Contemporary Issues in Leadership

Admass University College-faculty of Business, mgt dept.

Organizational behavior Assignment
Submitted to: Ato Biruk
Compiled by: Ermias Tizazu 0304/03

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1. Contemporary Views on Leadership

Introduction
In recent years organizations have gone through dramatic changes, including flatter and looser structures, downsizing, and horizontal approaches to information flow. On the one hand these changes are due to rapid technological developments, global competition, and the changing nature of the workforce. On the other hand these organizational transformations and innovations are triggered by interventions such as total quality management and business process reengineering. Here we may raise central question:

How do leaders create and sustain change?

What style of leadership is needed to motivate people to undertake change?

The most current (contemporary) approaches to looking at leadership are discussed in this section of the text.

1.1 Two Families of leadership theory

There is no mountaintop offering a privileged and final vantage point with respect to leadership theory. We have no central, grand theory of leadership, though transformational leadership theory has emerged as a prominent, possibly the prominent theory in the leadership discussion over the last three decades. Transformational leadership theory differentiates between two broad leadership constructs, transformational leadership and transactional leadership. Both constructs have theory families, which attempt to explain them, transformational theory and transactional theory.

It is important to note that transformational theory does not call for an either-or approach in comparing and contrasting itself with transactional theory. Rather a continuum of theories is suggested, with some theories more or
less transformational or transactional than others. I will make the following comparisons and contrasts between transformational and transactional theory with the more or less idea in mind.

A. Transactional leadership

Definition

Prior to defining characteristic of transactional leadership, it is important to clarify how it is defined. Transactional leadership can be summarized simply as transactions between leaders and subordinates, in an effort to improve performance of subordinates. Authors use similar definitions to describe transactional leadership and in general, describe it to be “leadership which is based on transactions between manager and employees (Bass, 1990, p. 20).” Another similar definition from Bromley and Kirschner-Bromley (2007) explains transactional leadership as leaders which “specify explicit requirements and conditions of the task, and provide rewards for fulfilling those requirements,” and that “fulfilling the requirement is completing the transaction (p. 54).”

Burns (1978) also state that transactional leadership entails an exchange between leader and follower. Followers receive certain valued outcomes (e.g. wages, prestige) when they act according to their leader’s wishes. Taking Burns as his starting point Bass (1985) notes that leadership in research has generally been conceptualized as a transactional or cost-benefit exchange process. Transactional leadership theories are all founded on the idea that leader-follower relations are based on a series of exchanges or implicit bargains between leaders and followers. The general notion is that, when the job and the environment of the follower fail to provide the necessary motivation, direction and satisfaction, the leader, through his or her behavior, will be effective by compensating for the deficiencies. The leader clarifies the performance criteria, in other words what is expected from subordinates, and what they receive in return (House, Woycke & Fodor, 1988). Several transactional theories have been tested extensively. Some have received considerable empirical support. Examples are path-goal theory (House, 1971; House & Mitchell, 1974; Indvink, 1986) and vertical dyad theory (Graen & Cashman, 1975; Graen & Scandura, 1987).
In summary, Transactional leadership:

- Originally Included in Transformational Leadership (Bass, 1985)
- Focused on follower self-interest
- Provides short-term results
- Leader provides heavy supervision to ensure efficiency and quality work.
- Promotes a ‘compliance’ environment
- Influences subordinates through an external exchange (i.e. quid pro quo).
- Back to Behavior Modification and Skinner
- Combined Positive Empirical Support, Especially Contingent Reward

**Characteristics of Transactional leadership (TA)**

These characteristics for both transactional and transformational leadership (TF) can defined their dimensions and also their factors for respective leaders. Both transactional and transformational leadership have four characteristics each. Some place they allocate two factors only for TA and Five factors to be for TF.

The first characteristic of transactional leadership is **contingent reward**, which Bass (1990) explains leaders exhibit when they “contract exchange of rewards for effort, promises rewards for good performance, (and) recognizes accomplishments (p. 22).” The second characteristic is **management by exception (active)** which is when a leader “watches and searches for deviations from rules and standards, (and) takes corrective action.” The third characteristic, **management by exception (passive)** is when a leader “intervenes only if standards are not met.”
final transactional characteristic is **laissez-faire** leadership when a leader “abdicates responsibility (and) avoids making decisions.”

