard financial measures, are often rated as more transformational than transactional. Employees also report that they exert more effort for transformational leaders and less effort for transactional leaders, especially when these leaders practise passive management-by-exception. As organisational structures are flattening, the need for self-leadership by employees at all levels is growing. Although transformational leadership occurs more at higher than lower levels of the organisation, it can and should be observed at all organisational levels (Bass, 1990b, 1996a; Avolio et al., 1999).

Bass (1996a) asserted that transformational leaders are more likely to be seen as effective leaders by employees and colleagues, and often have better relationships with their supervisors. He continued by stating that transformational leadership should be encouraged in organisations, as it impacts on the overall performance of all levels of an organisation. Transformational leaders can make the difference between an organisation's success and failure because of their willingness to raise standards, take calculated risks, and mobilise others to buy into their vision for the future. Additionally, transformational leaders often motivate employees to transcend their own self-interest for the sake of the team or the

organisation. Bass (1990b) mentioned various leaders with authoritarian tendencies that have succeeded in business, because of the transformational elements in their leadership style.

There are also implications for the corporate image of organisations where top leaders are transformational. An organisation that is known to have transformational leaders on all levels conveys to all stakeholders, which include employees, customers, suppliers and the community, that it is focused on the future and has employees that work together to achieve the aims of the organisation (Bass, 1990b).

According to Nadler and Tushman (1996), charismatic leaders could create unrealistic expectations that could cause damage when they cannot live up to the expectations that they have created. They also cautioned that some employees, and in some cases whole organisations, can become overly dependent on strong leaders. This is especially relevant where employees develop a reluctance to disagree with the leader, which then leads to the disenfranchisement of the next levels of management. At the opposite end of this are employees who are uncomfortable with a strong leader, spending their time and energy trying to prove how the emperor is wearing no clothes.

Laissez-Faire Leadership

Both transactional and transformational leaders are active leaders, because both approaches are focused on the achievement of certain objectives and goals. This is in contrast to the very passive laissez-faire leader who avoids taking leadership responsibility. Compared to the reactive and proactive styles of transactional and transformational leaders, laissez-faire leaders are inactive. In line with this, den Hartog et al. (1997) concurred that this inappropriate leadership style can be attributed to a leader's lack of motivation and the fact that she or he is often not adequately skilled to lead.

NEW ECONOMY LEADERSHIP

The changing nature of the economy and the world of work in the rapidly changing global environment has resulted in a re-thinking of the type of leadership required to be successful in this milieu. The familiar world of work has seemingly transformed overnight and even more frightening, appears to be ready to change again by tomorrow. The one aspect that most researchers agree on is that this new century of uncertainty and rapid change, demands new kinds of leaders with new skills (Adler, 1997, 1999; Bennis, 1996, 1997, 1998; Clark & Matze, 1999; Fulkerson, 1999; Graen & Hui, 1999; House, 1995; Kanter, 2000; Kotter, 1998c; Marquardt, 2000; Nel, 2004; Osterman, 2001; Sadler, 2003).

Adler (1997) explained that leaders of the twenty-first century are challenged by major societal shifts. In the past, economic, political, and cultural space has overlapped considerably, with all three the spaces defined by the borders of the nation-state. This enabled political leaders to control all three spheres at the same time, which is not a reality in the twenty-first century anymore. The economic sphere has enlarged to become global and due to the increasingly global economic competition, national borders no longer define or even affect the patterns of economic activity. Despite the creation of political organisations like the European Union and the African Union, the political sphere has remained defined by national boundaries. The only differences are that national governments no longer control their own economies to the extent they used to. It is also not clear how successful organisations like the European Union and the African Union have been on the geo-political level. In contrast to the changing economic sphere and the impact of that on the political sphere, the cultural sphere is shrinking to smaller and more homogeneously defined ethnic communities. This implies that cultural space is increasingly associated with areas smaller than the nation state.

Adler (1997) believed that in and of themselves, these trends are not problematic. They only become problematic because most major challenges in today's global environment are trans-national in scope, while governance structures tend to remain domestic. In contrast, organisations increasingly have trans-national structures in place to address worldwide societal problems, but often lack the mandate to do so. Dorfman (1996) supported this view

by adding that the borderless world of the new economy has led to the rapid restructuring of organisations, as well as an increase in the number of managers of different nationalities and cultures working for various multi-national organisations in different countries. Boyacigiller, Kleinberg, Phillips and Sackmann (1996) highlighted that joint ventures and strategic alliances allow smaller companies from smaller nations the opportunity to stay competitive in the global economy but create workforces that are diverse in nationalities, cultures, knowledge, and skills. Due to this trend, organisations require leaders that display the ability to conduct complex, cross-cultural relationships between individuals, organisations and networks.

Furthermore, the accelerating speed of communication and the daily technological innovations we are confronted with has led many to identify the new economy with technology. Nel (2004) stated that the world is undergoing another "soft" revolution impacting on human and leadership aspects of life, due to the "hard" technological revolution. An important consequence of the technological revolution is the move away from physical to intellectual work due to the computerisation and automation of processes. Consequently, less work in organisations is subject to process control, which makes it very difficult to observe, monitor and control the process and behaviour by which employees accomplish their tasks.

The "soft" revolution has also led to a major transformation of values ― from the acceptance of practices, such as slavery, child labour, colonialism, institutionalised racism and sexism to democracy and the protection of human rights and market economics. These waves of change have affected all major institutions like families, communities, churches, education, business and government. Leaders are therefore faced with new challenges as they adjust to the variable role demands expected in the new economy work environment. Organisations in this fast moving new economy will not be able to adapt rapidly enough to meet new challenges, if leaders do not demonstrate acceptable leadership practices that are necessary to remain competitive. Consequently, institutions require a fundamentally different kind of leader because of the rapidly evolving nature of practices in the new economy (Clark & Matze, 1999; House, 1995; Nel, 2004; Sadler, 2003).

It is imperative to acknowledge that the fundamental changes discussed above are not just experienced on all levels in our society, but also occurring worldwide. A few examples are the disbanding of the Soviet Union, the unification of Germany, the peaceful political transition in South Africa, the joining of the European currencies into one currency, and the creation of macro-political organisations like the European Union and the African Union. These worldwide systemic changes are creating new social alignments, which emphasise interdependence and interconnection between individuals, organisations, and the environment. It appears that successful leaders in this environment demonstrate flexibility and empathy while remaining true to the core values of the organisation.

Bennis (1998) pointed out that many organisational beliefs regarding leadership are not aligned with the current reality of our ever-changing world. He described the idea of the omnipotent leader who has an answer for every organisational dilemma, as a modern myth. The problems and challenges facing organisations in the so-called new world economy diminish the idea that a great leader is enough, and increasingly there is mention of the need for a more collaborative form of leadership. The following characteristics of leadership in the new global economy can be identified:

Relational Competence

Clark and Matze (1999) argued that leadership in the new economy is a relational activity. The focus is not exclusively on the individual anymore, but on what happens between individuals and the organisation. Relational leadership refers essentially to facilitating the process whereby employees can co-create what they believe to be significant and ethical, as well as initiating action in the organisation. This implies that leaders create a culture where ideas are generated by everyone and that these ideas are piloted and implemented, while being tolerant of error and even failure because they understand that it will teach them more about success (Bennis, 1996).

Within the global environment, relational competence refers to the ability to value, understand, and interact with people from different cultures. This is not just from within an

organisation and country, but also with different cultures within different countries. Graen and Hui (1999) claimed that that the world is becoming more pluralistic and that organisations are confronted with more diversity than before. As such, global leaders have to know how to manage cultural differences to enhance organisational efficiency and risk management.

Relational work also requires the leader to develop competence in accomplishing mutually enhancing relationships with other leaders, organisations, employees, customers, suppliers, the society, and any other relevant role players. Additionally, leaders have to learn how to balance the complexities of economic, social, cultural, and environmental goals, since the new economy relies on collaboration and interdependence, and not on conflict and independence. According to Kouzes and Posner (1995), collaboration can be achieved when a leader creates and sustains cooperative goals. Bennis (1996, 2000) expanded on the importance of collaboration by stating that leaders will have to adapt to increasing and unfamiliar sources of competition as a result of globalisation. New economy organisations will consist of networks, cross-functional teams, temporary systems, and matrices to eliminate rigid hierarchies. These less hierarchical, more flexible structures will enable organisations to be more adaptive and flexible in the fast-changing environment of the global economy. In this context, successful leaders understand the value of relationships, because they support mutual growth, creative ideas, and new knowledge for everyone involved in the relationship. Relational competence thus requires integration of a person's values, cognitions, emotions, behaviours, and communication ability (Clark & Matze, 1999; Fulkerson, 1999).

