CONTENTS

Preface xv
About the Author xx

Part 1 Building Blocks 1

Chapter 1 DEFINITION AND SIGNIFICANCE OF LEADERSHIP 2

Effective Leadership 2

What Is Effectiveness? When Is a Leader Effective? 3
Leading Change: The Container Store 6
Why Do We Need Leaders? 6

Obstacles to Effective Leadership 7
Leadership and Management 8

Roles and Functions of Leaders 10

Managerial Roles 10
Functions of the Leader: Creation and Maintenance of an Organizational Culture 11
Applying What You Learn: Leadership Basics 13

Does Leadership Make a Difference? 14

Arguments against the Impact of Leadership 14
Argument for the Impact of Leadership 15
Reconciling the Differences 15

Changes in Organizations and in Expectations of Leaders 16

New Roles for Leaders 16
Factors Fueling Changes 18
Barriers to Change 20

Leadership in Action: David Neeleman Reinvents Airlines 27

Chapter 2 THE GLOBAL AND CULTURAL CONTEXTS 29

Definition and Levels of Culture 30
Definition and Characteristics 30
Levels of Culture 30
Chapter 4  INDIVIDUAL DIFFERENCES AND TRAITS  101

Elements of Individual Difference Characteristics  102
- Multiple Perspectives and the Impact of the Situation  104
- Individual Characteristics Provide a Range  104
- Traits revisited: A Fresh Look at Leader's Individual Characteristics and Behaviors  105

Demographic Characteristics of Leaders  107

Values  108
- Value System and Culture  108
- Generational Differences  109
- Values and Ethics  110

Abilities and Skills  111
- Intelligence  112
- Practical and Emotional Intelligence  112
- Creativity  115
- Skills  116

Relevant Personality Traits  117
- The Big Five Personality Dimensions  117
- Other Personality Traits  119
  - Leading Change: Jeffrey Katzenberg's Transformation  122
  - Applying What You Learn: Dealing with Narcissistic and Abusive Bosses  127

Characteristics of Leaders Who Fail  127

Summary and Conclusions  129  •  Review and Discussion Questions  129
• Leadership Challenge: Using Psychological Testing  130  •  Exercise 4.1: Your Ideal Organization  131  •  Self-Assessment 4.1: Value Systems  133
• Self-Assessment 4.2: Emotional Intelligence  134  •  Self-Assessment 4.3: Locus of Control  136  •  Self-Assessment 4.4: Type A  137  •  Self-Assessment 4.5: Self-Monitoring  138  •  Self-Assessment 4.6: Machiavellianism  139  •  Self-Assessment 4.7: Narcissism  140

Leadership in Action: Pernille Spiers-Lopez Assembles a Winning Team at IKEA  142

Chapter 5  POWER  144

Definition and Consequences  145
- Consequences of Using Power  145
- Distribution of Power  147
Sources of Power 149
  Sources of Power Related to Individuals 149
  Sources of Power for Teams 152
  Special Power Sources of Top Executives 154
  • Applying What You Learn: Managing Power When You Are a New Manager 155

The Dark Side of Power: Abuse and Corruption 156
  Causes and Processes 158
  Abuse and Corruption Cycle 159
  Consequences of Abuse and Corruption 161
  Solutions 162

Empowerment: The Changing Face of Power 164
  Steps to Empowerment 164
  • Leading Change: Sharing Power and Reaping Profits 166
  Impact of Empowerment 167

Summary and Conclusions 167 • Review and Discussion Questions 168
• Leadership Challenge: How Much Is Enough? 168 • Exercise 5.1: Words of Wisdom 169
  • Exercise 5.2: Who Holds Power in Your Team/Organization? 171 • Self-Assessment 5.1: Understanding Your Sources of Power and Influence 172 • Self-Assessment 5.2: Views of Power 174 • Self-Assessment 5.3: Recognizing Blocks to Empowerment 175

Leadership in Action: The Last CEO of Lehman Brothers: Richard Fuld 176

Part 2 Contemporary Concepts 179

Chapter 6 NEW MODELS FOR LEADERSHIP: NEOCHARISMA, INSPIRATION, AND THE RELATIONSHIP WITH FOLLOWERS 180

A Brief History of Necharismatic Leadership 181

Charismatic Leadership: A Relationship between Leaders and Followers 182
  Characteristics of Charismatic Leaders 182
  Characteristics of Followers 185
  The Charismatic Situation 186
  The Dark Side of Charisma 189
  Evaluation and Application 190

