CHAPTER 1

DEFINITION AND SIGNIFICANCE OF LEADERSHIP

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# Chapter Overview

This chapter introduces students to the concepts of leadership and leadership effectiveness by providing working definitions and limitations of the concepts. The applicability and limitations of existing models and theories are discussed. Obstacles to effectiveness and the differences between leadership and management are presented. Roles and functions of leaders are outlined followed by a presentation of the arguments regarding the importance of leadership in organizational performance. Current trends and changes in organizations are considered along with the factors that are leading to those changes with a focus on demographic trends. Barriers to effective leadership are considered.

# Chapter Objectives

|  |  |  |  |
| --- | --- | --- | --- |
| **OBJECTIVES** | **THROUGH BASIC TEXT** | **THROUGH FEATURES, TABLES, and FIGURES** | **THROUGH EXERCISES** |
| Define leadership and effectiveness | ✓ | The Leadership Question, The Leadership Question Revisited  Leading Change: The Container Store”  Table 1.1: Significance of leadership | Exercise 1.1  Exercise 1.2  Exercise 1.3 |
| Discuss the major obstacles to effective leadership | ✓ | Applying What You Learn: Leadership Basics |  |
| Compare and contrast leadership and management | ✓ | Table 1.2: Managers and leaders | Exercise 1.3 |
| List the roles and functions of leaders and managers | ✓ | Figure 1.1: Leader’s functions in shaping organizational culture  Applying What You Learn: Leadership Basics | Exercise 1.1  Exercise 1.2  Exercise 1.3 |
| Explain the changes in organizations and how they affect leaders | ✓ | What do you do?  Figure 1.2: Control versus results-oriented leadership  Figure 1.3: Factors fueling changes in organizations and their leadership  Figure1.4: Diversity in the U.S. population  Table 1.3: U.S. demographic highlights and trends | Exercise 1.1  Exercise 1.2  Exercise 1.3  Exercise 1.4 |
| Summarize the debate over the role and impact of leadership in organizations | ✓ | Applying What You Learn: Leadership Basics)  Table 1.1: Significance of leadership | Exercise 1.3 |

# Chapter Outline

**The Leadership Question**Some leaders are focused on getting things done while others put taking care of their followers first. Some look at the big picture, and others hone in on the details. Is one approach better than the other? Which do you prefer?

1. Effective leadership

a. Who is a leader?

A leader is defined as any person who influences individuals and groups within an organization, helps them in the establishment of goals, and guides them toward achievement of those goals, thereby allowing them to be effective.

The definition includes four elements: 1) group process; there are no leaders without followers, 2) leadership involves interpersonal influence, 2) action and goal orientation, and 3) hierarchical relationship.

b. When is a leader effective?

The issue of effectiveness is complex and multifaceted with different theories focusing on different aspects including group performance, employee satisfaction, and organizational change.

c. Effectiveness vs. success

Luthans’s research on the difference between effective and successful leaders is presented. In many cases, those who are effective are not always successful. Effective leaders communicate with followers, manage conflict, and train and develop subordinates; successful leaders focus on networking and taking care of their supervisors.

Ideally, effectiveness should include both elements of taking care of followers and also external factors. The case of the *New York Times* illustrates the possible dichotomy.

d. An integrative definition

Definition includes internal stability and health, external adaptability, and goal achievement.

A leader is effective when his or followers achieve their goals, can function well together, and can adapt to the changing demands from external forces.

**Leadership Question Revisited** Summarizes the complexity of the definitions of leadership and effectiveness and emphasizes the importance of the context and situation in determining what effectiveness is.

e. Why do we need leaders?

Leadership is a universal concept that has existed throughout history and in all cultures. People need leaders: 1) because groups need to stay orderly and focused, 2) to accomplish tasks, 3) to make sense of the world, and 4) as a romantic ideal.

f. Research on significance of leadership

Arguments over the impact of leadership in organizations are presented in this section. In spite of strong popular beliefs that leaders are important, research findings have not been very supportive of the concept (Table 1.1). The impact of the leader is often affected by situational characteristics that limit his or her power and discretion. These factors are described in detail in chapters 6 and 7. The view that leaders impact their organizations directly through their actions and decisions, or indirectly through the vision they provide, is reaffirmed.