Marquardt (2000) expanded on the concept of relational competence by mentioning that we are living in a world characterised by global interdependence where the old Newtonian or mechanistic way of interpreting the world no longer fits. New economy leaders must be systems thinkers who not only pay attention to the relationships between people, but also have the ability to see connections between issues and events. In addition, they need to understand the whole rather than the parts, and know how to foster dynamic networks between people, as opposed to staid interactions or relationships based on a position in a hierarchy. These leaders also have to grasp how internal and external factors might benefit or destroy the organisation,

and develop ways to systemically interpret and analyse sometimes contradictory and seemingly unconnected pieces of information related to organisational challenges.

Change Agent and Risk Taker

It is obvious that twenty-first century organisations must be agile to meet the demands of the ever-changing global environment. Tetenbaum (1998) claimed that the disequilibrium created by these changes is unprecedented in our history. This is in stark contrast to the generally accepted belief of the industrial era, which viewed successful organisations as those that operate as close to equilibrium as possible. However, a model that emphasises stability and equilibrium only serves to restrict leaders to repetitive practices and imitation. If one considers the increasingly complex and competitive global environment, an organisation's ability to adapt to the changes while creating innovative solutions, can make the difference between success and failure.

In this context, it is crucial for leaders to become change agents and develop competence in creating and managing change for the organisation to survive. This is done by deliberately challenging the status quo to create a fluid, instable environment. Destabilisation keeps the system in a state of tension, a necessary ingredient for creativity. Then again, leaders will have to maintain the tension level at a point where it stimulates creativity without exceeding employee's ability to deal with the stress.

Kouzes and Posner (1995) emphasised that the role of change leader is inextricably connected with the process of innovation and creativity in organisations. Creativity and innovation requires risk-taking behaviour from leaders, or stated differently, when leaders experiment with innovative and creative ways of doing things in their organisations, they put themselves and others at risk. These new leaders encourage risk taking, and in line with creating disequilibrium, they continuously set goals that are higher than the present goals, but not so high that people cannot attain the new standards. Kanter (2000) focussed on innovation, and for her, innovation implies change. Since organisational change requires leadership, she concluded that new economy leaders will spend more of their time to create an organisational culture that supports innovation and empower employees to innovate.

Change leaders also have to develop competence in understanding the human response and barriers to change, in their efforts to facilitate the process of change. They need to lead employees through the transition from the mechanistic world of Newton, to the world of chaos theory (Tetenbaum, 1998). According to chaos theory, even more change lies ahead and therefore leaders will have to assist employees to increase their resilience or capacity to bounce back, no matter how fast or complex the change (Marquardt, 2000; Tetenbaum, 1998).

<p style="text-align:center">Teacher, Mentor, Coach and Learner</p>

New economy leaders do not only build infrastructures, they also develop "information structures", because they assist in regenerating leadership at all levels of the organisation. Leaders need to establish and foster an environment conducive to learning. This not only includes a culture that is supportive of risk-taking and trial-and-error modes of problem solving, but also a culture that tolerates failure and refrains from blaming. Leaders in these organisations are also tolerant of conflict between employees and themselves, as everyone publically tests one another's assumptions with healthy debates around diverse ideas. New ideas are often stifled because they differ from the prevailing mindsets or mental models in an organisation. Effective leaders know how to challenge and surface these deep-seated mental models and basic assumptions of employees without invoking defensiveness or anger (Marquardt, 2000; Tetenbaum, 1998).

In order for organisations to survive in the new global economy they should not just be learning organisations, but also teaching organisations. Leaders must pass on their learning by coaching and mentoring in order to teach employees how to deal with the challenges that will come their way. Effective leaders are not just coaches and mentors, they are also themselves active learners. According to Marquardt (2000), these leaders will turn every interaction with employees into a mutual learning and coaching event. Nel (2004) agreed with this statement by pointing out that leaders must have enough humility to know that, regardless of their position, every employee has a contribution that they too can learn from.

Ability to Generate and Sustain Trust

A lack of trust seems to be prevalent in many new economy organisations as a result of increased downsizing, competitiveness due to globalisation, and the trend to see employees as a financial liability because of the emphasis on cost-to-income. This leads to alienation and feelings of hopelessness among employees and distracts them from focussing on the task at hand. According to Bennis (1997, 1998, 2000), only leaders who inspire trust by instilling work with meaning, can mobilise such employees to focus on the task. New economy leaders achieve this action orientation by showing an understanding of the paradox of power, "We become the most powerful when we give our own power away" (Kouzes & Posner, 1995, p. 185). The more everyone in an organisation experiences a sense of power and influence, the greater the sense of ownership and individual investment in the activities of the organisation. This leads to reciprocity of influence, with leaders and employees displaying a willingness to be influenced by each other. The trust that leaders display in employees promotes self-leadership in every employee of the organisation to effectively accomplish responsibilities.

Nel (2004) added by arguing that leaders do not only have to instil trust in employees, but also trust employees more. He argued that organisations in the new economy cannot rely on old systems of control and centralised decision making, and that the increasing levels of knowledge and skills enable employees to take on greater accountability than before. Kouzes and Posner (1995) asserted that individuals who cannot trust others often fail to become effective leaders. This is because they struggle to be dependent on the work of others and in the process of either doing the work themselves or supervising the process closely, they become over-controlling.

Trust is also of importance in supporting collaboration between and within teams. Kouzes and Posner (1995, p. 163) believed that "trust is at the heart of fostering collaboration" and a critical component of organisational effectiveness. However, trust is not a case of laissez-faire management or willful granting; it must be earned. Nel (2004) mentioned three aspects that create trust: when we involve others in decisions that affect them, when we believe that others

have the competencies to fulfil their tasks, and when we believe that others have the willingness to learn from us.

Servant Leadership

Servant leadership emphasises service to others, a holistic approach to work, building a sense of community and shared decision making within the organisation. The concept of servant-leader was introduced by Greenleaf (1970) and triggered a drastic rethinking of leadership. Many theorists view this attribute as one of the most significant for twenty-first century leaders (Marquardt, 2000; Sadler, 2003; Shriberg et al., 2002).

The basic principle of servant leadership is a desire to help and serve others, including employees, customers, shareholders, and the community, and as such they often help and support others with emotional pain and suffering. Due to this ability, servant leaders value people beyond their contributions as employees and are committed to their personal, professional and spiritual growth. They are willing to suspend their need for control and lead by persuasion rather than coercion, and are committed to listening to others, as well as to their own inner-voices. As such, they spend a lot of time reflecting and, understanding that the first step to changing the organisation is changing oneself. Furthermore, they have a sense of stewardship, in that they see themselves as holding resources of the organisation in trust. They understand the lessons from the past, the realities of the present, and the future consequences of decisions due to an ability to think in conceptual terms and to stretch the mind beyond everyday considerations (Sadler, 2003).

From the above, it is obvious that the image of the servant-leader is in stark contrast with that of the industrial era paradigm of the power-conscious authoritarian leader.

Transformational and Visionary Leaders

The concept of transformational leadership is also acknowledged as an important characteristic of leadership in the new global economy, but will not be addressed here, since it was discussed in detail earlier in the chapter. Kouzes and Posner (1995) noted that "vision"

has always been part of the leadership literature, but has lost its impact over time to the extent that executives and management theorists often belittled the concept. In the recent past, however, the concept of vision has been highlighted again and promoted as one of the most important leadership attributes in the ever-changing turbulent times of the twenty-first century. Visions can be interpreted as reflections of leaders' fundamental beliefs and assumptions about a variety of issues, including human nature, economics, politics, art, the use of technology, and ethics.

As a visionary leader, the new economy leader must be able to jointly create the organisation's vision and to inspire all relevant stakeholders to pursue the future state that the organisation desires. As such, vision statements are future-oriented and accomplished over time. Marquardt (2000) argued that the ability to simplify complex issues and processes to align people around the organisation's vision, and to ensure that the vision is achieved through taking appropriate action, is essential for the new leader.

FEMALE LEADERS

The leadership style of the New Economy leader incorporates approaches frequently labelled as feminine. Although this appears to advantage women leaders, it does not imply that only women leaders are suitable to the new style, it merely refers to the notion.

Adler (1999) pointed out that as the numbers of female leaders are increasing in the twenty-first century, these female leaders find themselves in a context that has until now focused primarily on male leaders. The increasing number of female leaders in the global arena will contribute in one of two ways. First, if female leaders lead in similar ways to male leaders, it expands the pool of potential leadership talent. Second, if women approach leadership in different ways from men, their styles will add new approaches to the leadership domain. Women are probably more suitable to feminine characteristics like special communication skills, empathy, nurturance, gentleness, and well-developed interpersonal skills that are required in the global twenty-first century environment (Adler, 1997). Polgreen and Rohter (2006) pointed out how two countries that share a legacy of bloodshed and oppression,

namely Liberia and Chile, have voted for female presidents precisely because of their feminine virtues and the hope that these virtues could best heal the wounds of their respective societies.

