Psychological Perspectives on Leadership

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Leadership has been a central but sometimes controversial topic in organizational research (e.g., Chemers, 2000; Hogan, Curphy, and Hogan, 1994; House and Aditya, 1997; Judge and Piccolo, 2004; Khurana, 2002; Meindl, 1990). For example, reflecting a macro-OB perspective, Podolny, Khurana, and Hill-Popper observed that “for at least the past thirty years, the concept of leadership has been subject to criticism and marginalization by the dominant organizational paradigms and perspectives” (2005:1). Part of this skepticism has resulted from questions about the definition of the construct as well as whether leadership has discernible effects on individual behavior and organizational outcomes (e.g., Hannan and Freeman, 1984; Pfeffer, 1977). Proponents argue that leaders, by their very roles, are responsible for making decisions that help their organizations adapt and succeed in competitive environments (e.g., Bass, 1991; Waldman and Yammarino, 1999). In contrast, those who view organizations as heavily constrained claim that leadership is largely irrelevant and, at best, a social construction (e.g., Hannan and Freeman, 1989; Meindl, 1990).

While provocative, the assertion that leaders in organizations do not play a distinct role in influencing groups and individuals to achieve organizational goals is not supported by the empirical evidence; leaders often have a substantial impact on performance (e.g., Barrick, Day,
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Lord, and Alexander, 1991; Bass, Avolio, Jung, and Berson, 2003; Bertrand and Schoar, 2003; Judge and Piccolo, 2004; Judge, Piccolo, and Ilies, 2004; Koene, Vogelaar, and Soeters, 2002). Even senior executives who are neither founders nor in the top jobs (e.g., CEOs) can have an inordinate influence on organizations (e.g., Miller and Droge, 1986). Less clear, however, are the capabilities required and circumstances under which leaders can affect individual behavior and organizational performance (c.f. Hambrick, Finklestein, and Mooney, 2005).

Numerous definitions of leadership exist. We adopt one that Vroom and Jago (2007:18) recently proposed in which leadership is “a process of motivating people to work together collaboratively to accomplish great things,” with “great things” defined in the minds of the leader and followers. Our goal in this paper is to take stock of psychological approaches to leadership, focusing on how leaders develop capabilities and interact with smaller work groups and larger organizations. We do this by considering various perspectives on leaders, identifying what they need to do as individuals to garner followers, how they can best inspire small groups, and finally, how leaders capture an entire organization’s attention and cultivate intense commitment among members to realize organizational goals. Since understanding the effects of leadership on organizational performance may require examining multiple levels of leadership simultaneously (Hunter, Bedell-Avers, and Mumford, 2007), we scan the relevant levels of analysis to gather a comprehensive psychological picture of when and why leaders influence others. We also consider the extent to which continuity across levels of leadership is important for individual and organizational effectiveness.

We begin with two assumptions. First, through the history of leadership research, many have considered leaders to be born rather than made. Despite recognizing that situations affect individuals, their research primarily suggests that it is something about a person that determines whether she will be an extraordinary leader (e.g., House, 1977, 1988; Judge, Bono, Ilies, and Gerhardt, 2002). Instead, our view is that leadership is about what people do, not who they are and, as such, leadership is inherently developmental. Our second assumption is that leadership is a paradox in that the most effective leaders are likely those who are self-aware, calculated, and interpersonally adept, but ultimately dispensable. That is, a leader’s role in a team or organization is to set the context for others to be successful. Indeed, our “acid test” of effective leadership is how well the team does when the leader is
not present, and whether the leader has helped members internalize organizational objectives so that they can make judgment calls and trade-offs that are organizationally aligned on their own.

**Developing as a Leader**

We suggest that three capabilities are critical for leaders, but these are not the most obvious traits. The obvious traits such as confidence, dominance, assertiveness, or intelligence have not, as it turns out, shown the level of predictive validity that one would hope for (e.g., Ames and Flynn, 2007; Fiedler, 1995; Judge, Colbert, and Ilies, 2004; Zaccaro, 2007). Rather, we suggest three subtle but likely more powerful qualities that transcend particular individual differences and behaviors. They are a leader's diagnostic capabilities, the breadth and flexibility of his behavioral repertoire, and his understanding of the leadership paradox. We discuss each below.