**Leading Change** The Container Store is an organization with a unique culture focused on customers and on taking care of employees who are the ones who deal with the customers. Its definition of effectiveness is “making the customer dance” from delight at having a product that fits her needs. They create their culture through careful selection, extensive training, high pay, taking care of employees through work-life balance, and a family-friendly environment. The leaders are focused on the culture and on maintaining it.

2. Obstacles to effective leadership

Discussion of obstacles to effective leadership focuses on the need to practice various leadership skills in an atmosphere that encourages experimentation and tolerates mistakes. Organizational rigidity, lack of opportunity for practice, uncertainty, organizational complexity, and inaccessible academic research are all obstacles to effective leadership.

3. Leadership and management

Arguments about the difference between leadership and management are presented. Leaders are considered by some to be visionary and future oriented, whereas managers focus on day-to-day routine activities (Table 1.2). The section concludes that effective managers often perform many of the duties and activities ascribed to leaders thereby making the distinction between the two concepts somewhat unnecessary.

4. Roles and functions of leaders

a. Managerial roles

This section presents Mintzberg’s research on managerial roles and discusses cultural and gender differences in those roles. Research has found that female managers work at a calmer pace and have closer contact with their followers and where a more reflective approach is presented. The concept of web structure is used to describe the style and structure used by female managers.

b. Function of the leader: creation and maintenance of an organizational culture

The key role of leaders in the creation and maintenance of an organization’s culture are discussed. The processes used by leaders to shape culture are role modeling, setting up the reward system, hiring decisions, and decisions regarding strategy and structure (Figure 1.1).

**Applying What You Learn: Leadership Basics** Focuses on leadership as a long-term journey rather than a destination and emphasizes learning. Basic leadership factors include finding your passion, learning about yourself, experimenting with new situations, getting comfortable with failure, paying attention to the environment, and keeping a sense of humor.

5. Changes in organizations and expectations of leaders

The current trends and changes in the United States and many other Western organizations are described with focus on the quality, empowerment, and participative management movements.

**What do you do?** The short scenario illustrates the ongoing challenges organizations and leaders face in adapting to new leadership models that recommend participation, openness, and flexibility. Although many organizations state such approaches as their practice or their goal, many continue to implement more traditional models that may not fit well with some employees and managers. As a practical matter, one leader, especially one who is not at the highest levels of an organization, cannot push for rapid change. The most reasonable approach is to “nudge” for small changes, demonstrate their success, and build on such success. In some cases, though, organizations and their leaders do not welcome change. If there is not room for change, employees need to reevaluate the fit between them and the organization.

a. New roles for leaders

New roles are presented (Figure 1.2).

b. Factors fueling changes

*Factors fueling those chan*ges (Figure 1.3) are summarized including demographic changes (Figure 1.4 and Table 1.3), globalization, characteristics of a new generation of employees, increased level of education, and the quality movement.

c. Barriers to change

Focuses on the difficulties faced by many organizations in moving toward new leadership and management models. Increased financial pressures, focus on individuals, and absence of teams at higher levels of decision-making, as well as the difficulty leaders have in giving up control after having been trained in a top-down style for many years, are discussed as the primary barriers to change in organizations.

6. Summary and conclusions

# Review and Discussion Questions

* + - 1. What are the essential components of the definition of leadership?
* First, leadership is a <emphasis>*group and social phenomenon*</emphasis>; there can be no leaders without followers. Leadership is about others.
* Second, leadership necessarily involves interpersonal *influence* or persuasion. Leaders move others toward goals and actions.
* <listitem><inst>Third, leadership is <emphasis>*goal directed*</emphasis> and <emphasis>*action oriented*</emphasis>; leaders play an active role in groups and organizations. They use influence to guide others through a certain course of action or toward the achievement of certain goals.</para></listitem>
* <listitem><inst></inst><para>Fourth, the presence of leaders assumes some form of <emphasis>*hierarchy within a group*</emphasis>. In some cases, the hierarchy is formal and well defined, with the leader at the top; in other cases, it is informal and flexible.</para></listitem></itemizedlist>

A leader is a person who influences individuals and groups within an organization, helps them establish goals, and guides them toward achievement of those goals, thereby allowing them to be effective.

2. What are the essential components of the definition of leadership effectiveness?

* + - * + Achieving goals
        + Maintaining internal stability and health
        + Adapting to the external environment

Leaders are effective when their followers achieve their goals, can function well together, and can adapt to changing demands from external forces.