Research on the topic of gender and leadership during recent years produced various outcomes, but there appears to be more similarities than differences between male and female leadership. According to Appelbaum et al. (2003), the various approaches can be classified in four schools of thought, namely biology and gender, gender role, environmental factors, and attitudinal drivers.

Biology and Gender

The basic premise of research focussing on biology and gender, is that gender implies "male", and male implies "leader". The assumption is that leadership is biologically determined and intrinsic to males. As such, only males can lead effectively. This approach is, however, not substantiated by research, since only a few studies found gender differences in leadership style (Appelbaum et al., 2003). In their meta-analysis of studies relating to gender and leadership style, Eagly and Johnson (1996) could not find reliable differences in the ways that women and men lead. They ascribed it to the fact that male and female leaders who occupy similar organisational roles, differ very little because of organisational socialisation processes into the roles and selection as managers according to the same set of criteria. Obvious differences in the behaviour of male and female leaders were often due to the differing structural positions of the genders within organisations. Women are frequently in positions of little power or lack of advancement and the differences in behaviour is more often a reflection of their lack of power rather than gender differences. Despite evidence to the contrary, the thinking behind the biological approach seems to remain. This is often because of stereotypes that portray women as less capable leaders (Appelbaum et al., 2003; Eagly & Johnson, 1996).

Gender Role

Gender role spill-over, or the carrying over of gender based expectations of behaviour into organisations, is another approach used to differentiate between male and female leaders. This

suggests that societal gender roles contaminate organisational roles to the extent that people have different expectations for male and female managers. As a result, female leaders often experience role conflict between gender role and organisational role.

Appelbaum et al. (2003) referred to this as the feminine/competency double bind, where "feminine" is associated with incompetence and competence with the opposite polarity of masculine traits. Cellar et al. (2001) concurred with this view by stating that female leaders are often evaluated more harshly for demonstrating autocratic leadership styles than their male colleagues. Female leaders are therefore penalised when they behave in a way that is conflicting with gender stereotypes. If female leaders adopt the masculine traits to be perceived as competent, it leads to the conclusion that a leader must be "un-feminine" to be competent. A further outcome of the feminine/competency double bind is that female leaders who attempt to imitate masculine behaviour, is often perceived as inauthentic, while they are regarded as ineffective when they attempt to retain their feminine characteristics (Oakly, 2000).

The attitudes and beliefs resulting from gender stereotypes create doubts about women's ability to lead and their competence as leaders. Furthermore, female leaders often face a less supportive work environment than male leaders. Thus, Eagly and Johnson (1996) found that where gender differences in leadership style surfaced, it was often as a result of gender role spill-over and the resulting behaviour discussed above.

Appelbaum et al. (2003) mentioned that a third gender role dimension, or androgyny, has emerged. Stereotypical masculine behaviours are still seen as important for leadership, but in terms of androgyny, it seems that a balance of masculine and feminine behaviours, rather than a high amount of both behaviours, is becoming important in perceptions of leadership. Contrary to previous findings that identified feminine characteristics as a reason why female leaders are not perceived as successful, the emergence of androgynous leaders implies that if leaders display feminine characteristics, it does not impact negatively on them, as long as they also possess masculine characteristics. The use of this model has, however, not yielded significant findings, due to uncertainties regarding the definition of androgyny and the fact

that it is not reasonable to judge a quality such as sensitivity as exclusively female and authoritative as exclusively male.

The concept of the "glass ceiling" is also closely linked to the impact of gender stereotypes and gender role spill-over in organisations. This metaphor is used to describe a transparent barrier which prevents female leaders from moving up the corporate ladder and advancing beyond middle management positions. The "glass ceiling" phenomenon manifests in many varied and pervasive forms of gender bias in both overt and covert ways (Oakly 2000). O'Leary and Ickovics (1992) described the "glass ceiling" as being both an attitudinal and a structural barrier. However, females who have managed to smash the "glass ceiling" in order to be appointed to company boards are at greater risk to be pushed over the "glass cliff" if business outcomes in their areas of responsibility do not improve (Woods, 2004).

Despite the invisible impact of gender role stereotypes on female leaders' advancement in the organisation, the world of work is still structured as if there is a full-time person at home attending to family responsibilities. As such, there has been little or no recognition for structural changes in the way work is accomplished due to shifts in social roles.

Environmental Factors

Eagly and Johnson (1996) identified various factors in their meta-analysis of gender and leadership studies that may potentially undermine a female's leadership effectiveness. These factors include the female's attitude, self-confidence, the corporate environment, and the "old boys' network."

According to Kolb (1999), *attitude* towards leadership is a stronger predictor of leader emergence than masculinity. She further wrote that the desire to be a leader is an important trait that distinguishes leaders from non-leaders. The way most females are socialised and the attitudes that they have been encouraged to assume, often send a message of incompetence in the corporate environment. This also impacts negatively on female leaders in today's team-based organisations, with team members often evaluating female leaders negatively because

of their perceived incapability of representing the best interests of the group. Appelbaum et al. (2003) pointed out that an aspect, such as blocked mobility in organisations, can also be linked to the attitude factor. Blocked mobility, which can also be related to the concept of the "glass ceiling", often cultivates pessimism, whereas opportunity promotes engagement and optimism, regardless of gender.

Appelbaum et al. (2003) mentioned various studies that found *self-confidence* to be a significant predictor of female leadership emergence. Indications are that a significant number of females internalised the more docile, unleader-like attitudes during socialisation, resulting in a diminished self-confidence. This in turn results in disconnection with others' expectations of leadership. These findings are consistent with Kolb's (1999) findings that masculine individuals scored significantly higher on self-confidence than feminine individuals.

The issues that impact on female leadership in the very demanding and challenging *corporate environment* are indirectly linked to issues of attitude and self-confidence. These organisations typically favour and reward stereotypical masculine values and practices that conform to gender-based values. Oakly (2000) expanded on this view by stating that very few organisations created diversity initiatives or policies that lessened the obstacles for female leaders with aspirations to be promoted to senior management positions. Furthermore, female leaders in middle management positions often reported less performance-based feedback than their male counterparts, which serves as an additional obstacle for further promotion. Other corporate practices in the areas of training, career development and compensation also seem to obstruct female leaders from promotional opportunities in the corporate environment.

During the last decade, in some countries, the corporate environment has changed to one that is characterised by high levels of political correctness as people are developing an awareness of prejudice and overt discrimination regarding female leadership. Despite the higher levels of political correctness, the *"old boys' network"* is still functioning quite well in preserving and enhancing male leadership. Oakley (2000) described the "old boy network" as an informal male social system that stretches beyond the social system into leadership structures of organisations and exclude women from membership. A way that women are kept out of this

network is through a process where female leaders are required to prove themselves over and over again. This allows male leaders to protect the upper ranks as a male sphere of influence with the message to female leaders that they are not welcome and will have to fight to gain entry.

<div align="center">Attitudinal Drivers</div>

Attitudinal drivers refer to the above-mentioned new, feminine values that are becoming more significant in new economy leadership. Appelbaum et al. (2003) argued that this repositioning of values is seen as a key to business success in the new global economy. Feminine characteristics referred to include consideration and concern for others, emotional expressiveness, participative decision making, people-orientation, people skills, and effective relationship building with all relevant role players. Yammarino et al. (1997) mentioned a small number of studies that found feminine characteristics to be more appropriate for transformational leadership and masculine characteristics more appropriate for transactional leadership. These authors argued that feminine attributes enable leadership that is collaborative, democratic, and interpersonal.

Appelbaum et al. (2003) concluded that these findings will not only do away with the mental model that female managers should not demonstrate a feminine orientation that can reinforce perceptions of incompetence, but that it is steering research away from male versus female issues to effective versus ineffective issues.

<div align="center">CONCLUDING REMARKS</div>

This chapter focussed on the concept of leadership and its increased importance in the twenty-first century. Adair's (2005) view that leadership, management, and supervision should not be separated but rather be interpreted as leadership at the team level, operational level and strategic level offered a convergent viewpoint to this long-standing debate. This chapter also provided detail descriptions of the Transactional and Transformational leadership model as expanded by Bass (1985). Based on the discussions of this model, it is evident that

transactional methods can be appropriate in particular situations, but that transformational leadership is viewed as a more effective leadership style on all organisational levels.