**Leaders as Astute Diagnosticians**

Leadership is a diagnostic activity requiring a person to ask, in each situation, “What is the maximum and unique value that a leader could bring to this situation?” The obvious value of this insight is best reflected in the enormous industry that has emerged around this theme, including the most popular of these, the Situational Leadership Model (e.g., Hersey, Blanchard, and Natemeyer, 1979). Such approaches emphasize the importance of accurately understanding various situations and how leader demands vary within them. Interestingly, the concept of situational leadership has been difficult to pin down empirically (see Graef, 1983, and Vecchio, 1987, for critical discussions), despite its popularity among practitioners.

The more recent focus on a number of related but more tractable constructs, such as self-monitoring and emotional intelligence, represents attempts to address a person’s diagnostic capacity by highlighting the importance of accurately assessing the social and emotional cues in a situation. For example, those who are high on self-monitoring perceive the needs of the group and pattern their own behavior accordingly (e.g., Ellis, 1988; Zaccaro, Foti, and Kenny, 1991). Though there are popularized versions such as the “primal leadership” model (e.g., Goleman, Boyatzis, and McKee, 2004), there are also a number of scholarly treatments, with corresponding empirical evidence, pointing
to the importance of emotional intelligence for effective leadership (e.g., Wolff, Pescosolido, and Druskat, 2002; Wong and Law, 2002). In particular, emotionally intelligent people are more accurate in appraising emotions, they use emotion to enhance cognitive processes and decision making, and they are generally more adept at managing their emotions (e.g., George, 2000). We turn next to the closely related, but distinct, concept of behavioral flexibility.

**Flexible and Self-Aware Behavioral Repertoire**

Once a leader has accurately diagnosed a situation, she needs to have a broad and flexible behavioral repertoire to respond appropriately across a wide array of complex situations (Zaccaro, Gilbert, Thor, and Mumford, 1991; Hooijberg, 1996). People often react to different situations using a narrow band of behavior, or their dominant responses, particularly under stressful conditions (e.g., Bargh and Chartrand, 1999; Gioia and Poole, 1984; Staw, Sandelands, and Dutton, 1981). This uniformity may be appropriate and desirable in specialist roles, but can be limiting for people attempting to influence and compel others across the variety of situations that leaders face.

Hall, Workman, and Marchioro (2002) found that leaders who were more behaviorally flexible—those high on self-monitoring, self-reported behavioral capabilities, and androgyny—were viewed as more effective by their followers. Other researchers have identified related personal qualities, such as adaptability and openness, as important for leaders (e.g., Howard and Bray, 1988; Miller and Toulouse, 1986; Mumford and Connelly, 1991). These perspectives suggest that flexibility emerges from a constellation of cognitive, social, and dispositional qualities, though each type of flexibility is considered independent. For example, integrative complexity (e.g., Tetlock, 1983) allows a leader to develop the elaborate cognitive responses that are required in complex dynamic environments, whereas behavioral flexibility reflects the ability to translate thought and reflection into appropriate action across a diverse array of organizational situations (Zaccaro, 2001). Boal and Whithead (1992) described individuals who are high on both integrative complexity and behavioral flexibility as being “informed flexible” since they have a wide array of both cognitive maps and behavioral responses.

In addition to developing a broad and flexible behavioral repertoire, leaders need to display their intentions unambiguously. Accuracy
in behavioral signaling arises from self-awareness and cross-situational consistency (e.g., Kenny, Mohr, and Levesque, 2001). Personality psychologists have suggested that behavior can be more “observable” based on the extent to which an act is given the same meaning by two (or more) perceivers (Gosling, John, Craik, and Robins, 1998; Kenny, 1994). Highly observable acts tend to require less inference to judge their occurrence and meaning than do less observable acts. Thus, the more observable an act is, the more likely those observing the behavior will attach the same meaning to it. Conversely, observers will be more likely to disagree about the meaning of a less observable act, which will require a great deal of inference about the target’s internal thoughts and feelings. To the extent that leadership in organizations is associated with hierarchical authority, ambiguity in a leader’s behavior can have negative consequences for followers’ motivation and performance (e.g., Meindl, 1990), particularly when the behavior appears hypocritical (e.g., Cha and Edmondson, 2006).