3. Why do we need leaders?

* + - * + </inst><emphasis>To keep groups orderly and focused</emphasis>. Whereas individual group members may have common goals, they also have individual needs and aspirations. Leaders are needed to pull the individuals together, organize, and coordinate their efforts.</para></listitem>
        + <listitem><para><inst></inst><emphasis>To accomplish tasks.</emphasis> Groups allow us to accomplish tasks that individuals alone could not undertake or complete.</para></listitem>
        + To make sense of the world. Groups and their leaders provide individuals with a perceptual check.
        + <listitem><para><inst></inst><emphasis>To be romantic ideals.</emphasis> Leadership is needed to fulfill our desire for mythical or romantic figures who represent us and symbolize.

4. Provide one example each of an effective leader and a successful leader. Consider how they differ and what you can learn from each.</para></question></general-problem>

Examples students provide should include one or more of the elements that define both leaders and leadership effectiveness.

<general-problem maxpoints="1"><question label="5."><i5. </inst><para>What are the obstacles to effective leadership? How have the nature and occurrence of such obstacles changed in recent years? Why?

* <itemizedlist mark="bull" spacing="normal"><listitem><para><inst></inst>OOOrganizations face considerable <emphasis>*uncertainty*</emphasis> that creates pressure for quick responses and solutions. External forces, such as voters and investors, demand immediate attention. In an atmosphere of crisis, there is no time or patience for learning. Uncertainty creates a vicious cycle that allows no time for the learning that would help current crises continue. The lack of learning and experimentation in turn causes the continuation of the crises, which makes the time needed to learn and practice innovative behaviors unavailable.</para></listitem>
* <listitem><para><instOrganizations are often <emphasis>*rigid and unforgiving*</emphasis>. In their push for short-term and immediate performance, they do not allow any room for mistakes and experimentation. The rigidity and rewards systems of many institutions discourage such endeavors.</para></listitem>
* <listitem><para><inst></inst>Organizations fall back on <emphasis>*old ideas*</emphasis> about what effective leadership is and, therefore, rely on <emphasis>*simplistic solutions*</emphasis> that do not fit new and complex problems. </para></listitem>
* <listitem><para><inst>Organizations develop a particular *culture* that strongly influences how things are done and what is considered acceptable behavior. As leaders try to implement new ideas and experiment with new methods, they may face resistance generated by the established culture. </para></listitem>
* <listitem><para><inst>TThe difficulty involved is understanding and applying the findings of <emphasis>*academic research*</emphasis>.

<general-problem maxpoints="1"><question label="6."><inst6. </inst><para>Based on your knowledge of the field of management and your personal definition of leadership, how are management and leadership similar or different? How can the differences be reconciled? How do these differences add to our understanding of leadership?</para></question></general-problem>

Students should address one or more of the following:

|  |  |
| --- | --- |
| **Management** | **Leadership** |
| <tbody><row><entry valign="top"><para>Focus on the present</para></entry> | <entry valign="top"><para>Focus on the future</para></entry></row> |
| <row><entry valign="top"><para>Maintain status quo and stability</para></entry> | <entry valign="top"><para>Create change</para></entry></row> |
| <row><entry valign="top"><para>Implement policies and procedures</para></entry> | <entry valign="top"><para>Initiate goals and strategies</para></entry></row> |
| <row><entry valign="top"><para>Maintain existing structure</para></entry> | <entry valign="top"><para>Create a culture based on shared values</para></entry></row> |
| <row><entry valign="top"><para>Remain aloof to maintain objectivity</para></entry> | <entry valign="top"><para>Establish an emotional link with followers</para></entry></row> |
| <row><entry valign="top"><para>Use position power</para></entry> | <entry valign="top"><para>Use personal power</para></entry></row></tbody></tgroup></table> |

<general-problem maxpoints="1"><question label="7."><inst>7. </inst><para>What are the ways in which leaders influence the creation of culture in their organizations?</para></question></general-problem>

Leaders influence their organization’s culture through:

* Role modeling
* Setting up and enforcing the reward system
* Making hiring decisions directly and indirectly
* Setting the strategy and structure

<general-problem maxpoints="1"><question label="9."><inst>8. </inst><para>What are the elements of the emerging leadership styles? What are the factors that support such styles?

The roles of leaders are changing demanding new styles of leadership that focus more on results than on control (Figure 1.2). Increasingly, leaders give up many of their traditional managerial roles and focus more on providing vision, guidance, and leadership. They allow employees to organize and plan activities and even control their own work while sharing responsibility for the results with their leaders.

