Theme of the Book

This book tackles a wide range of leadership approaches and philosophies and discusses them in a global context. Based on Cranfield research, it examines leadership issues and looks at the best practice of leadership as exhibited by global business leaders. The core theme of the book is what it takes to be a great leader: the elements not only of what makes for greatness but also of how to manage day-to-day. Leaders must make choices, based on how they interpret the context in which they operate. Senior leaders have a large area of discretion, and the book outlines the concept of discretionary leadership, which particularly embraces the idea of managing context.

Effectiveness of leadership, then, is determined by being able to recognise the appropriateness of actions relevant to the circumstances of the situation, and then taking those actions.
Key Learning Points

- Effective leadership is determined by being able to recognise the **appropriateness of actions relevant to the circumstances** of the situation.

- Finding **pathways through the use of dialogue** to see if workable ways forward can be realised is the ultimate hallmark of leadership.

- Leadership involves constantly **addressing constraints, contradictions and paradoxes**.

- The concept of ‘discretionary’ leadership implies that best practice involves, most critically, the **quality of interactions** among the leaders of the organisation.

- How different leaders **work and relate together** can determine the success or failure of the organisation.

- **Seven ‘sides’, or capabilities, of great leaders** are identified for enhancing the performance of discretionary leaders.

- Best practice management involves **balancing the transactional and transformational elements** of the leader’s role.

- Leaders exercise **social power** and, in so doing, apply **social responsibility**.
Aspects of Leadership

There are multiple aspects to leadership:

- Leadership is a distinct kind of work
- Leadership does not necessarily mean status, authority or the holding of an office
- Leadership is not always necessary and steady success can be achieved equally by good management
- Leadership is a special form of power and as such is a way of commanding and focusing resources to achieve a particular vision, change or goal.
- Leadership involves broad capability in terms of business acumen and functional skills together with the drive and the will to improve the status quo.
- Effective leaders need to have a high level of people skills
- An effective leader should possess well-attuned conceptual skills so that they can see opportunities where others cannot and can capitalise on current trends in order to turn them into future advantage.
- Effective leaders must have evolved good judgement which is a dynamic mixture of attention to detail, conceptualisation and intuition – three attributes which do not sit particularly comfortably with each other.
- Leadership requires the development of key aspects of character, namely a balance of ambition, ability and conscience so that the individual can see what is an ethical and appropriate avenue forward, do the 'right thing', and equally accepts full responsibility for their actions and for those of the organisation.
- Effective leaders need to be politically astute, not simply seeking power, but know how to use it in situations that are not easy to address and that provide obstacles and pitfalls to leaders.

This list of attributes of effective leaders and sound leadership is interwoven
with managing opposites: leadership involves constantly addressing constraints, contradictions and paradoxes.

How can one be ethical and political at the same time? How can one be sensitive to people and yet drive through change? How can one be attentive to detail and yet quick to grasp and pursue half-formed possibilities?

**Transformational and Transactional Leadership**

Two words capture the sometimes uneasy fit between leading and managing, namely ‘transformational’ and ‘transactional’.

**Transformational**

Leaders who transform the status quo create a vision for the future, then invest time in sharing that vision. Through sharing their vision, they clarify the present, show how the past has influenced the present, and propose a view of the future. Successful transformative leaders then powerfully project their vision, gain support for that vision, are consistent, persistent and focused in order to maintain momentum and empower others to take responsibility and become part of that movement. Such people display energy and listen so that they can monitor performance and learn from their errors.

**Transactional**

Transactional leadership is about the skill and ability required to handle the more mundane, operational, and day-to-day transactions of daily life.

*Context is the intervening variable between the two forms of leadership.*

Effective leaders need to manage efficiently some of the routine tasks, not only in order to maintain their credibility and effectiveness but also to keep the organisation on track.

Whereas transactional leadership is driven by context, transformational leadership restructures contexts by removing the old and replacing it with the new.
Best practice management involves balancing the transactional and transformational elements of the leader’s role, bearing in mind the need to be attentive to detail and also to adjust constantly to new challenges, changing circumstances and the influence of internal and external stakeholders. Some 80 percent of a leader’s time needs to be given to attending to transactional activities while maintaining a transformational outlook.

Influencing Context

Leadership must take account of the impact of the immediate and surrounding context. Context refers both to the immediate locality, office or workplace and also to the broader culture on an organisational and even countrywide basis.

Culture can be viewed as the sum of the shared values and beliefs of people in the organisation; the shared assumptions they have made, the shared philosophies and ideologies with which they identify and which they pursue. In today’s world, any analysis of leadership requires not only exploration of what makes the leader function but equally requires an examination of the culture and context of an organisation, which includes followership.

For leaders the way forward is to focus on context. Drawing together differing contexts is the way to balance the contrasting elements of culture present in any organisation, and to use this information to focus the enterprise on achieving its goals.

Reading contexts accurately requires interpreting intent and behaviour, and then to attempt to match the needs of individuals, particular contexts and overall cultures with appropriate transactional leadership practices. Mismatches frequently occur and leaders will then have to turn to the use of power and politics to find ways forward.
Power and Politics

Power involves the potential to use particular resources in order to achieve specific ends. It provides a base from which to act but using power, however, does not guarantee success. Power has to be used in a manner appropriate to the context in which it is being applied. Sensitivity towards the attitudes and feelings of people in a given situation, as well as to the value and traditions of the broader organisation, is crucial in effectively applying power. Each context will have evolved accepted ways, which influence what is and what is not legitimate behaviour.