Putting together the importance of consistency and behavioral flexibility, a significant challenge for leaders is to be perceived as consistent while engaging flexibly in a wide array of behavioral responses. The very behavioral flexibility that is critical for leading across diverse situations can be perceived instead as behavioral inconsistency, unreliability, or even labeled as erratic by followers. How might leaders manage this balance? Given the premium placed on appearing consistent (Chatman, Bell, and Staw, 1986; Ross and Staw, 1993), effective leaders need to figure out how to maintain a level of decisiveness even when the social cues do not point clearly to an appropriate response. One way that leaders may become viewed as reliable by followers is by adhering consistently to their values, specifically in their commitment to the greater good—that is, to organizational objectives (e.g., Bass, 1990; Mannix and Neale, 2005). A second way is to ensure that followers are convinced of a leader’s commitment to their success (not just to her own), as well as how their success and the leaders’ are intertwined (e.g., House, 1996). We elaborate on both of these issues in the following section on groups and teams.

**Understanding the Leadership Paradox**

In addition to the complementary capabilities of diagnosing situations and responding flexibly to them, leaders also need to embrace the paradox of leadership: that their success is unequivocally derived through
others. This is likely to be particularly challenging for leaders in organizational settings with typical hierarchical structures. In these settings, leaders have arrived in their position by virtue of their exceptional individual contributions, which are typically based on a strong achievement orientation (e.g., McClelland, 1985). Yet, leading others requires recognizing that their main role is to set the context for others to do excellent work (e.g., Goleman, 2000). Attempting to be singularly heroic limits leaders because the scope of most serious leadership roles is simply too wide and too diverse to be capably performed by a solitary person (Spreier, Fontaine, and Malloy, 2006). Thus, the behavior that delivered a leader into the role, in most cases, differs notably from the outlook and set of behaviors necessary to perform effectively within it.

Some who aspire to leadership roles may be high in the need for power rather than the need for achievement (e.g., McClelland and Burnham, 2003; Kotter, 1977). The challenge for those high in the need for power may be to develop an accurate understanding about their status in a group. Research in psychology has shown that those who more accurately perceive their own status, and especially those who avoid erring on the side of overestimating it, are more likely to be influential (Anderson, Srivastava, Beer, Spataro, and Chatman, 2006; Judge, LePine, and Rich, 2006). Thus, high achievers may be deficient in hubris, whereas the high power individuals may be deficient in humility.

**Leading Work Groups and Teams**

Insight into leadership effectiveness can, of course, also derive from understanding leaders’ impact on others. Managers are responsible for a variety of organizational tasks (e.g., Mintzberg, 1971). Debates over the distinction between leaders and managers notwithstanding (Bass, 1990), we believe that three of the most critical tasks for team leaders are convening task groups, coaching group members, and setting group norms. We consider how leaders affect people's understanding about their own relation to the team, how leaders support members along the way, and which norms may be usefully cultivated in small groups.

**Creating Strong Identification with the Group and Verifying Members**

Social identity theory refers to the process by which people define their self-concept in terms of their membership in various social groups
(e.g., Hogg and Terry, 2000; Markus and Cross, 1990). A salient social category functions psychologically to influence a person's perception, behavior, and how others treat him (Turner et al., 1987). To the extent that a particular in-group membership is salient, one's perceived similarity to others in the in-group is increased (Brewer, 1979). Increasing the salience of in-group membership causes a depersonalization of the self, defined as perceiving oneself as an interchangeable exemplar of the social category (Turner, 1985:99). Members of a salient in-group are more likely to cooperate with in-group members, compete against out-groups, and focus on achieving the group's goals (e.g., Chatman and Flynn, 2001).