Based on ideas originally proposed by Bass (1985) distinguished between transactional leadership (TA) and transformational leadership (TF), he identified two factors only as composing transactional leadership (CR and MBE, Laissez faire was separated). Leaders can transact with followers by rewarding effort contractually, telling them what to do to gain rewards, punishing undesired action, and giving extra feedback and promotions for good work. Such transactions are referred to as **contingent reward (CR) leadership**. Leaders can also transact with followers by intervening only when followers deviate from expectations, giving negative feedback for failure to meet standards. These transactions are referred to as **management-by exception**. Based on the timing of the leader’s interventions a distinction is often made between active and passive management-by-exception (Bass & Avolio, 1993; Hater & Bass, 1988). In passive management-by-exception (PM) leaders intervene only after standards are not met. In the more active form of management-by-exception (AM) leaders try to anticipate mistakes or problems.

**The Downside of Transactional Leadership**

- Low expectations
- Minimal accomplishments
- Low levels of satisfaction
- Focus is on short-term, immediate outcomes only

**B. Transformational leadership**

When the organizations adjusted themselves to environmental changes by incremental, evolutionary changes, so-called transactional management was in favor of managing those changes. The conditions of modern organizations functioning require undertaking some radical, transformational changes. Management of such changes requires some
new management qualities. One of these qualities is transformational leadership. This article points out the appearance of the transformational leadership concept, its nature and essential qualities (skills and attributes) this phenomenon consists of.

**Definition**

While the transactional leader motivates subordinates to perform as expected, the transformational leader typically inspires followers to do more than originally expected. Transformational leadership lies on the opposite end of the spectrum, in that this type of leadership strives to inspire and “transform” their employees in order to improve their performance.

The term *transformational leadership* is relatively recent, first coined in 1973 by J. V. Downton in his book, *Rebel Leadership: commitment and charisma in a revolutionary process*. Transformational leadership research was recognized and originally developed by Burns in 1978, and later more fully developed by Bernard Bass (Bromley, 2007). According to leadership theorist James MacGregor Burns, transformational leadership is “A relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents.” Bass (1990) explains that transformational leadership “occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their own self-interest for the good of the group (p. 21).”

Francis Yammarino describes the process of transformational leadership. “…the transformational leader arouses heightened awareness and interests in the group or organization, increases confidence, and moves followers gradually from concerns for existence to concerns for achievement and growth…in short, transformational leaders develop their followers to the point where followers are able to take on leadership roles and perform beyond
established standards or goals.”¹ According to Bernard Bass, “Transformational leaders attempt and succeed in raising colleagues, subordinates, followers, clients or constituencies to a greater level of awareness about issues of consequence”² so we can define transformational leadership as

_The process of creating, sustaining and enhancing leader-follower, follower-leader and leader-leader partnerships in pursuit of a common vision, in accordance with shared values and on behalf of the community in which leaders and followers join serve._ In the context of this process of service and partnership, both the leader and follower, and eventually the entire community experience increasing levels of congruity with the ethos, vision and values of the community.

**Transformational leadership’s distinct factors**

Transformational leaders move beyond these simple exchange processes. They set challenging expectations and enable others to achieve higher levels of performance. Bass (1985) depicted transformational leadership as comprising four distinct factors: charisma, inspiration, individual consideration and intellectual stimulation. Some literature³ shows five attribute split charisma in to two: idealized influence — attributed and idealized influence behavior.

The first dimension, **charismatic leadership** is shown by leaders who act as role models, create a sense of identification with a shared vision, and instill pride and faith in followers by overcoming obstacles. This dimension is also known as idealized influence. Provides vision and sense of mission, instills pride, gains respect and trust.

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³ Boerner, Eisenbeiss, Griesser, 2007
**Idealized Influence (Attributed) – The IMAGE of a Leader:** A leader who is high in this attribute is someone who closely resembles the follower’s perception of what a leader should be. A leader can improve in this area by watching how he or she dresses and thinking about their presence in front of others.

**Idealized Influence (Behavior) – The INFLUENCE of a Leader:** This attribute describes the behaviors of a leader. A leader demonstrates self confidence with a strong handshake and strong eye contact. A leader shows they are vulnerable by disclosing personal struggles and showing emotion. These are just a few of the behaviors of a leader.