Since leadership is contextually bound, it was argued that the rapidly changing nature of work in the twenty-first century is changing the type of leadership required to be successful in a global environment characterised by major societal shifts. In the discussion of new economy leadership it became evident that these leaders are aware of the changing global context and that they are flexible and open to these changes. It is important to note that transformational leadership is not replaced by so-called new economy leadership but forms an important dimension of this concept. New economy leaders understand the importance of relationships in organisations and take up the role of a change agent to facilitate creativity and innovation. Due to the importance of knowledge in this economy, they are actively involved as mentors and coaches to regenerate leadership at all levels of the organisation. New economy leaders also display the ability to generate and sustain trust due to their capacity to build a sense of community within the organisation. The discussion of leadership concluded that feminine characteristics are more appropriate for transformational leadership, as well as to aspects of new economy leadership and proposed that research in future should rather focus on effective versus ineffective leadership rather than on male versus female issues.

Chapter 4 will include discussions relating to cross-cultural leadership issues, cultural diversity in the South African and in the global context, Afrocentric versus Eurocentric leadership, and Ubuntu-orientated leadership.

CHAPTER 4
CROSS-CULTURAL LEADERSHIP

INTRODUCTION

As is the case in all anthropology, cross-cultural leadership studies should not ignore the reality and influence of the specific socio-cultural environment. This does not imply that behaviour, philosophies, values, and various perspectives found in one culture are better or worse than that found in other cultures — they just manifest differently (Lonner, 1979). The question can therefore be asked whether leadership manifests differently across cultures, or whether aspects of leadership are universal, thereby transcending cultural boundaries.

Hofstede (1980b, 1993) cautioned that it is not only leadership practices that may differ in diverse cultures, but possibly the entire concept of leadership and the theories needed to understand it. As such, there are inherent limitations in transferring theories across cultures without determining which aspects are culturally universal and which are culturally specific or unique. House et al. (1999) agreed with these views presented by Hofstede and pointed out that leadership philosophies evolve in harmony with the specific cultures in which they function.

Contrary to the above-mentioned views on the impact of culture on leadership styles, there are also those who argue that some aspects of leadership transcend cultural boundaries and are universally accepted (Bass, 1996b; Dorfman, 1996; House, Javidan, Hanges & Dorfman, 2002). Therefore, finding ways to understand and explain cross-cultural differences and leader behaviour across cultures are complex. This chapter will address these matters.

The wide ranging changes in South-Africa after 1994 (as discussed in Chapter 1) have led to a major shift in management demographics, with increasing numbers of women and people of colour in management positions. This has led not only to more culturally diverse management teams, but also to a more culturally diverse workforce. If the diverse management styles and behaviour that are emerging in this diverse workforce are not understood and accepted, it may

lead to interpersonal conflict and organisational ineffectiveness. Since leaders cannot lead a culturally diverse workforce the same way they would a culturally homogeneous workforce, this chapter will also delve into cultural diversity aspects within the South African leadership context.

Referring to the impact of culture on leadership, Dorfman (1996) wrote that very little is known about leadership processes and models in Africa, and that the combination of African culture and managerial processes from a colonial past yields a distinctive African management style. Accordingly, the concept of African management will also be explored.

LEADERSHIP: CULTURAL UNIVERSAL OR CULTURAL SPECIFIC?

The question whether leadership is culturally contingent or "culture free" has been an ongoing argument in leadership literature (Bass, 1997; Boyacigiller et al., 1996; Dorfman, 1996; Hofstede, 1980b, 1993; 1996; House et al., 2002). The "culture free" approach is consistent with an etic approach (as discussed in Chapter 5) and assumes that leaders of all cultures have certain core functional leadership qualities that are similar across cultures. This would enable researchers to identify universals regarding leadership behaviour, while leadership theories would not differ across cultures. Supporters of this point of view acknowledge that, although certain constructs are universal and therefore comparable, these constructs are not necessarily equally important across cultures (Dorfman, 1996).

Bass (1997) supported the universality argument by stating that no society has been found where leadership is totally absent. He admitted that leadership is often influenced by the culture or the organisation in which it appears, but argued that globalisation has made it easier to interpret leadership across cultures according to systematic approaches. This view was also supported by Boehnke, Bontis, DiStefano and DiStefano (2002) who stated that a global perspective allowed researchers to be more confident in their understanding of leadership in cross-national settings. To support his view, Bass (1997) presented results that showed that there is universality in the transactional-transformational leadership paradigm. He conceded that although the concepts and components of transformational and transactional leadership

are cross-culturally endorsed, the specific behaviours associated with these components may differ. Leaders in collectivistic cultures will be more actively involved with activities such as career planning and counselling. The culture thus facilitates the transformational leaders' individualised consideration. In high power distance societies the transformational leader will often be autocratic and directive, while transformational leaders in low power distance societies are more democratic and participative. Bass concluded, "to refute the transactional-transformational distinction will require finding conditions, cultures and organizations in which trust between the leader and the led is unimportant and the led have no concern for self-esteem, intrinsic motivation, consistency in self-concept, actions taken for the leader, or meaningfulness in their work and lives" (Bass, 1997, p. 137).

Alternatively, the "culture-specific" approach is consistent with an "emic" approach (as discussed in Chapter 5), and assumes that because cultures are different, leadership processes should reflect these differences. As such, they do not support the search for leadership universals. Hofstede (1980b, 1993, 1996) supported the "culture-specific" approach and argued against universal management theories. He based his argument on the assumption that management theorists grew up in a specific culture at a specific time frame, and therefore their ideas reflect the influences of their environment.

Dorfman (1996) argued that neither of the extreme positions presented above can lead to a comprehensive and accurate understanding of cross-cultural leadership. He reiterated that, although certain leadership functions exist in many cultures, the enactment and expression of those functions, as well as the impact of leadership on employee satisfaction, often fluctuate as a consequence of cultural differences. A low pressuring style of leadership was, for example, preferred by British and American employees, while the opposite was true for Japanese employees. Similarly, Bass (1997) mentioned that more participative leadership can be expected of transformational leaders in individualistic societies like North-America, while more directiveness would be expected of transformational leaders in collectivistic societies like those in Asia. As a result, Dorfman (1996) proposed a combination of "culture free" or etic, and "culture specific" or emic approaches, while combining quantitative approaches with complementary qualitative approaches to determine equivalence of constructs — as

exemplified by Project-GLOBE. He also suggested that researchers include a broader range of variables in leadership theories, such as religion, language, ethnic background and political systems. The Cultural Enveloping model of leadership developed by Dorfman (1996) and the Integrated Systemic Conceptual model of Project-GLOBE (House et al., 1999) discussed below, are examples of models that incorporate the suggested broader range of variables.

<p align="center">Culture-Enveloping Model of Leadership</p>

According to this model (see Figure 4), culture is seen as an all-encompassing influence of leadership theories and processes. Internal focus areas of the model relate to the leader's power, image and interpersonal relationships. These are all aspects that are culturally dependent. To begin with, culture influences the leader's power, assuming that a leader would have a higher capacity to influence others in high power distance cultures and cultures where masculine/feminine roles are clearly defined. Since leader effectiveness is linked to the process of being perceived as a leader, the image created by the leader is fundamental. The image of an American leader would most likely reflect values of independence and forcefulness, while that of an African leader would probably reflect values of interdependence and collaboration. Lastly, the interpersonal interactions of leadership are also culturally dependent, with participatory leadership, for instance, not expected in high power distance cultures.