Research has shown that members who identify strongly with their organization and its values perform more effectively than those who do not (e.g., Chatman, Polzer, Barsade, and Neale, 1998; O'Reilly and Chatman, 1996; Jehn, Northcraft, and Neale, 1999). Higher group identification is associated with a stronger effect of norms on individuals' behavioral intentions (Terry and Hogg, 1996), improved motivation and task performance (Van Knippenberg, 2000), reduced conflict and bias toward minority group members (Gaertner et al., 1993), and more cooperative behavior, particularly when people perceive that they have significant discretion over their behavior (Dukerich, Golden, and Shortell, 2002). Identification is also associated with organizational citizenship behavior (Dutton, Dukerich, and Harquail, 1994) and compassion (Dutton, Worline, Frost, and Lilis, 2006). Many of these improvements in functioning persist even in the presence of forces that potentially alienate people from their group, such as demographic diversity (e.g., Ely and Thomas, 2001; Lau and Murnighan, 1998). These groups often suffer from lower productivity and less cohesion than do more homogenous groups, but leaders can change this by encouraging people to recognize their common commitments rather than dwelling on their individual differences. Indeed, when an organizational culture emphasizes employees' shared fate (Dovidio, Gaertner, and Validzic, 1998)—the fact that they're all going to succeed or fail together as a group—diverse teams of employees are more productive and creative than are homogenous teams (Chatman et al., 1998).

Shared fate and identification with the group improve performance by satisfying the self-enhancement motive, the basis of social identity theory. But research suggests that other key motives are also in play in group and organizational settings. For example, researchers have found
that increasing interpersonal congruence, or the extent to which team members see one another as each sees himself, makes even highly diverse groups effective (Swann, Milton, and Polzer, 2000). Members are also motivated by belonging, or a person’s desire to feel close and accepted by others (Baumeister and Leary, 1995), and feeling distinctive, or the desire to establish and maintain a sense of differentiation from others (Vignoles, Chryssochou, and Breakwell, 2000). Thus, a challenge to leaders is to determine when each of these motives is relevant and to help members satisfy them (Ormiston and Wong, 2008).

Coaching Members and Publicizing Their Strengths

Coaching members is important and consequential. Fortunately, a comprehensive theory of team coaching has been elegantly articulated by Hackman and Wageman (2005). We will not attempt to summarize their theory here, except to mention that for such coaching to result in performance gains, leaders must focus their coaching on task-relevant issues and time the type of coaching they offer with the somewhat predictable phases of team evolution (e.g., provide motivational coaching at the beginning, strategic coaching at the midpoint).

Researchers have also focused on leaders’ role in increasing teams’ external visibility within organizations, which improves their long-run performance (e.g., Ancona and Caldwell, 1992). We focus here on the importance of publicizing members’ strengths within the group. This has become increasingly important as work groups have become more diverse (e.g., Mannix and Neale, 2005). In particular, if someone is a member of a group that has historically been underrepresented in a workplace—whether it is women, African Americans, or another group—coworkers will expect that person to perform poorly on tasks that have not typically been performed by members of his or her group. This is true no matter how skilled the person actually is at that task (Chatman, Boisner, Spataro, Anderson, and Berdahl, 2008).

These expectations, unfortunately, are often self-fulfilling (e.g., Steele, Spencer, and Aronson, 2002). One way to avoid this bias and the resulting performance decrement is for the person to advertise his or her own talents. Indeed, research shows that minority members who are more extraverted are less likely to be discriminated against (Flynn, Chatman, and Spataro, 2001). But, placing responsibility on the minority member can be daunting. An effective alternative is for a leader to explicitly articulate the minority member’s task-relevant capabilities,
especially when the person joins a new work group (Flynn et al., 2001; Ibarra, 1992). Research suggests that this sponsorship has a strong and positive impact—not just on the focal person’s performance, but on the performance of the entire group. This may be because the employee receives a confidence boost, and the rest of the group is relieved of the discouraging notion that they will have to “carry” a poor performer (Chatman et al., 2008).

Setting Group Norms
Researchers have long recognized that a key role for leaders in groups is to set and monitor group norms. Group norms, defined as legitimate, shared standards against which the appropriateness of behavior can be evaluated (Birenbaum and Sagarin, 1976), influence how group members perceive and interact with one another. Norms represent regular behavior patterns that are relatively stable and expected by group members (Bettenhausen and Murnighan, 1991:21). Though the list of possible work group norms is long and leaders are responsible for determining which norms fit the task at hand, a few norms transcend specific tasks and likely apply generally to work groups. We discuss two of these below.