**Inspiration** is defined as inspiring and empowering followers to enthusiastically accept and pursue challenging goals and a mission. **Inspirational Motivation – The INSPIRATION of a Leader:** To be inspirational means to be positive, upbeat, and inspiring about the future. These leaders look at the future in an optimistic way and are able to get their followers excited about it. Communicates high expectations, uses symbols to focus efforts, and expresses important issues simply.

**Individual consideration** consists of behaviors such as communicating personal respect to followers by giving them specialized attention, by treating each one individually, and by recognizing each one’s unique needs. **Individual Consideration – The CARING of a Leader:** Individual consideration is what allows the leader to be personally involved in the lives of their followers. These leaders remember specific details about those they are leading and genuinely care for others. Coaches, advises

Finally, leaders who consider old problems in new ways, articulate these new ideas, and encourage followers to rethink their conventional practice and ideas are said to be **intellectually stimulating. Intellectual Stimulation – The**

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THOUGHT-PROVOKING mindset of a Leader: A leader who is intellectually stimulating thinks outside the box. He or she is able to challenge their followers by introducing them to new ideas and new ways of thinking. Promotes intelligence, rationality, and careful problem solving

Benefits of Transformational Leadership

- Improved leadership behavior
- Greater sense of “team”
- Stronger sense of mission
- Improved individual and group performance
- More innovation
- Growth as an organization

The Rules of Engagement: How Transformational Leadership Works

Transformational leadership theory makes the following assumptions about how the process of leader-follower engagement works. We might call these the rules of engagement.

The Source and Focus. First, at the headwaters of transformational leadership are a compelling vision and a configuration of core values, not tasks or goals. When transformational leaders engage potential followers with a credible and compelling vision, shared values, and the high performance expectations attached to these, the cumulative effect of this engagement results in substantive change, indeed a transformation of moral and ethical dimension in the lives of both followers and leaders. Leaders and followers not only engage each other. They also engage the vision and values that have brought them together in the first place. As a result, a powerful environment, an ethos is created not only for the mutual exchange of valued commodities, but beyond this for a process of mutual, transformational engagement.
**The Person**, Second, the person doing the transformational leading must be in the process of transformation himself or herself. Of necessity, the transformational leader will increasingly manifest a critical mass or configuration of interdependent personal attributes which are core essential capacities. Those are the 4-I’s⁴ which had mentioned above; The transformational leader must first and foremost be a transformational partner and this requires that the leader be caught up in a process of personal transformation in accordance with the vision and values he or she espouse.

**Qualitative and Quantitative Outcomes.** Third, as a result of the mutual, substantive and ongoing transformation of leaders and followers, agendas are indeed accomplished (e.g., important tasks and goals are achieved), but beyond these a series of transformational outcomes is secured on behalf of the community. By definition, vision and value driven results flowing from a transformational engagement are inherently unpredictable and thus uncontrollable. But, nonetheless, a pattern of “beyond expectation” outcomes is set in motion. Congruent with and reflective of the vision and values of the community, this pattern of results is imbued with an ethical quality which transcends the limitations of a task oriented, leader-follower transaction⁵.

**Community Impact**, Fourth, this chain reaction of “beyond expectation” results is a catalyst for the transformation not only of individual followers and leaders, but also the broader community. Both followers and leaders covenant together not only to get important things done, but also to transcend the limitations of self-interest and task-oriented exchanges for the higher and more meaningful outcomes mandated by the community’s vision and values. Leaders and followers in transformational partnership engage one another and the community in a change process that addresses “higher-order outcomes” in the arena of community culture, values and ethics. The focus is not only what we want to accomplish today, but who we want to become tomorrow.

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An Ongoing Community Process, Fifth, transformational leaders and followers serve not only as catalysts for a chain reaction of “beyond expectation” performance. They also serve as social architects, creating and sustaining the transformational community and embodying and shaping the emerging community ethos. The ultimate aim of the transformational leader, his or her highest leadership act, is to create and sustain a community culture, which embodies the ethos, values and vision of the community, and fosters high performance expectations (an extra mile mind set) in service of the vision and values. In short, transformational leaders create, sustain and enlarge healthy transformational communities. As more and more followers become transformational leaders and more and more transformational leaders become catalysts for vision and value-driven transformation in the community, substantial and ongoing change is initiated and sustained on the level of community ethos and culture. A trajectory of community transformation, substantive change according to the ethical and spiritual imperatives of the community, is now deeply embedded in the daily life of the community, defining its unique ethos and flavor, and shaping the hearts and habits of each person in the community. The end result is a substantively healthy (certainly not perfect) transformational community with the capacity to enlarge its reach and serve those beyond its borders as its vision and values dictate.