Some of the primary factors fueling theses changes include: demographic changes, employee expectations, worldwide political changes, and increased globalization (Figure 1.3).

</para></question></general-problem>

<general-problem maxpoints="1"><question label="10."><inst>9. </inst><para>What obstacles do new leadership styles face in traditional organizations? How can obstacles to new models be overcome?

</para></question></general-problem>

### Some of the barriers or obstacles to the use of new leadership styles are:

* Seeking quick results
* Financial pressures
* Lack of teams in upper management
* Relying on old methods
* Fear of experimentation
* Rewards for status quo
* Rewards for individual performance only

# The Leadership Challenge: Moving the Leadership

The leadership challenge for this chapter focuses the challenges people face when they move to a leadership role. The dilemma is to how maintain existing relationships with those who used to be your equals while establishing authority and fulfilling leadership roles. This is a common challenge that many students face as they are promoted to supervisory positions, often over their friends or individuals who are much older than they are. Some of the issues that students must consider are:

* How to establish authority.

Establishing authority and hierarchy is necessary, but it is often overdone and exaggerated by inexperienced leaders. Although followers must understand that the newly promoted person has different roles and responsibilities, there is no need to completely separate from the group and become overly autocratic, a mistake that many new supervisors make.

* Specific actions to help the transition:
  + *Get advice and help*. It is essential that the new leader seeks advice from those with more experience and training whenever available. Rely on old mentors or find new ones.
  + *Seek training*. The training can be technical to help learn the task better so that he or she can help the team, or understand the legal and operational aspects of the job or interpersonal to learn to manage the team better, provide feedback, delegate, and so on.
  + *Practice your story*. There may be some challenges about why you got the job over other people. Prepare a clear explanation that outlines your strengths without putting down others (e.g., “I have been going to school for that past two years while working with you and have attended all the available training so that I could be ready to move up. It is important for all us to keep up with our education and skills. I would be happy to help you figure out what you need to do to get there.”)
  + *Network*. Establish new contacts with other supervisors and leaders at the same level.
  + *Maintain friendly relationships* with those who were your equals. The boundaries are sharper, but there is no need to cut off previous friendships.
  + *Continue seeking help* and advice from followers. Although the new leader has some new roles, the previous relationships are still needed to get the job done.
  + *Clearly explain your new role* to those who either do not understand (use the “story” you have developed) it or prefer to ignore it.
* Things to avoid:
  + Although maintaining good relationships is essential, trying to continue being “one of the boys” is difficult. Some boundaries must be established.
  + Overplaying the leader role. Becoming autocratic and heavy handed is not the solution and likely to destroy productive relationships.
  + Don’t pretend to know all the answers. Particularly in Western cultures, admitting to not knowing something is fully acceptable for a leader. Rely on your team.

**Chapter 1 Experiential Exercises**

## Exercise 1.1: More than meets the eye—characteristics of leaders

## This simple exercise is designed to demonstrate to students how complex leadership and its definitions can be. Students often develop a long list of characteristics, traits, and behaviors, but cannot agree on which ones are essential and necessary for effective leadership. Additionally, they quickly realize that they do not have most of those characteristics and neither do many effective leaders they may know.

**Total time:** Mininum 25 to 30 minutes.

**Materials needed:** paper and pencil for students; use of board; flip chart.

**1. Characteristics essential to leadership (5 minutes)**

Ask students individually to write down as many traits, behaviors, and characteristics of what they think good leaders must have. Tell them to complete the phrase: “A good leader must/should, do, be . . .”

**2. Essentials (7 minutes)**

Assign students to groups, or let them pick their own, and ask them to pare down the list to 7 to 10 characteristics. What do they consider essential? Which ones make or break a leader?

This is a pretty lively stage because chances are that they will not easily agree on what is essential, a fact that is partly the point of this exercise.

**3. How do you match up? (7 minutes)**

Instruct the students to discuss the following:

* How many of the characteristics do you personally have?
* Can you ever match up to the list you just developed?
* If you do not, how does that affect your ability to lead?
* Do you know any effective leader who lacks one or more of the characteristics?
* Do you think the characteristics are essential to that person’s effectiveness?

**4. Complexity of leadership (5 to 10 minutes)**

* There are many traits/behaviors associated with leadership
* Not everyone agrees on what is essential
* One person almost never has all the traits
* Having all the traits is not necessary for good leadership
* Traits alone do not make a leader—the situation is important
* Each person must consider their own strengths and capabilities and the situation when addressing important traits and behaviors

**Option:** This exercise works very well as an in-class introductory activity, instead of students working individually and in groups. The activity takes between 15 and 20 minutes.