Dorfman (1996) also included situational moderator variables which are important for leaders in all cultures. He noted aspects such as leadership expertise, which have been found to enhance leadership impact in all studied cultures. According to the model, culture will also affect the outcomes of successful leadership, like target achievement and group effectiveness. It is highly unlikely that individual success that resulted from independent individual performance would be viewed favourably in high collectivistic cultures, particularly if that success impacted negatively on the inter-connectedness of the group.
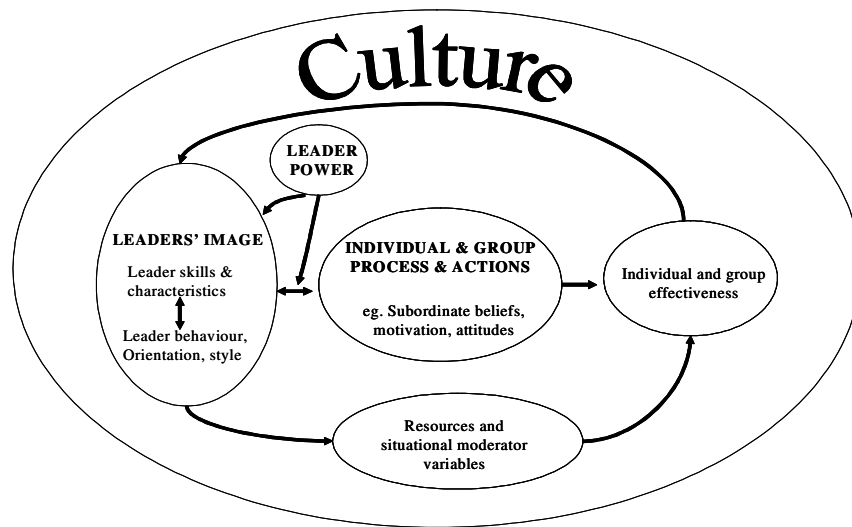
Figure 4   **Culture-Enveloping Model of Leadership (Dorfman, 1996, p. 313).**

Integrated Systemic Conceptual Model of Leadership

Project-GLOBE (House et al.*,* 1999; House et al., 2002) developed an integrated systemic conceptual model (see Figure 5) to guide its research. This model maintains that the attributes that distinguish between different cultures are predictive of the practices of organisations, as well as leader attributes and behaviours that are repeatedly performed, accepted and perceived as effective in that culture.

According to Figure 5, societal cultural values and practices affect what leaders do. Leaders are immersed in their own societal cultures and are therefore likely to perform behaviour patterns that are preferred in their culture. Bass (1990a, 1997) also asserted that cultures and organisations affect leadership. As such, different leadership models will occur in societies that have different cultural values. A consultative, democratic leader might be seen as weak in a culture that endorses an authoritarian leadership style. Hofstede (1993, 1996) emphasised that leadership cannot be isolated from prevailing processes in societies, cultures and sub-cultures. Furthermore, a society's cultural dimensions can predict management processes and the kind of theories applicable to their management. As indicated above, he further argued that theorists and management scientists are individuals that grew up in a particular society in

a particular period and that their ideas cannot but reflect the constraints of their environment. As such, management is not something that can be isolated from other processes taking place in society.
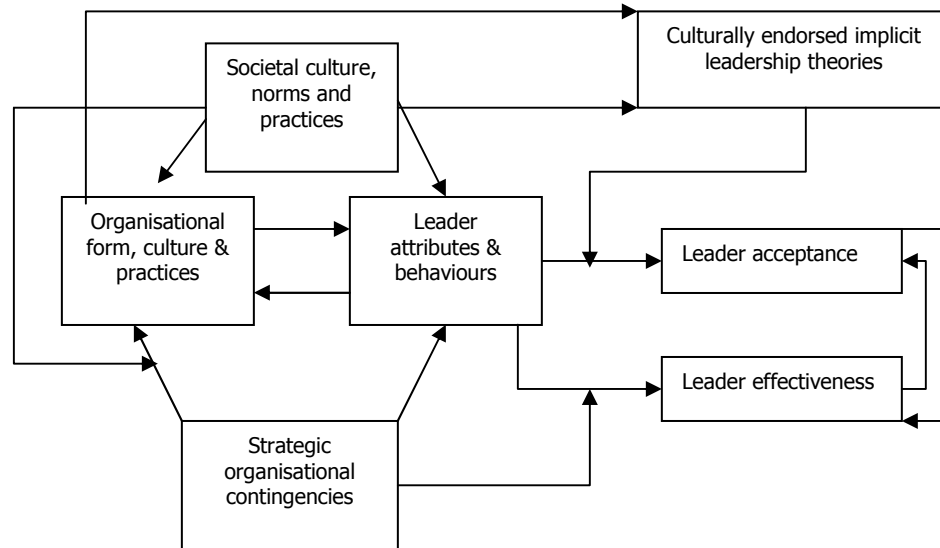

Figure 5   Integrated Systemic Conceptual Model of Leadership (House et al., 1999, p. 187).

Leadership, in turn, affects organisational form, culture and practices. Founders of organisations establish the initial culture of their organisations, which is then maintained by successive leaders. At the same time, societal cultural values and practices also affect organisational form, culture and practices. The dominant cultural values and beliefs that are sanctioned result in common implicit leadership theories and implicit organisational theories that are held by members of the culture.

Over time, leaders respond to the organisational culture and alter their behaviours and leadership styles, while societal culture and organisational form, culture and practices influence the process by which people come to share their implicit leadership theories. These theories also distinguish effective leaders from ineffective ones and influence the values placed on selected leader behaviour, attributes and motives that are relevant to acceptance and enactment of leader behaviour (House et al., 1999; House et al., 2002).

Additionally, strategic organisational contingencies affect organisational form, culture, and practices, as well as leader attributes and behaviour. Cultural forces moderate relationships between strategic organisational contingency plans and organisational form, culture and practices.

Figure 5 also shows that leader acceptance is a function of the interaction of implicit leadership theories with leader attributes and behaviour. Leaders who are not accepted will find it more difficult to influence subordinates, which implies that leader acceptance facilitates leader effectiveness and vice versa.

It follows from the above discussion that the attributes and practices that distinguish between cultures, as well as strategic organisational contingency plans, are predictive of leader attributes and behaviours that are most frequently perceived as acceptable, effective and implemented (House et al., 1999; House et al., 2002).

<div align="center">Universally Endorsed Leadership Attributes</div>

Bass (1997) argued that the transactional-transformational paradigm could provide a basis for the measurement and understanding of leadership universally. He provided supporting evidence, which had been obtained in different countries and indicated that the constructs in the model could be used to explore the concept of leadership in most situations.

Project-GLOBE (den Hartog et al., 1999; House et al., 1999; House & Javidan, 2004) identified 21 primary leader attributes or behaviours that are universally endorsed as contributing to an effective leadership style and eight that are universally construed as obstacles to efficient leadership. In addition, the project also identified the following six global leadership dimensions:

- Charismatic/Value based leadership: This dimension refers to a leader's ability to motivate and inspire others to achieve high performance outcomes based on decisively held core values.

- Team-oriented leadership: A dimension that emphasises team building to ensure effective implementation of a shared purpose and goal among team members, consisting of six sub-scales, which include visionary, inspirational, self-sacrifice, integrity, decisive, and performance orientated.

- Participative leadership: A dimension that reflects the extent to which managers include others in the decision making process, consisting of five sub-scales, including collaborative team orientation, team integrator, diplomatic, malevolent, and administratively competent.

- Humane-oriented leadership: This dimension does not only include compassion and generosity, but also reflects a leader's ability to be supportive and considerate. It is measured by two sub-scales, labelled modesty and humane orientation.

- Autonomous leadership: This newly defined dimension refers to independent and individualistic leadership attributes and is measured by a single sub-scale called autonomous leadership.

- Self-protective leadership: A newly defined leadership dimension from a Western perspective which focuses on the safety and security of the individual and the group. This is achieved through face-saving and status enhancement and consists of five sub-scales, namely self-centred, status conscious, conflict inducer, face-saver, and procedural.

Eleven of the 21 identified attributes or sub-scales were part of the Charismatic/ Transformational leadership dimension (den Hartog et al., 1999). Although not all the results of Project-GLOBE pertaining to leadership will be discussed in the present study, a major finding was that these results supported an hypothesis that charismatic/transformational leadership attributes and leader integrity are universally endorsed as contributing to outstanding leadership. Most of the other universally endorsed leadership attributes which did not relate to this dimension were from the team-oriented dimension. Dorfman et al. (2004, p.678) concluded, "The portrait of a leader who is universally viewed as effective is clear:

The person should posses the highest levels of integrity and engage in Charismatic/Value-based behaviors while building effective teams."

Dorfman et al. (2004) discussed results obtained in Project-GLOBE that indicated that most of the attributes in the primary leadership dimensions "self-protective" and "malevolent" are universally interpreted as barriers to efficient leadership.

CULTURAL DIVERSITY AND LEADERSHIP

The topic of diversity and related subjects such as affirmative action, employment equity, pluralism, and multi-culturalism, have been widely debated in the literature. However, the inclusion of these related subjects in diversity discussions have positioned diversity as a concept similar to affirmative action, thereby creating considerable uncertainty in people's minds. Diversity should also not be confused with multiculturalism, diversity management or empowerment (Booysen, 1999; Cilliers & May, 2002; Chemers & Murphy, 1995; Robinson & Dechant, 1997; Rooseveldt, 1995; Strydom & Erwee, 1998).