C. Comparison and contract

**Different Constructs.** Transactional theory and transformational theory explain and describe significantly different constructs. Whereas transactional theories focus on the construct of a *task oriented leader-follower exchange*, transformational theory focuses on a *community oriented leader-follower engagement*. Transformational theory defines leadership as broader than *event-oriented exchanges between leaders and followers*. Without denying that leadership is at least this (remember this in not an either-or distinction), transformational theory views leadership more broadly as a process of leader-follower engagement in the context of the community or organization. This is no small difference of degree or semantics, but rather a profound conceptual distinction.
Table 1. Compare and contrast.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Transactional</th>
<th>Transformational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader’s source of power</td>
<td>Rank, position</td>
<td>Character, competence</td>
</tr>
<tr>
<td>Follower reaction</td>
<td>Compliance</td>
<td>Commitment</td>
</tr>
<tr>
<td>Time frame</td>
<td>Short term</td>
<td>Long term</td>
</tr>
<tr>
<td>Rewards</td>
<td>Pay, promotion, etc.</td>
<td>Pride, self-esteem, etc.</td>
</tr>
<tr>
<td>Supervision</td>
<td>Important</td>
<td>Less important</td>
</tr>
<tr>
<td>Counseling focus</td>
<td>Evaluation</td>
<td>Development</td>
</tr>
<tr>
<td>Where change occurs</td>
<td>Follower behavior</td>
<td>Follower attitude, values</td>
</tr>
<tr>
<td>Where “leadership” found</td>
<td>Leader’s behavior</td>
<td>Follower’s heart</td>
</tr>
</tbody>
</table>

In Comparison, Transformational theory seeks to describe and explain leader-follower engagement. This means that leaders and followers are bound together in a mutually uplifting partnership and thus focused on inspiring, motivating one another. And this mutual partnership is caught up in a broader process of community wide transformation. The process of mutual transformational engagement raises the level of aspiration and conduct of not only leaders and
followers, but the entire community. As such, transformational leadership is ultimately and necessarily ethical in nature.

**Fig. 1** Comparision of all factors.

![Diagram of leadership factors]

**Full range model**

In order to have an understanding of both types of leadership, it is important to review all eight. All eight characteristics work together to create the full range of leadership skills.
Fig. 2. Full range of leadership model

- Leadership styles listed from passive to very active
- Note the ineffective styles are mostly transactional

How Does the Transformational Leadership Approach Work?

Strength

- Broadly researched: TF has been widely researched, including a large body of qualitative research centering on prominent leaders and CEOs in major firms.
- Intuitive appeal: People are attracted to TF because it makes sense to them.
- Process-focused: TF treats leadership as a process occurring between followers and leaders.
Expansive leadership view: TF provides a broader view of leadership that augments other leadership models.

Emphasizes follower: TF emphasizes followers’ needs, values, and morals.

Effectiveness. Evidence supports that TF is an effective form of leadership.

Criticism

Lacks conceptual clarity
- Dimensions are not clearly delimited
- Parameters of TF overlap with similar conceptualizations of leadership

Measurement questioned
- Validity of MLQ not fully established
- Some transformational factors are not unique solely to the transformational model

TF treats leadership more as a personality trait or predisposition than a behavior that can be taught

TF is elitist and antidemocratic

Suffers from heroic leadership bias

TF is based primarily on qualitative data

Has the potential to be abused

Application

Provides a general way of thinking about leadership that stresses ideals, inspiration, innovations, and individual concerns

Can be taught to individuals at all levels of the organization

Able to positively impact a firm’s performance

May be used as a tool in recruitment, selection, promotion, and training development

Can be used to improve team development, decision-making groups, quality initiatives, and reorganizations

The MLQ helps leaders to target areas of leadership improvement
1.2 Charismatic-Visionary Leadership

Charismatic leadership was first discussed by Max Weber more than a century ago. He defined charisma as ‘a certain quality of an individual personality, by virtue of which he/she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. Such qualities are not accessible by the average person. Followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors. Traits and personality are related to charisma. Charismatic leaders are likely to be extraverted, self-confident, and achievement-oriented. People are BORN with charisma (twin studies) but people can be trained to exhibit charismatic behaviors. This can be done by: Developing an aura of charisma by maintaining an optimistic view.