Promoting Cooperation
An organization relies on members to cooperate with one another in accomplishing goals to enhance its very survival (Simon, 1976). Leaders are responsible for creating norms that support such cooperation, which otherwise may not emerge. Research has shown numerous constraints on cooperation within organizations, including people’s focus on their own self-interest (e.g., Frank, Gilovich, and Regan, 1993) and promotion and reward systems (e.g., Petersen, 1992). Interestingly, even a group’s composition can reduce members’ propensity to cooperate. Research has shown, for example, that demographically diverse teams are less likely to develop cooperative norms than are homogeneous groups, but that cooperative norms mediate the negative relationship between heterogeneity and cooperation (Chatman and Flynn, 2001). Thus, leaders need to figure out how to instill cooperative norms in groups particularly when groups are made up of diverse members.

Leaders can enhance cooperation within work groups by increasing the extent to which members view one another as part of their in-group. Teams that emphasize collectivism—that is, shared objectives,
interchangeable interests, and commonalities among members—are more likely to view organizational membership as a salient identity than teams in which individualistic norms are salient (Chatman et al., 1998). Further, leaders can instill collectivistic norms through their own actions. For example, they can decide to reward and celebrate success accomplished by teams rather than individuals. By doing this, they can change reward structures to make cooperating more appealing and defection (through individualism or competition) less attractive (e.g., Petersen, 1992). They can also frame and interpret success in terms of the collective and explicitly share credit for organizational outcomes (e.g., Goncalo, 2004; Flynn and Chatman, 2001; Wageman, 1995). Cooperation can be reinforced by making the future more salient than the present and allowing members to use the threat of retaliation to reduce defection. This is consistent with research showing that longer time horizons, specifically manifested in lower employee turnover, contribute to cooperative decision making (e.g., Mannix and Loewenstein, 1994). Cooperative orientations can also be enhanced by teaching people values, facts, and skills that will promote cooperation, such as the importance of reciprocity and how to recognize social norms (e.g., Cialdini, 2001).

**Endorsing Political Correctness (Sometimes)**

In the context of increasingly diverse work groups, leaders need to consider norms relevant to interpersonal understanding and sensitivity. Research has examined how people react to political correctness, which can be defined as censoring language that might be offensive to members of other demographic groups (e.g., Norton, Vandelo, and Darley, 2004). Many leaders are understandably reluctant to advocate political correctness in the workplace, assuming that it stifles the free exchange of ideas (Norton et al., 2006). But one study showed some benefits (Goncalo, Chatman, and Duguid, 2008). Teams were either encouraged or discouraged from using politically correct language in their discussions. The teams were then observed in terms of how they performed on a creativity task. In more homogenous teams, political correctness noticeably constrained creativity. But in more diverse teams, encouraging political correctness actually boosted creativity while also promoting sensitivity to members’ differences. Though people are often anxious about cross-group interactions, political correctness provided clear ground rules for their conversations, helping to promote
feelings of comfort and trust and enabling team members to focus their attention more completely on the creative task at hand.

Leading Organizations

At the organizational level, leaders serve as embodiments of the organizations they create and lead. Though the list of requirements is long, three specific domains may be among their highest priorities. First, leaders need to develop an intentional model of organizing, especially when starting an organization. Second, they need to cultivate a strong, strategically relevant, and adaptable culture that helps to ensure that people execute their strategy. Third, they need to send a clear and consistent signal to followers across the organization. We discuss each of these below.

Starting Off Right: Developing an Intentional Model of Organizing

Researchers have been particularly interested in prominent organization figures, such as founders and CEOs, and how they might affect organizational structures and processes. In a longitudinal study of high-technology start-up firms, Baron and Hannan (2002) showed that a founder’s “blueprint” for her organization, her mental model of how the organization would “look and feel,” had a pervasive and long-lasting influence over how the organization developed, who was hired, and how effectively it executed its stated strategy (see also Baron, Burton, and Hannan, 1999). Founding blueprints tended to be extremely robust, often lasting through all stages of organizational growth and decline. Further, attempted changes in organizational blueprints were highly destabilizing to young technology start-ups, causing employee turnover, reducing bottom-line financial performance, and even threatening the firm’s survival. The concept of a blueprint reflects a founder’s fundamental values and mental models regarding organizational membership, including how employees are selected, the basis of their attachment, and how their efforts are coordinated and controlled. Interestingly, the most successful blueprint in terms of survival, profitability and, for small start-ups, time to IPO (initial public offering) and initial stock price, was the “strong commitment” model of organizing, in which employees were deeply attached to the organization.