Due to the uncertainty regarding the concept of diversity, it is necessary to clarify it before the impact of cultural diversity on leadership can be discussed. Two broad interpretations of diversity can be identified in the literature. The one perspective interprets diversity as all the ways in which people differ from each other (Robinson & Dechant, 1997; Strydom & Erwee, 1998). The other perspective interprets diversity as any differences and similarities between individuals and groups on any given dimension, that is, it does not equate diversity to differences only, but encompasses both differences and similarities (Rooseveldt, 1995; Cilliers & May, 2002). It is also important to remember that diversity does not refer to one dimension, for example race only, but also to age, ethnicity, gender, mental/physical ability, sexual orientation, personality, social class, educational level, marital status, and many more. Some organisations have broadened the definition of diversity to include dimensions such as hierarchical levels, functions, and business units.

Diversity in the South African Context

When discussing the concept of management within an African context, South Africa has often been described as a "dynamic crucible". This refers to the diversity of cultures and mindsets that were created in the interface of Europe, Asia and Africa to create a unique combination of First World and Third World lifestyles (Beck & Linscott, 1994). Koopman mentioned that many systems were imported and imposed on Africa during the colonialist past, that are in direct conflict with the African ways of doing things. The organisational design that was imposed, "led to the annihilation of the African world-view, destroying its dignity and self-respect" (1994, p. 42). Furthermore, any typical value system to be found in Africa as a whole can be found in South Africa as well. At the same time, European and Asian values continue to impact on African values, which are themselves oscillating between the ever- changing circumstances of urban, rural life and industrial society (Beck & Linscott, 1994).

Within this culturally diverse context, South African organisations are seen as microcosms of the global macrocosm and as such, South African leaders often have to deal with high levels of complexity. Beck and Linscott supported this view by stating that most South African organisations have to deal with a list of societal issues on a daily basis, including "race relations, first and third world disparities, change dynamics, haves versus have-nots and inequalities in housing, education and career potential" (1994, p. 97). All of this is happening while they are competing with other organisations in the global arena.

Chemers and Murphy (1995) maintained that diversity and leadership relate to two issues, namely diverse leadership and a diverse workforce. The first issue refers to whether differences in gender, race, and culture group are related to differences in leadership style or behaviour, while the second issue has to do with what type of leadership is necessary to effectively utilise the talent and energy of a diverse workforce. The focus in this section will be on the latter.

Koopman (1994) explained that a number of often conflicting value systems are present in a diverse workforce. Ignoring the reality of a number of value systems that are at odds with one another can impact negatively on worker motivation and organisational productivity. When one considers the changes that occurred in the South African business environment since 1994, the validity of these viewpoints is evident, given the changes in the demographics of leadership (more females and people of colour), as well as the general workforce. The already difficult situation of a changing workforce is intensified by the fact that the previously white dominated organisations in South Africa created exclusive organisational cultures which favoured the development and self-fulfilment of the individual. This is in opposition to the viewpoint of Blacks, who believe that every individual is embedded in a social structure and that the need for the individual is to find his/her place in society, to take up his/her particular role in this society and to subordinate personal goals to societal needs. Thus, there is a desire for more inclusive organisations. The vast polarisation that has been created in South African organisations due to the misunderstanding of the various value systems can, according to Koopman (1994), be interpreted as the root cause of low productivity and poor performance.

Although diversity in workgroups can enhance performance considerably if it is managed properly, it does present organisations with potential problems relating to the issues of group cohesiveness and communications. The assumption that group cohesiveness is reduced by diversity in work groups is based on the belief that people feel more comfortable with members who are similar to them. The reasons for this are that opportunities for status incongruence increase in diverse groups, for example a female leader in a culture where men are not accustomed to being managed by a female, or that social comparisons that people rely on to conduct self-evaluations, are more reliable when the person being compared to is viewed as similar. Communication-related barriers to performance in diverse workgroups, especially in multi-cultural workgroups, become the source of misunderstandings that ultimately lead to lower workgroup effectives (Cox, 1994).

Leading a Diverse Workforce

Cox (1991) noted that the increasingly diverse workforce in organisations may lead to high employee turnover, higher absenteeism rates, interpersonal conflict, communication breakdowns, and eventually, lower productivity if leaders do not know how to lead in such a diverse environment.

As pointed out earlier, the South African business environment is often described as a microcosm of the global macrocosm. Although this increases the complexity of that which South African leaders have to deal with on a daily basis, it creates unique opportunities for these leaders to improve on their skills to lead a diverse workforce. This would enable South African leaders to have a competitive advantage in the global arena by producing creative solutions in an environment where there is an ever-increasing occurrence of cross-functional, cross-national, heterogeneous teams. Joplin and Daus concurred with this viewpoint and stated that good leadership skills are no longer sufficient in this diverse environment and that "excellence across a broader range of skills will be a baseline requirement for successful leadership in a diverse workforce" (1997, p.32).

It is also imperative for leaders to understand that diversity, as a relatively new occurrence in organisations, cannot be treated as something that is self-managing. Leadership ignorance regarding diversity has seen many organisations failing in their efforts to retain especially women and Black, Coloured, and Indian employees. Cox and Blake (1991) stated that job satisfaction levels in the United States are often lower for minority groups and that frustration over career growth and cultural conflict with dominant white-male culture may be the major reasons for the lower satisfaction levels. This is also the case in South African organisations. According to the Ministry for Public Service and Administration (1997), a large number of Black employees experience organisational environments as hostile and alienating, resulting in higher turnover and lower job satisfaction. This situation is exacerbated by expecting Black, Coloured, Indian, and female employees (management level as well as general workforce) to conform to current organisational cultures that do not reflect the values of all the South African population groups. New employees are expected to fit in and bear the

burden for adjusting to organisational cultures which are not sensitive to diversity related issues.

It is crucial for leaders to be authentic and openly display the necessary behaviour required for change and their commitment to cultural diversity to facilitate organisational transformation. From this, it is obvious that leaders should move beyond meaningless rhetoric and not only "talk the walk", but also "walk the talk". It is more effective if employees not only see that leaders are supporting transformation with their behaviour, but also hear leaders talking about their own personal journey during the process of organisational transformation. Joplin and Daus (1997) identified the following six challenges resulting from ever increasing diversity in workforces that are likely to require the attention of organisational leaders in order to achieve organisational objectives:

Changed power dynamics is often described as one of the most difficult challenges that a leader will encounter in an organisation where there has been a large shift in the demographics of the workforce. As more employees who do not fit the traditional organisational culture are appointed, employees who have been in the system for a longer period of time may experience a deterioration of power. The uncertainty of not knowing how to operate in what was once familiar territory leads to an increase in tension, and power struggles for scarce resources and control of social structures develop. The interaction of diversity dynamics and unstable power structures lead to both lowered individual and organisational performance.

The power struggles are often not explicit. According to group relations theory, which has its philosophical and theoretical roots in psychodynamics, socially structured defence mechanisms develop over time within groups with the purpose to maintain the status quo. They are unconscious and groups are often not aware of their functioning (Cilliers & May, 2002). De Jager (2003) conducted a study in a South African financial institution to uncover the socially structured defence mechanisms and uncovered various forms of them against change and transformation towards a more diverse and representative culture. The following are some of the socially structured defence mechanisms that were uncovered:

- idealisation of the older White male by Black and female employees in the system and an underestimation of their own potential;

- White male power alliances against Black leaders;

- White male and Black male power alliances over White female and Black female leaders;

- White leaders' envy of Black leaders due to the demand for Black leaders in the market and huge salary packages to recruit Black leaders;

- setting up of Black leaders for failure;

- projection of incompetence on Black leaders;

- depersonalisation of the Black leader by referring to Black leader as 'window dressing' and 'equities'; and

- projection of irresponsibility and untrustworthiness onto Black leaders.

De Jager (2003) found that these socially structured defences resulted in a collusive system of superiority and inferiority projections between White and Black, and male and female employees.

Dealing with the *diversity of opinions* that stem from employees' cultural value systems and the resulting behaviour, the demographics of an organisation's workforce changes, is the second challenge. In this context, it is imperative for leaders to identify the different frames of reference and common denominators that may serve in issue resolution. This is regarded as one of the most time-consuming and energy-draining activities of leading a diverse workforce.

A third challenge is the *perceived lack of empathy* during the integration of the diverse viewpoints by leaders that were discussed above. In diverse environments, it is crucial for leaders to be able to identify with followers that differ on a variety of diversity dimensions. Leaders who manage to step out and see beyond their own mental models and listen with

empathy, create openness and trust in the workforce. If the followers perceive the leader as intolerant or not being able to empathise with all relevant groups, group processes may be disrupted. Favouritism can place a leader in the middle of a political battle, and lead to individuals within the various groups capitalising on the leader's lack of empathy or impartiality.