**Step 1:** Solicit characteristics from students and record them on the board, developing a long list. Encourage them to suggest behaviors and traits.

**Step 2:** Review each item on the list and ask students whether they consider it essential or optional and delete those the class generally agree are optional. You are likely to get much disagreement. You should keep any that the students think are essential or feel strongly about. This should result in a long list, which is the goal.

**Step 3:** Lead a discussion starting with asking students:

*How many of you have all these traits?*

*How many of you do all these things well?*

*Does that mean you cannot lead?*

The prompts in Step 4 above (Complexity) can be used to lead the discussion.

**Exercise 1.2: What is leadership?**

This exercise is designed to help students develop a personal definition of leadership and understand how their personal view of ideal leadership affects their assumptions and future behaviors as leaders. The exercise can be used in a variety of ways, from a cooperative learning exercise as presented in the text to an individual assignment focusing on only the first step.

**Total time:** Minimum 25 minutes; maximum time depends on number of students and groups.

**Materials needed:** Paper and pencil; use of board; flip chart can be useful for development of group definitions and presentations.

### Part 1: Describe Ideal Leader (Individual work; 5 to 10 minutes)

Either as a homework assignment or as an in-class exercise, ask students to list the desirable and undesirable characteristics of their ideal leader. The desirable characteristics are sometimes easier than the undesirable ones. You can help students with the second category by asking them to consider characteristics and behaviors that their ideal leader would not have. For example: “My ideal leader would not make arbitrary decisions or would not be indecisive.” Although some overlap is to be expected, students should be encouraged to avoid simply listing opposite characteristics in the two lists.

**Examples of typical items listed by students**

|  |  |
| --- | --- |
| ***Desirable*** | ***Undesirable*** |
| Integrity | Autocratic leadership |
| Good interpersonal skills | No concern for others |
| Enthusiasm | Dishonesty |
| Decisiveness | Manipulativeness |
| Competence | Arbitrariness |
| Charisma | Self-centeredness |
| Good communication skills | Unresponsiveness |
| Openness to others’ ideas | Closed-mindedness |
| Participative decision-making | Unwillingness to accept feedback |
| Vision |  |

**Option:** The personal list developed by each student can be used as a basis for evaluating what students have learned in class and how their thinking has evolved, their assumptions have been changed or reaffirmed. The lists can be collected by the instructor and handed back the last week of class.

### Part 2: Develop Group Definition (Group work; 10 to 20 minutes)

As with all group exercises in the book, the instructor has the option of either assigning groups or allowing students to select their own groups. Groups of larger than six tend to be inefficient and often have trouble reaching a group decision in the limited time allocated in class. Ideal size is four to five members.

Ask students to keep their own list intact and write the group list on a separate piece of paper.

This part of the exercise often generates considerable in-group discussion as students compare their lists. Although some common items are listed by different students, there are also many that show up on only one or two people’s lists. Through the discussion, students realize the highly personal nature of definitions of leadership. If the groups are culturally diverse, cultural differences in leadership may also surface. Similarly, there often is a gender difference in images of ideal leadership. For example, decisiveness and “in charge” characteristics are more often part of male students’ definitions than part of female students’.

**Option:** Groups can be assigned based on gender or other cultural characteristics to accentuate cultural differences and focus discussion on the cultural elements of ideal leadership.

### Part 3: Present and Defend (7 minutes per group)

Each group is asked to make a three-to-five-minute presentation listing their ideal leader’s desirable and undesirable characteristics and briefly explaining the reason for their choices.

**Option:**Group presentations can be replaced by the instructor asking each group for their first, second, third, and so forth characteristic in a round robin fashion until all items are recorded on the board.

### Part 4: Common Themes (Class discussion; 10 to 15 minutes)

Part 4 focuses on in-class discussion of images of ideal leadership. The lists generated by the groups are used as the basis for this discussion. The focus should be on the complexity and diversity of leadership images and the implications for understanding the process of leadership.

With the recent push toward empowerment and participative decision-making, common themes among students’ list often include issues of participation, autonomy, having a vision as essential to ideal leadership. Undesirable characteristics often focus around lack of integrity, too much control, and inability to motivate followers.