Transactional and Transformational Leadership 191
  Transactional Leadership 192
  Transformational Leadership 193
  Evaluation and Application 194
  • Leading Change: Sir Richard Branson and His Vision 196
Value-Based, Authentic, and Positive Leadership 197
   Value-Based Leadership 197
   Authentic Leadership 198
   - Applying What You Learn: Developing Authenticity 200
   Positive Leadership 201
   Evaluation and Application 201

Summary and Conclusions 202 • Review and Discussion Questions 203
   • Leadership Challenge: Standing up to a Charismatic but Unethical Leader 203 • Exercise 6.1: Do You Know a Charismatic Leader? 204
   • Exercise 6.2: Charismatic Speech 206 • Exercise 6.3: Analyzing a Charismatic Speech 207 • Self-Assessment 6.1: Authentic Leadership 209 • Self-Assessment 6.2: Positive Leadership 210

Leadership in Action: Andrea Jung Orchestrates Avon’s Makeover 211

Chapter 7 OTHER LEADERSHIP PERSPECTIVES: UPPER ECHELON AND LEADERSHIP OF NONPROFITS 213

Differences between Micro and Upper-Echelon Strategic Leadership 214
The Domain and Impact of Strategic Leadership 215
   Role of Strategic Leaders 217
   Executive Discretion: Factors That Moderate the Power of Leaders 217
   - Applying What You Learn: Managing in Times of Crisis 221

Characteristics of Upper-Echelon Leaders 221
   Demographic and Personality Traits 221
   Strategic Leadership Types 223
   Strategic Leadership: Culture and Gender 227

How Do Executives Affect Their Organization? 229
   Direct Decisions 229
   Allocation of Resources and Control over the Reward Systems 230
   Setting the Norms and Modeling 231

Strategic Leaders’ Accountability 232
Unique Challenges of Nonprofit Organizations 234
   Characteristics of Nonprofit Organizations 234
   - Leading Change: Kavita Ramdas at the Global Fund for Women 235
   Leadership Challenges 236

Summary and Conclusions 237 • Review and Discussion Questions 238
   • Leadership Challenge: The Board of Directors (BOD) and the CEO 238
   • Exercise 7.1: Understanding Strategic Forces 239 • Exercise 7.2: Your
Part 3  Leading  247

Chapter 8  PARTICIPATIVE MANAGEMENT AND LEADING TEAMS  248

When Should Participation and Teams Be Used?  249
  Criteria for Participation  251
  The Role of Culture  252
The Issue of Delegation  253
  Benefits of Delegation  254
  Guidelines for Good Delegation  255
  Why Do Leaders Fail to Delegate  256
  Leading Change: Anne Sweeney of Disney-ABC Television  257
Evolution of Participative Management: Teams and Self-Leadership  258
  Characteristics of Teams  258
  Self-Managed Teams  259
  Self-Leadership  260
  Applying What You Learn: Using a Sports Team Model in Management  261
Leading Teams  262
  Role of Leaders in a Team Environment  263
  Managing Dysfunction in Teams  264
  Helping Teams Become Effective  266

Summary and Conclusions  267  Review and Discussion Questions  268
  Leadership in Action: John Mackey of Whole Foods  277

Chapter 9  LEADING CHANGE  279

Forces for Change  280
  Internal and External Forces  280
  Culture and Change  281
Types and Process of Change  282
  Types of Change  282
Model for Change 283
Process of Planned Change 285
Dealing with Unplanned Change 286
Resistance to Change and Solutions 287
Causes of Resistance 287
Solutions 288
Leading Change 290
Vision and Inspiration 290
Leading Change: Jeff Immelt 293
Creativity and Improvisation 294
Creativity 294
Improvisation 294
Changing How Organizations Approach Change 295
Learning Organization 295
Positive Approach 297
Role of Leaders in Changing Organizational Culture 298
Applying What You Learn: Change Agents and Peer Pressure 298
Summary and Conclusions 299 • Review and Discussion Questions 299
Leadership Challenge: Implementing Unpopular Change 300 •
Exercise 9.1: Analyzing and Planning for Change 301 •
Self-Assessment 9.1: Building Credibility 304 • Self-Assessment 9.2: Creativity 305
Leadership in Action: Best Buy Takes on Its Own Culture 306
Chapter 10 DEVELOPING LEADERS 308
Basic Elements of Leader Development 309
Factors in Learning 309
What Is Developed: The Content 312
Criteria for Effective Development Programs 313
Methods of Leader Development 315
Self-Awareness 315
Experience 317
Developmental Relationships: Coaching and Mentoring 318
Feedback-Intensive Programs 321
Classroom Education 321
Outdoor Challenges 323
Leading Change: Howard Schultz Stirs up Starbucks 323
Development and Culture 324
Gender and Diversity 326