The fourth challenge of *tokenism* is a traditional barrier in the early stages in the process of becoming a more diverse organisation. New employees who are hired in an attempt to increase the diversity of the workforce are often perceived by current employees in the system as not being qualified. There is also a tendency to attribute failure to the individual's gender, age or race, and success to luck or to ineffectiveness in organisational control mechanisms. These beliefs are detrimental to employees' self-esteem and inadvertently lead to poor performance. Leaders are in a position to openly challenge and change attitudes and perceptions regarding these individuals, for example, by assigning work to subordinates in ways that counter stereotypes, by disapproval of racist jokes and/or sexist language or stereotypes.

The fifth challenge is for employees in the diverse workforce context to feel free to *participate* in decisions which lead to plausible, workable solutions to organisational challenges. If this is achieved, the principle of a more diverse workforce bringing about more creativity and innovation to the work environment is achieved. All employees of the diverse workforce should have a voice in the organisation, and they should be aware that the organisation appreciates their opinions, ideas and inputs. Employees who realise that their input is not utilised or taken seriously by the organisation, experience a lack of empowerment and subsequently back away from making meaningful contributions.

The last challenge is that feelings of apathy and inactivity may set in as organisational leaders, especially highly task-orientated leaders, realise how much time is consumed by leading a diverse workforce. This is detrimental in achieving organisational goals. It is crucial for leaders of global organisations not only to have an organisational vision and goals, but also the dedication to *overcome inactivity* to carry them out. Joplin and Daus (1997) emphasised

that leaders should not only be gathering information relating to the organisation, but also integrating them into action plans which will lead to implantation. If this does not occur, inactivity can paralyse the organisation.

Cultural Diversity in the Global Organisation

Schneider and Barsoux (2003) identified the following three organisational strategies that large international or global organisations utilise to manage cultural diversity. These strategies, namely ignore, minimise, and utilise, are based on certain assumptions regarding cultural differences. In the first instance, culture is seen as irrelevant, the second strategy sees culture as a problem or threat, and in the third strategy culture is seen as an opportunity for learning and innovation than can be utilised to enhance the company's competitive advantage.

The underlying assumption of the strategy to *ignore cultural differences* is that "business is business" and that leadership is the same throughout the world. As a result, policies and procedures developed in the home country are seen as transferable and subsidiaries in host countries are expected to implement and apply these exactly without customisation. Organisations that follow this strategy are inflexible and argue that this approach is imperative to ensure product quality, to maintain the same service quality as in the home country, and to ensure that the corporate culture, as in the home country, is shared by all employees. A challenge of this approach is to gain acceptance from employees. Compliance is often achieved at surface level, but not necessarily on the underlying values and assumptions.

To *minimise cultural differences* is a strategy that acknowledges the importance of cultural differences, but purely as an attempt to minimise perceived problems or threats to well-organised and effective operations. Potential conflict between the various cultures is addressed by finding ways to create sameness or by isolating them to create segregation. Companies who prefer "sameness" assumes that a strong corporate culture can serve as a melting pot to reduce the impact of different national cultures, while companies who prefer segregation allows subsidiaries to "do their own thing", as long as they perform according to

expectations. Both of these strategies depend on pedantic systems of reporting and financial control. A concern about this strategy is fragmentation that leads to duplication of effort.

Companies who subscribe to the strategy that *utilises cultural differences* understand the need for both global integration as well as national responsiveness. This is achieved by aligning national companies with globally developed business or product lines by means of matrix reporting lines. The national business reports to a country manager, who is important in ensuring local responsiveness, and a business or product manager, who is responsible for global integration. This strategy requires a balanced approach, because local resistance can create problems if country managers are not committed to both a regional and a global perspective. They should therefore be included when global strategies and plans are developed and by exposing them to international leadership practices. However, managers from the different countries need the appropriate skills to manage cultural diversity if they have to function internationally to ensure that cultural advantages are utilised.

AFRICAN VERSUS WESTERN LEADERSHIP

The South African workforce is a "melting pot" of people from various cultures, especially due to the influx of Black, Coloured, and Indian employees in the South African labour market since 1994. However, more than a decade after apartheid, South African leaders are still faced with a number of challenges that are inextricably linked to the multitude of cultures represented in the country and its ever-increasing diverse workforce. Given this highly dynamic and diverse context, it is likely that South African leadership practices are not in harmony with all the cultures represented in organisations. In order to discuss this, it is of importance to explore the impact of the various cultures within the South African business sphere, with specific reference to an African versus Western approach to leadership.

Most South African organisations are operating consistent with a Western model of leadership. It is also evident that not much is done to incorporate indigenous African world-views that could improve the quality of work life in the South African business world (Fontyn, 2002; Khoza, 1994). South Africa only entered the African group of nations after the

1994 democratic elections and since then, organisations have been confronted on an unprecedented scale and intensity by a Western and African mix (Jeppe, 1994).

Khoza stated that the "Eurocentric" or Western approach includes decision-making that is based on power-relations rather than consensus and promotes adversarial relationships rather than consensual relationships between leaders and followers. More characteristics of the Western approach are illustrated in Table 1. He further argued that an Afrocentric approach signifies the use of home-grown, African solutions to the various challenges, including economic challenges, organisations are confronted with in the business environment. It is also about authentic African-orientated behaviour in the socio-cultural, economic and political sphere. Afrocentricity is, however, not an attempt to enforce an African world-view on organisations. It merely suggests that people of African descent or cultural orientation "anchor their view and evaluation of the world within their own historical or ontological framework" (Khoza, 1994, p. 118).

Table 1   Western and African characteristics (Jeppe, 1994).

Cultural values, Worldviews and Norms	Western	African
Interpersonal	Individualistic, competitive, egalitarian	Communal, other-directed, group-orientated, hierarchical
Time Orientation	Linear, planned future, promptness	Circular, flexible
Motivation	Competitive, achievement	Affiliation, acceptance
Leadership orientation	Opposing, critical, autonomy, egalitarian	Submissive, dependent, enduring, permanency
Risk	Entrepreneurial, initiative	Resignation, contentment, destiny

Ubuntu

The humanistic philosophy of African humanism, or *ubuntu*, is central to the concept of African management. *Ubuntu* is a purely indigenous African philosophy of life, with all African languages throughout the continent somehow referring to this philosophy. Due to the fact that so many African languages refer to the concept, various literal translations are found in the literature, such as: "humaneness", "personhood", "a man is a man", "I am because we are", or "I am because you are, you are because we are" (Booysen, 2001; Broodryk, 1997; Khoza, 1994).

As a philosophy, *ubuntu* promotes supportiveness, cooperation, and solidarity. Khoza (1994) emphasised that *ubuntu* is opposed to the type of competitiveness that flows from individualism, but it also does not support collectivism where it promotes the social unit to such an extent that the individual is depersonalised. Due to the focus on humanness, it emphasises the importance of concern for others, as well as working together for the common good, unconditional compassion for the group, respect, dignity, trust, discussion, and consensus. The picture of elders sitting under a tree and talking about contentious issues until they agree, is a widely documented practice (Broodryk, 1997).

Ubuntu-Orientated Leadership

Broodryk (1997) wrote that *ubuntu*-orientated leadership can be interpreted as the indigenous African style of participatory leadership. He explained that this kind of African leadership could be compared with the four teats of a cow, each representing a different aspect of the leadership process. The symbolism of the cow is used because it is an important animal in African culture. These four aspects refer to leadership, the social environment, culture, and strategy.

Openness is an important aspect of *leadership* which allows for spontaneous participation and trust between leader and followers. Trust facilitates the possibility of consensus after discussions, which could at times be adjusted due to unforeseen environmental changes. An

important aspect of this form of leadership is that the leader is part of the team and therefore there is a remarkable openness, free movement, communication and contact between leader and followers.

According to *ubuntu*, the community does not exist in a vacuum and forms an inter-connected network with the natural, political, social, economic, cultural and psychological levels. Manifestations of all of these dimensions should be analysed and interpreted as it appears in the work environment.

Broodryk (1997) explained that in the African context people can speak without interruption at meetings that last for hours. Since all individuals are equal, they are free to voice their opinions until consensus is reached. The practice of the *imbizo*, a mass meeting which is attended by as many people as possible, can also be seen as such an open system where all inputs are encouraged and welcomed. It is interesting to note that President Thabo Mbeki has initiated a number of *imbizo's* in various areas of South Africa since 2001, where citizens have the opportunity to discuss issues of concern directly with the president (Jackson, 2001; Seale, 2001).