Similarly, Schein (1983) argued that the founder plays an instrumental role in creating organizational culture by rigorously screening
employees to identify those who support his ideals and values. Once selected, founders continue to socialize their employees into their way of thinking, and serve as a role model, encouraging employees to internalize these values. Schein’s research implies that employee fit is particularly important during periods of organizational creation and change, and it is during these periods that those who hold and promote the founder’s values will have greater impact on the organization than during stable periods. Taken together, these perspectives suggest those leaders who are intentional about developing and maintaining a strong culture will be more able to influence members to achieve key objectives from the organization’s inception. Thus, we discuss below the importance of using culture as a leadership tool, not just in the beginning, but throughout an organization’s evolution.

**Using Culture as a Leadership Tool**

Perhaps one of the most significant leadership roles is that of developing and managing organizational culture, as culture can determine whether or not an organization is able to deliver on its strategic promises. Culture is most closely related to organizational performance when three criteria are met (Chatman and Cha, 2003; Kotter and Heskett, 2002). First, the culture should be strategically relevant, meaning the behaviors that are emphasized and rewarded are actually the ones necessary to accomplish pressing and relevant organizational objectives. Second, the culture should be strong, meaning that people both agree about what is important and care (e.g., O’Reilly, 1989). Third, one core value needs to focus on innovation and adaptation and change if the organization is to sustain high levels of performance over time (Sorensen, 2002).

From a psychological perspective, how can leaders incite members to agree with and care intensely about organizational objectives? They can do so by increasing members’ openness to organizational influence, which may include both unfreezing members’ prior beliefs and influencing subsequent beliefs and behaviors through shared expectations of valued others (e.g., O’Reilly and Chatman, 1996). A variety of psychological mechanisms can then be used to clarify expectations and create a similar construal of organizational norms among members. When people are unsure of themselves and their own judgment, or when the situation is unclear or ambiguous, they are most likely to look to and consider other people’s actions as appropriate, specified in the
well-documented social comparison process (e.g., Banaji and Prentice, 1994). Leaders can also make particular information salient. Leaders often forcefully interpret events and behaviors, calling attention to important norms for internal and external followers (e.g., Flynn and Staw, 2006; Staw, McKechnie, and Puffer, 1983).

**Consistent Signaling**

Leaders have been characterized as signal generators who embody organizations (e.g., Tushman and O'Reilly, 1996). The visibility of their actions and blurring of their identity with the organization suggests that consistency in signaling is critical. We discuss two types: consistency in words and actions and across hierarchical levels.

**Consistency in Words and Actions**

Because leaders can influence employees’ fate, employees attend vigilantly to leaders’ behavior, even to the rather mundane aspects such as what leaders spend time on, put on their calendar, ask and fail to ask, follow up on, and celebrate (Pfeffer, 1992). These behaviors provide employees with evidence about what counts and what behaviors are likely to be rewarded or punished. They convey much more to employees about priorities than do printed vision statements and formal policies. Once leaders embark on the path to using culture as an influence tool, it is critical that they regularly review their own behavior to understand the signals they are sending to members.

Ironically, leading through culture can set leaders up to be vulnerable to a series of psychological processes labeled the hypocrisy-attribution dynamic (Cha and Edmondson, 2006). Cultural values are powerful because they inspire people by appealing to high ideals (Walton, 1980) and clarify expectations by making salient the consistency between these values and each member’s own behavior (Rokeach, 1973). But, just as emphasizing cultural values inherently alerts us to our own behavior, it makes others’ behavior salient too, giving us high standards for judging them as well. We then become particularly attentive to possible violations, especially by leaders who are salient based on their relative power over our fate at work. When we detect potential inconsistencies between stated values and observed actions, it activates our deep cognitive tendency to judge others harshly.

Leaders who emphasize cultural values should expect employees to interpret those values by adding their own layers of meaning to them.
Over time, an event inevitably occurs that puts a leader at risk of being viewed as acting inconsistently with the values he has espoused. When leaders behave in ways that appear to violate espoused organizational values, employees, driven by the actor-observer bias (Jones and Nisbett, 1971), or people’s tendency to explain their own behavior generously (viewing good outcomes as caused by their enduring dispositional attributes and bad outcomes as caused by situational influences) and to explain others’ behavior harshly (attributing good outcomes to situational influences and bad outcomes to others’ enduring dispositional traits), conclude that the leader is personally failing to “walk the talk.” In short, organization members perceive hypocrisy and replace their hard-won commitment with performance-threatening cynicism. To avoid this undermining dynamic, leaders need to uphold their commitment to their culture even in the most trying times (e.g., Chatman and Cha, 2004).