How Charismatic Leaders Influence Followers

Charismatic leader influence followers through four processes:

1. Leader articulates an attractive vision. A vision Statement is a formal, long-term strategy to attain goals, which links past, present, and future.

2. Leader communicates high performance expectations and confidence in follower ability.

3. Leader conveys a new set of values by setting an example.

4. Leader engages in emotion-inducing and often unconventional behavior to demonstrate convictions about the vision.
Key Characteristics of Charismatic Leaders

1. **Vision and articulation.** Has a vision—expressed as an idealized goal—that proposes a future better than the status quo; and is able to clarify the importance of the vision in terms that are understandable to others.

2. **Personal risk.** Willing to take on high personal risk, incur high costs and engage in self-sacrifice to achieve the vision.

3. **Environmental sensitivity.** Able to make realistic assessments of the environmental constraints and resources needed to bring about change.

4. **Sensitivity to follower needs.** Perceptive of others’ abilities and responsive to their needs and feelings.

5. **Unconventional behavior.** Engages in behaviors that are perceived as novel and counter to norms.

**Level 5 leader beyond charisma**

➤ Very effective leaders who possess the four typical leadership traits:

- Individual competency
- Team skills
- Managerial competence
- Ability to stimulate others to high performance

➤ Plus one critical new trait...

- A blend of personal humility and professional will
- Personal ego-needs are focused toward building a great company
- Take responsibility for failures and give credit to others for successes
### Fig. 3 Personality characteristics, behaviors, and effects on followers of charismatic leadership

<table>
<thead>
<tr>
<th>Personality Characteristics</th>
<th>Behaviors</th>
<th>Effects on Followers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant</td>
<td>Sets strong role model</td>
<td>Trust in leader’s ideology</td>
</tr>
<tr>
<td>Desire to influence</td>
<td>Shows competence</td>
<td>Belief similarity between leader and follower</td>
</tr>
<tr>
<td>Confident</td>
<td>Articulates goals</td>
<td>Unquestioning acceptance</td>
</tr>
<tr>
<td>Strong values</td>
<td>Communicates high expectations</td>
<td>Affection toward leader</td>
</tr>
<tr>
<td></td>
<td>Expresses confidence</td>
<td>Obedience</td>
</tr>
<tr>
<td></td>
<td>Aroused motives</td>
<td>Identification with leader</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Emotional involvement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Heightened goals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased confidence</td>
</tr>
</tbody>
</table>

### 1.3 Laissez-faire leadership

Both transformational and transactional leaders are active leaders. They actively intervene and try to prevent problems. When researching these two active forms of leadership, they are often contrasted with extremely passive laissez-faire leadership (see, for example, Yammarino & Bass, 1990; Yammarino, Spangler & Bass, 1993). The laissez-faire leader avoids decision making and supervisory responsibility. This type of leader is inactive, rather than reactive or proactive. In a sense this extremely passive type of leadership indicates the absence of leadership. Bass
(1990^?) reports laissez-faire leadership usually correlates negatively (~ .3 to ~ .6) with other, more active leadership styles. Bass (1990^7) concludes that there is a negative association between laissez-faire leadership and a variety of subordinate performance, effort and attitudinal indicators. This implies that laissez-faire leadership is always an inappropriate way to lead. When by 'laissez-faire' it is meant that the leader is not sufficiently motivated or adequately skilled to perform supervisory duties, this observation seems correct. However, one could probably define situations in which highly active leadership is not necessary and maybe not even desirable. For instance, in their substitutes for leadership theory Kerr & Jermier (1978) propose several subordinate, task, and, organization characteristics that could reduce the importance of leadership. A less active role of leaders could also lead to 'empowerment' of followers which could even make for a useful component of transformational leadership.