The discussion can include cross-cultural differences in leadership. The instructor or the students can bring in material about how culture impacts our images of ideal leadership. Hosftede’s cultural dimensions also provide a good basis for discussion. For example, in high power distance and uncertainty avoidance cultures, ideal leaders are likely to be expected to provide answers to all follower questions. Additionally, expectations of employee participation and empowerment are likely to be low. In masculine cultures, the element of taking care of followers is likely to be less pronounced than in feminine cultures. Concern for individuals and individual attention to followers is likely to be lower in collectivist than in individualist cultures.

**Overall:** This is a very simple exercise for both students and faculty. It can serve as a nice ice breaker the first week of class and help point out the richness of concept and process of leadership and prepare students for the broad diversity of topics and issues that will be discussed throughout the term.

## Exercise 1.3: Images of Leadership

As with Exercise 1.1, this exercise is designed to help students clarify their personal assumptions about leadership. It can be used alone or in conjunction with Exercise 1.1. Using images to clarify ideal leadership is generally appealing to students. Although the exercise has a group-discussion component, the exercise is not designed as a cooperative learning exercise. Group discussions help students fine-tune and clarify their personal definitions.

**Total time:** Minimum 25 minutes.

**Materials needed:** Paper and pencil; use of board by instructor.

### Part 1: Select your image (Individual work; 5 to 7 minutes)

Similar to the popular organizational metaphor exercise, students are encouraged to develop their personal image or metaphor of leaders. Commonly used metaphors include leader as:

Sport coach Orchestra conductor Head of family

Team facilitator Jungle/safari guide Therapist

Train engineer Ringmaster Obstacle remover

Ask students to pick an image/metaphor and list the implications of that metaphor for the role and behavioral expectations of leaders. For example, an orchestra conductor is the undeniable leader of the orchestra; nothing happens without his or her direction. He or she is in full control and often dictates the actions of others. The organization, on the other hand, is fully synchronized and acts in total coordination and unison. The head of the family is similarly in full control, although the sense of total cooperation and focused action is lacking. The head of a family has responsibility for the emotional and psychological well-being of members, a factor that is lacking from an orchestra. The issue of conflict is also part of a family much more so than an orchestra.

Students are often very creative with their images. The instructor’s goal should be to guide them in the understanding of the implications of the image they select.

### Part 2: Share and Clarify (Small group discussion; 10 to 15 minutes)

Small groups can be used as a sounding board for students to help them clarify the implications of the image that appeals to them.

**Option:** This step can be skipped to move directly to class-discussion, especially in small classes (under 25 students) where whole-class discussions are possible. Having small group discussions allows students to fine-tune their images and think about the consequences.

### Part 3: Class Discussion (10 to 15 minutes)

The discussion questions allow for exploration of various images and their implications for organizations. Some images are becoming obsolete while others are gaining ground. For example, team facilitator is a very popular metaphor although students are often not fully aware of the implication of such an image for the structure of an organization or its potential shortcomings. Namely, team facilitators do not make decisions for their teams; their role is to support, guide, and encourage. The implications of such a style in times of crisis when quick decision-making is essential need to be explored.

**Option:** As with Exercise 1.1, discussion of cross-cultural differences in images of leadership is very appropriate. Particularly, the diversity of images that are used in the United States can be pointed out as resulting from the cultural diversity within the population.

**Overall:** As with Exercise 1.1, Exercise 1.2 is very simple and easy to execute. The development of images triggers lively and interesting discussion among the students and makes this an ideal ice breaker for the first week of class.

## Exercise 1.4: Understanding the Leadership Context

This exercise is designed to help students understand the various contextual factors that have the potential to affect leadership. It presents a fairly complex concept and may be difficult for younger and less experienced students to grasp. However, more experienced students with some work experience should not have any difficulty picking a leader that they know or have known and to identify the various contextual factors that affect the person’s leadership concept. This exercise can be used both individually and for a group activity. The group discussions often allow students to grasp the concept of context. It also can be assigned as part of graded class assignment.

**Total time:** Minimum 25 minutes.

**Materials needed:** Paper and pencil; use of board by instructor.

### Part 1: Individual/Group work (15 minutes)

Student should select either a leader they know and have worked with or a business or political leader with whom they are familiar. This can be done individually or as group. Once the leader is selected, the students must consider the context in which the leader operates. Not all these factors may be relevant; however, students should be encouraged to explore the context may be relevant and influence how the leader makes decisions and acts.