**Consistency Across Organizational Levels**

In addition to behavioral consistency, signals are clearer when leaders within organizations are aligned with one another. In large organizations, it may be the aggregate effect of leaders at different hierarchical levels that helps or hinders the implementation of strategy and thereby affects organizational performance. While most previous studies of leadership have focused on the effectiveness of a single person (e.g., the CEO, a general manager, or a supervisor), alignment among leaders at different levels in an organization has long been acknowledged (Hunt, 1991). For example, Berson and Avolio (2004) argue that the actions of upper-level leaders influence the ways lower-level leaders translate and disseminate information about a new strategy. One of the critical ways leaders influence organizational and group performance is by providing a compelling direction (Hackman and Wage- man, 2005). The lack of a clear, consistent message across levels of the leadership may provide mixed signals about the importance of an initiative and lead to a lack of focus (Cha and Edmondson, 2006; Osborn, Hunt, and Jauch, 2002).

But, how aggregate leadership influences organizational performance is not straightforward. For instance, a powerful senior leader may compensate for less effective leaders at lower levels. Alternatively, a less effective but highly aligned set of leaders across levels may successfully implement change. Or, an effective set of subordinate managers who do not support a strategic initiative may block change.
Regardless of the effects of an individual leader, alignment or misalignment of leaders across hierarchical levels may enhance or detract from the successful implementation of a strategic initiative. One study showed that leadership at one level compensated for or undermined the effects of leadership at another (O’Reilly, Caldwell, Chatman, Lapiz, and Self, 2008). Said differently, senior leaders’ ability to implement a strategic initiative may depend critically on the alignment of organizational leaders across hierarchical levels.

Conclusion

The preponderance of empirical evidence over the past twenty years certainly shows that leadership matters; the important but harder-to-answer question is which capabilities are important. In this paper we have focused on various psychological bases for leader influence. Our (albeit incomplete) summary demonstrates just how much insight psychological research provides into how leaders influence followers in large and small groups. Still others say that research on leadership needs to move beyond the “tentative and exploratory stage” of simply looking for associations between leadership traits and performance outcomes and begin to focus on how these effects occur (Wasserman, Nohria, and Anand, 2001:26). Phillips (2005) highlights the importance of examining the processes through which leaders affect behavioral change and, drawing from the medical sciences, suggests the need for researchers to examine “mechanisms of action,” or the processes through which leaders affect organizational performance.

As Meindl and his colleagues demonstrated, there may be a tendency for observers to overattribute responsibility for outcomes to a leader (e.g., Chen and Meindl, 1991; Meindl and Ehrlich, 1987). However, to an important degree, leadership is a perceptual phenomenon, with followers observing the words and actions of their superiors and making inferences about their superiors’ motives (Epitropaki and Martin, 2004; Lord, 1985; Pfeffer, 1981). Even if implicit leadership theories affect perceptual measures of leadership effectiveness, there is evidence that these ratings converge with objective measures of performance (Judge et al., 2002; Hogan et al., 1994). Recognizing this, Podolny, Khurana, and Hill-Popper (2005:47) argued that leadership is explicitly about those words and actions that create meaning for employees. The same “objective” leader actions can, therefore, result
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in different “subjective” interpretations and substantive variations in performance.

We identified a few developmental capabilities, including diagnostic abilities and behavioral range and flexibility, but we are also acutely aware that much of leadership is about constructing meaning for others, and, as a result, the exact path to becoming an influential leader is difficult to specify. Leadership is not amenable to easy formulas and is likely to continue to stimulate confusion, stereotypic behavior, and possibly imitation of behavior in the wrong context or of behavior uncorrelated with any real measure of performance. We are convinced, however, that leaders who understand the value of behavioral flexibility, managing meaning, and setting the context for others are likely to be influential. On the other hand, the simultaneous and opposing requirements of some hubris and substantial humility may explain why leadership is illusive for so many.

References


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