**Table 2:** The MLQ-8Y measures, and examples of items
NB: MLQ helps to measure leadership factors and to verify which leadership is appear

<table>
<thead>
<tr>
<th>Category</th>
<th>Example Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transformational Leadership</strong></td>
<td></td>
</tr>
<tr>
<td>Idealized influence (attributed and behavioral)</td>
<td>I talk about my most important beliefs and values.</td>
</tr>
<tr>
<td>Inspirational Motivation</td>
<td>I talk optimistically about the future.</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>I seek differing perspectives when solving problems.</td>
</tr>
<tr>
<td>Individualized Consideration</td>
<td>I spend time teaching and coaching.</td>
</tr>
<tr>
<td><strong>Transactional Leadership</strong></td>
<td></td>
</tr>
<tr>
<td>Contingent Reward</td>
<td>I discuss in specific terms who is responsible for achieving team goals</td>
</tr>
<tr>
<td>Passive Management-by-Exception</td>
<td>I wait for things to go wrong before taking action.</td>
</tr>
<tr>
<td>Active management-by-exception</td>
<td>I am rating focuses attention on irregularities, mistakes, exceptions and deviations from what is expected of me'</td>
</tr>
<tr>
<td><strong>Laissez-Faire Leadership</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I am absent when needed.</td>
</tr>
</tbody>
</table>
Which theory is best?

- It depends on many factors
  - Time needed to accomplish an objective
  - Abilities of the leader and followers
  - The objective itself (what needs to be accomplished)

1.4 Team leadership

In contemporary leadership Team Leadership also one type of leadership we need to focus. As work teams become more prevalent in the workplace, the role of team leader becomes increasingly important. The existence of work teams necessitates that managers learn how to become effective team leaders. Skillful team leaders master the difficult balancing act of knowing when to leave their teams alone and when to become involved.

A team leader has two priorities:
- Managing the team’s external boundaries
- Facilitating the team process

These two priorities can be broken down into four specific leadership roles
- Liaisons with external constituencies
- Troubleshooters
- Conflict managers
- Coaches

1.5 Leadership Issues in the Twenty-First Century

The concept of leadership is continually being refined. Substitute leadership, Authentic leadership, Cross-Cultural Leadership, Gender Differences and Leadership, The Demise of Celebrity Leadership are among the current issues about leadership. This section of the text examines authentic leadership concepts.
Authentic leadership: Trust and ethical behavior

Authentic leaders know who they are, what they believe in and value, and act on those values openly and candidly. Followers see them as ethical. Ethical leaders use ethical means to get followers to achieve their goals, and the goals themselves are ethical. Ethical leadership work to positively change the attitudes and behaviors of employees, Engage in socially constructive behaviors and do not abuse power or use improper means to attain goals.

Trust

It is a positive expectation that another will not—through words, actions, or decisions—act opportunistically. Trust is a history-dependent process (familiarity) based on relevant but limited samples of experience (risk).

Dimension of trust

Research has identified five dimensions that make up the concept of trust: These are

- **Integrity**: honesty and truthfulness.
- **Competence**: an individual’s technical and interpersonal knowledge and skills.
- **Consistency**: an individual’s reliability, predictability, and good judgment in handling situations.
Loyalty: the willingness to protect and save face for another person.
Openness: reliance on the person to give you the full truth.

Type of trust

1. Identification-based Trust: - Trust based on a mutual understanding of each other’s intentions and appreciation of the other’s wants and desires.
2. Knowledge-based Trust: - Trust based on behavioral predictability that comes from a history of interaction.
3. Deterrence-based Trust: - Trust based on fear of reprisal if the trust is violated.

Principle of trust

- Mistrust drives out trust.
- Trust begets trust.
- Growth often masks mistrust.
- Decline or downsizing tests the highest levels of trust.
- Trust increases cohesion.
- Mistrusting groups self-destruct.
- Mistrust generally reduces productivity.
2. Contemporary leadership roles

Contemporary leadership roles are much different from the activities in which traditional managers engaged. Leaders today (particularly in team environments) are expected to assume new responsibilities, including serving as a liaison with external constituencies, troubleshooters, conflict managers, and coaches.