1. *Long-term historical, political, and economic forces* include such factors as:

* The history of the organization if it has been around for a while
* The national history, if relevant (for example, the organization may have a long-standing positive or negative reputation)
* Political factors (for example, the organization may be tied to a particular political party or system)
* Long-term economic factors (for example, the steel industry has long-term economic factors to consider

1. *Current contemporary forces* include such factors as:

* Cultural diversity (changes in the demographic and cultural makeup of the organization’s customers and other stakeholders)
* Social values that may affect the organization, its products and services (for example, fast-food companies are affected by the increase in obesity in the United States)
* Technology (for example, many organizations are seeing competitors who operate online services similar to theirs; or organizations are expected to provide online services for their customers)
* The economy
* Social changes (for example, a more conservative political and social climate may affect the products and services an organization offers or how it advertises them)

1. *The immediate context* includes such factors as:

* The organizational culture and climate
* The structure of the organization
* The organization’s performance
* The products and services delivered
* The various suppliers
* The followers (their abilities, strengths, and weaknesses)

### Option: For students who have no or limited work experience, the instructor can assign a well-known leader using articles for current headlines. I have successfully used President George W. Bush and asked students to identify the contextual factors that have affected his decision to launch the war with Iraq. You can also use President Obama’s leadership context with issues such as health care or the budgetary disagreements. You can also compare the context two years ago to the current context. Although the long-term and contemporary elements remain the same, the immediate context has changed. The contextual factors to consider in this case are:

Long-term historical, political, and economic factors

The Middle-East situation (Arab-Israeli conflict; Iran)

Oil

History of Republican Party

The United States as the policeman of the world

Contemporary context

The first Gulf War

Conservative vs. liberals

The United States as the remaining superpower

Prior actions by Bill Clinton

Immediate context

The terrorist attacks of 9/11

The war in Afghanistan

The Iraq War

The Neoconservative agenda

The support and dissent from traditional allies

The conservative agenda

The concern of a legacy

How the task is defined (easy victory; welcome by Iraqis)

International goals

Domestic goals

Followers (voters on both sides of the political lines)

The 2008 U.S. presidential election

### Part 2: Discussion and presentation (10 minutes)

Each group is asked to present their leader and outline the contextual factors that impact the leader’s decisions and actions. Similarities and differences between the leaders’ different context can also be discussed. The instructor can highlight how some of the contextual factors strongly influence and limit a leader’s ability to make decisions or take certain course of action. For example, with President Bush as the example, the first Gulf was, the 9/11 attacks, and the conservative agenda all provided a very strong context that determined many of his actions.

**Overall:** The Leadership Context exercise is a powerful way to focus students’ attention on the importance of the leadership context instead of looking only at the leader characteristics.

David Neeleman Reinvents Airlines

***Case summary***

The case discussed David Neeleman founder of Morris Air, JetBlue, and most recently the Brazilian airline Azul. JetBlue is one of the success stories in the U.S. airlines industry and Azul appears to be following the same path. JetBlue has been very successful while breaking all the rules of the industry. Its small size, dedicated staff, no-layoff policy, unusual routes, and willingness to innovate have allowed it to achieve success. In spite of low prices, the airline pampers its customers with individual TV sets, chocolate chip cookies, and outstanding service. JetBlue’s president David Neeleman relies on his employees for ideas and innovation. The airline’s “can do” attitude and its reliance on innovation play a great part in its success.

1. What are the key elements of JetBlue’s culture?

Focus on the customer, getting information from all sources, and maintaining a strong team spirit within the company are the key elements of JetBlue’s culture. The company aims at pleasing its customers by pampering them and addressing their needs. JetBlue also listens to its employees, tries to create an egalitarian culture when participation is encouraged, and works on leaving the “we-they” attitude that typifies management and labor in most company behind.

2. What role does the leader play in the development and maintenance of the culture?

Because JetBlue is still young, the impact of its founder, David Neeleman is still highly pervasive. His entrepreneurial, high-risk approach to business is evident in all aspects of the company. He is present and active in all aspects of the business. He serves as the formal leader, making key decisions, but he also serves as a role model, through his interaction with customers, his willingness to listen to his employees, his active engagement in the company, and his informal demeanor. The “image” of an effective and engaged leader is further communicated from customers and from employee to employee to reinforce his role and his power over the company. The company’s creativity and willingness not to follow industry rules is also a reflection of Neeleman’s entrepreneurial spirit.