The aspect of *culture* relates to the Western versus African discussion above. Broodryk (1997) pointed out that culture tends to influence strategy, and as such, it does not make sense to apply rigid Anglo-Saxon standards in a situation where an *ubuntu* worldview is present. He listed (p. 55) various aspects that need to be considered in an *ubuntu*-orientated leadership process to enable better relations and communication in the work environment:

- *Simunye* ─ the spirit of oneness or inclusivity;
- *Shosholosa* ─ teamwork;
- *'nKhozi sikhelela* ─ the blessing of God;
- Humanness ─ *ubuntu* aspect of care;
- Informality ─ Africans are informal people;
- *Toyi-toyi* ─ spontaneous dancing;

- The extended family system — symbolic of the spirit of brotherhood; and
- Death — this is a serious event and managers need to be aware of the rituals.

The *strategic exercise* of analysing the vision, mission, obstacles, opportunities and the questions of why, how, when, and whom, can only follow an open and trusting relationship with the leader in an environment where everybody had an opportunity to have their say and where an agreement was reached based on consensus and not necessarily majority vote.

How to Value both African and Western Leadership Approaches

It follows that it does not make business sense to ignore the cultural archetypes of employees in organisations by imposing a Western business culture. Leaders cannot expect the Western approach to facilitate the accomplishment of business goals effectively in an environment where there are more professional Black employees than before who do not necessarily adhere to the practices and values of these approaches. Booysen (2001) also recommended that South African organisations place equal value on the Western and African approaches to leadership.

Mbigi (1994a) argued that effective leadership in an African context can only become a reality when leaders have the courage and vision to start this long transformational journey to a more authentic leadership philosophy. The uniqueness of this African leadership philosophy is the ability to balance and reconcile a number of polarities present in organisations. These are:

- Stability versus chaos;
- Harmony versus conflict;
- Reality versus vision;
- Feudalism versus modernity;
- Freedom versus control; and
- Diversity versus integration (Mbigi, 1994b, p. 88).

Mbigi (1994b) proposed that uniquely African management approaches should be developed that could synthesise the above-mentioned polarities. He interpreted Lessem's (1994) "Four-world business sphere" as such an approach.

The international economy is usually divided into three economic regions or zones. There is the Western world, which represents the capitalist regions of North America and Europe, the more recently successful Eastern nations with their distinctive management practices, and the so-called Third World, consisting of all the developing and under-developed regions, like Africa, South America and parts of Asia (Booysen, 1999). Lessem (1994, 1996) proposed that instead of these three worlds, four distinct and complementary strands of business and economy should be acknowledged. These are competitive (World One), managerial (World Two), cooperative (World Three), and communal (World Four). These are seen as possible ways to utilise diversity within the South African context effectively to increase productivity.

Lessem (1994, 1996) was of the opinion that South Africa's social, political and economic transformation has not been accompanied by a differentiated and integrated management approach. Furthermore, the majority of South African organisations have not yet recognised or harnessed the potential of this cultural, economic and individually diverse workforce. He argued that the South African business environment has evolved predominantly out of the Western world and to a lesser extent, the Northern world, while ignoring the Eastern and Southern worlds. An integrated and differentiated authentic South African leadership philosophy will only be accomplished when leaders acknowledge, value, and utilise the differences and similarities of their cultural roots. The characteristics of the four worlds are summarised in Table 2.

Lessem concluded that the presence of the Western-Eastern and Northern-Southern dimensions provide the necessary creative tension for the establishment of a uniquely Southern African management philosophy. As such, African management represents interplay with various degrees of emphasis between the four worlds, "although all four philosophical

factors are required for integrated managerial learning and organisation development" (1994, p. 38).

Table 2   The four worlds of the Southern African business sphere (Lessem, 1994).

World 1 — Western	World 2 — Northern

• Competitive personal enterprise (Anglo-Saxon)
• Empiricism
Managerial type:
• Experiential manager
   o *Positive manifestation:* Free-spirited individualism
   o *Negative manifestation:* Uncontrolled materialism
Business outlook:
• Competition, transactional
Path of organisational evolution:
• Self-help — self-development;
• Free enterprise — learning company
	• Managerial hierarchy (European)
	• Rationalism
	
	Managerial type:
	• Professional manager
	   o *Positive manifestation:* Meritocracy
	   o *Negative manifestation:* Bureaucracy
	Business outlook:
	• Coordination, hierarchical
	Path of organisational evolution:
	• Functional — structural;
	• Bureaucracy — requisite organisation

World 3 — Eastern	**World 4 — African**

• Cooperative industry
• Idealism
Managerial type:
• Developmental manager
   o *Positive manifestation:* Holistic
   o *Negative manifestation:* Totalitarianism
 	
Business outlook:
• Cooperation, systemic
Path of organisational evolution:
• Differentiation — integration;
• Closed cartel — open system
	• Communal network
	• Humanism
	Managerial type:
	• Convivial manager
	   o *Positive manifestation:* Communal focus as embodied by Ubuntu
	   o *Negative manifestation:* Nepotism, corruption
	Business outlook:
	• Communal, co-creation, network
	Path of organisational evolution:
	• Patriarch/social architect;
	• Family business/socio-economic Network

Booysen supported this view by proposing that managers in leadership training programmes at all levels should be exposed to the Afrocentric approach to leadership. For this to happen, leadership curricula, which are still biased towards a Northern and Western leadership style, should be revised to make them more inclusive of the values of the diverse spectrum of

managers attending these programmes. She also suggested that the mental models and paradigms prevalent in South African organisations, like the "West is best" should be changed to "West is just one way, there is also East, North and South to choose from" (2001, p. 58). This is linked to the "White is right" paradigm which should be challenged to incorporate Black, Coloured and Indian thinking too. Furthermore, a strategy for managing cultural diversity is required to build a corporate multicultural identity. These initiatives should, however, be supported by changes in existing discriminatory policies and procedures, and addressing structural inequalities in organisations.

Thomas and Schonken (1998a) severely criticised Lessem's (1994, 1996) model as being over-extended and based on sweeping generalisations that have not been tested and verified empirically with systemic research. They further argued that the model is not reliably consistent with the concepts that he utilised and that the model is not well aligned with Hofstede's (1980a) cultural value dimensions. Thomas and Schonken (1998b) consequently conducted research in an attempt to substantiate Lessem's (1994, 1996) model empirically. They concluded that their research offered no evidence to substantiate or to reject or accept the model outright, but could not offer an alternative model.

CONCLUDING REMARKS

The question of leadership as a culturally universal or culturally specific concept was considered as part of the discussion of the impact of culture on leadership. It was shown that researchers like Hofstede (1980b) supported the culture-specific approach, which assumes that leadership processes, and possibly the entire concept of leadership, would be different in different cultures, because cultures are different. On the other hand, management scientists like Bass (1997) maintained that leadership is culture-free and transcends cultural boundaries. He did, however, agree that cultures and organisations do affect leadership in the sense that different leadership models will occur in societies with different cultural values. Dorfman (1996) proposed a combination of the two approaches and also suggested that variables such as religion, language, and political systems be included in leadership theories as depicted in his "culture-enveloping model of leadership".

This chapter also explored the entry of Black, Coloured, Indian, and female employees into organisations as a key factor in the cultural diversity challenges facing leadership in the South African context. Chemers and Murphy (1995) noted that these types of changes do not only result in a more diverse workforce, but also in a more diverse leadership group. Various challenges that are prevalent when leading a diverse workforce were discussed. These related to changed power dynamics between employees, acknowledging a multitude of diverse opinions, the necessity of leadership empathy to create trust in this workforce, the trap of tokenism, and the challenge of getting all employees to participate in decision making, and organisational challenges.

The ability to lead a diverse workforce effectively is not just a South African dilemma, but prevalent in most global organisations. Three organisational strategies that global organisations utilise to manage cultural diversity were briefly discussed. The first strategy ignores cultural differences, the second sees culture as a problem or threat, and the third strategy interprets culture as an opportunity to leverage the company's competitive advantage (Schneider & Barsoux, 2003).

This chapter was concluded with a discussion of Western leadership approaches and the growing awareness that South African leadership approaches should incorporate and recognise Afrocentric leadership values (as depicted in *ubuntu*, or the philosophy of African humanism), which are consistent with the South African environment and cultural values. Lessem's (1994) "four worlds" model attempts to incorporate the management approaches of the Northern hemisphere (North America and Europe), the Afrocentric approach and the management approaches of the Eastern nations to utilise diversity effectively and to improve productivity within the South African context. Booysen (1999) recommended a holistic and systemic approach in the transformation process to value both Afrocentric and Eurocentric leadership approaches by changing organisational practices, procedures, systems, strategies, leadership, as well as individual mental models, attitudes, and values.

The research methodology, procedures, and statistical techniques that were utilised in this study to investigate the impact of core and peripheral values and their relationship to transformational leadership attributes of South African managers will be reviewed in Chapter 5.