Many leaders create mentoring relationships. A mentor is a senior employee who sponsors and supports a less-experienced employee. While many organizations have formal mentoring programs, the most effective mentoring relationships exist outside the formal supervisor-supervisee relationship. Mentors serve both career and psychosocial functions. Also present ideas clearly, listen well, Empathize, Share experiences, Act as role model, Share contacts, and Provide political guidance. Mentoring has two functions Career like Coaching, assisting, sponsoring and psychosocial function like Counseling, sharing, acting as a role model. Mentors tend to select protégés who are similar to them in background: may restrict minorities and women. Mentors Can be formal or informal.

Proponents of self-leadership propose that there are a set of processes through which individuals control their own behavior. Some have argued that effective leaders, or "super leaders", advocate employees' managing themselves. The underlying assumptions behind self-leadership are that people are responsible, capable, and able to exercise initiative without the external constraints of bosses rules, or regulations. To engage in self leadership need to Make a
mental chart of your peers and colleagues, Focus on influence and not on control and Create opportunities; do not wait for them. The following elements are needed to be conceded while in creating self leader:

- Model self-leadership
- Encourage employees to create self-set goals
- Encourage the use of self-rewards
- Create positive thought patterns
- Create a climate of self-leadership
- Encourage self-criticism

There has been considerably less research into leadership in **online leadership**. Leaders in an online environment must be especially careful to monitor the structure, tone, and style of their communication with co-workers and subordinates. Managing from a distance for example, or by e-mail, must be careful to express electronic communications in a way that does not strip employees of their dignity. In electronic communications leaders must develop the ability to "read between the lines" in the messages they receive. Emotional intelligence presumes the ability to communicate support and leadership through written words on a computer screen and to read emotions in others' messages.
3. Challenge to leadership construct

**Attribution Theory of Leadership**

The idea of leadership is merely an attribution that people make about other individuals. People use leadership attributes to explain different organisational outcomes such as organisational citizenship behaviour, performance, turnover, and profit. What is important from this theory is that what characterises an effective leader is projecting the appearance of being a leader, rather than actual accomplishments. Leader can attempt to shape people’s perception of themselves and by doing so they increase the possibility that their bosses, subordinates and colleagues will see them as effective. Leaders are intelligent, outgoing, have strong verbal skills, are aggressive, understanding, and industrious. Effective leaders are perceived as consistent and unwavering in their decisions and project the appearance of being a leader.

**Substitutes and Neutralizers for Leadership**

These are another Challenge to the Leadership Construct. *Substitutes* make a leaders influence not only impossible but also unnecessary, and hence act as a replacement for the leader’s influence. *Neutralizer’s* make it impossible for the leader behavior to make any difference to follower outcomes.

**Neutralizing Characteristics**

- Subordinate: ability, experience, knowledge; professional orientation; indifference toward rewards.
- Task: structure, self-feedback, intrinsically satisfying.
- Organization: Inflexible rules and procedures, cohesive work groups, spatial distance between leader and subordinate.
**Fig. 4** Summary for neutralizes and substitutes leadership theory

<table>
<thead>
<tr>
<th>Defining Characteristics</th>
<th>Relationship-oriented Leadership</th>
<th>Task-oriented Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience/training</td>
<td>No effect on</td>
<td>Substitutes for</td>
</tr>
<tr>
<td>Professionalism</td>
<td>Substitutes for</td>
<td>Substitutes for</td>
</tr>
<tr>
<td>Indifference to rewards</td>
<td>Neutralizes</td>
<td>Neutralizes</td>
</tr>
<tr>
<td><strong>Job</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highly structured task</td>
<td>No effect on</td>
<td>Substitutes for</td>
</tr>
<tr>
<td>Provides its own feedback</td>
<td>No effect on</td>
<td>Substitutes for</td>
</tr>
<tr>
<td>Intrinsically satisfying</td>
<td>Substitutes for</td>
<td>No effect on</td>
</tr>
<tr>
<td><strong>Organization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explicit formalized goals</td>
<td>No effect on</td>
<td>Substitutes for</td>
</tr>
<tr>
<td>Rigid rules and procedures</td>
<td>No effect on</td>
<td>Substitutes for</td>
</tr>
<tr>
<td>Cohesive work groups</td>
<td>Substitutes for</td>
<td>Substitutes for</td>
</tr>
</tbody>
</table>

4. Reference


4. Brent J. Goertzen, Contemporary Theories of Leadership, Jones & BarTFett Learning, LLC.