Power involves the use of a resource like, for instance, role authority, to be applied in a situation. Power can achieve change in others without any real ownership. For political influence to be successful, however, those being influenced need to feel some sense of ownership in terms of what is being asked of them. The aim of political influence is to change mindsets while being unable to call upon any other resource for assistance. Becoming more politically adept requires an understanding of the strains and differences that occur in an organisation and appreciating why different people react in different ways.

Discretionary Leadership

The authors define a discretionary role as one where more than half of that role is determined by the role occupant. By this distinction, a prescribed role is more of a structured middle-management job, whereas a discretionary role is the leadership role. Assuming the role requires discretion, discretionary leadership is determined by the degree of willingness and capability to exercise choice. A varied and considerable number of discretionary leader roles can exist in any one organisation at any one point in time. The concept of discretionary leadership emphasises that each person will discern and respond differently, according to the challenges they face in their role, their view as to how current and future challenges should be addressed and the
manner in which the individual’s feelings influence their thoughts and actions. Hence a leader who performs well in one organisational context may not fare as well in another context, because the person may be unable to adjust to the different circumstances.

By adopting a discretionary role analysis of leadership, identifying best practice involves examining interactions among the leaders of the organisation and examining effective individual and group related behaviour. Towards this end, seven areas of capability for enhancing the performance of discretionary leaders are identified.

Seven Capabilities of Great Leaders

How the seven capabilities or ‘sides’ are combined, for what purpose, and then how one or more of them is exercised, distinguishes the outstanding leader from the mediocre.

The seven capabilities are:

**Conviction to craft the future**

Determining future direction and to formulate a vision is a prime requirement of the leaders of an organisation. Negotiating a shared perspective of the future requires conviction and strength of character, so that key leaders do not get diverted from pursuing what is considered best for the organisation. They must involve all of the top team in the vision debate and, throughout the organisation, promote an honest and open climate to achieve a meaningful shared vision of the future.

**Strength to surface sentiments**

Top managers must be prepared to enter into meaningful dialogue with their colleagues to discuss their views of the organisation as it is now and where they consider it should be in the future. There are likely to be varied
philosophies and deeply held convictions amongst the discretionary leaders. Sooner or later these sentiments need to be fully surfaced, irrespective of the discomfort which will be felt, in order to work towards a shared philosophy.

**Wisdom to find pathways through dilemmas**

This involves addressing challenging issues in putting the vision into practice, when contradictory pressures commonly surface and discretionary leaders need to find ways through two paradoxes: The ‘paradox of strategy’ involves reconciling the requirements of efficiency and cost management (vertical synergy) with investing in people and internal organisational procedures in order to promote quality of service, flexibility and team work (horizontal synergy). The ‘paradox of feedback’ can provide contrasting perspectives on how to proceed, placing senior management in the position of rejecting some or all of the feedback they have sought. Wisdom is context-related, dependent on the unique nature of each context.

**The flair to engage through dialogue**

Inhibitions and reservations need to be overcome in promoting penetrating, high quality debate about prevalent issues. The skill of engaging others in real dialogue involves balancing the comfort level of those involved with the need to face up to pertinent issues –some highly sensitive- so that a full debate takes place.

**Discipline to communicate**

Communicating key messages requires discipline to provide direction and set an example. Providing direction involves clearly and unambiguously, through various channels, stating, for instance, the nature of the mission of the organisation, the corporate and operating business objectives, and the key areas of the job-related responsibility of top managers. A more powerful and personal form of communication is that of top management setting an example through consistently matching words with deeds.
**Passion for success**

In order to ‘inject’ passion to actively pursue success, leaders need to display their own enthusiasm and to be willing to get down to detail, especially detail concerning people’s daily experiences.

**Staying power**

Leaders must stay the distance: this emphasises that effective senior managers are those who have remained in post for a sufficient period of time to become accustomed to the broader and more intricate issues that need to be addressed, have learnt from their mistakes, and have formed sound relationships with all levels of the organisation.

**The Ethics of Leadership**

The locus of ethical responsibility, in effect, lies with the leaders of an organisation, whose passion, actions and concern for particular standards, determine the nature of the norms of a that organisation. Good leadership is the essential agent for effective application of governance in any organisation.

Leaders identify, promote and enforce ethical ways forward. However, the questions that leaders have to face vary. Undertaking ethical responsibility requires personal insight - into the nature of one’s personal convictions and the depth of resilience to face up to ethical dilemmas.

*Leaders exercise social power and, in so doing, apply social responsibility. Their true sense of social responsibility is important for them to recognise, as their potential influence on others is profound. Some have argued that the pursuit of profitability corrupts. It does not, but the denial of hypocrisy does!*
Personal Change for Senior Leaders

How long does it take for leaders to step up to requirements of senior leadership? For those in senior leadership roles, who are changing their role and organisation and for those entering, for the first time, into a role of substantial general management responsibility, the Cranfield studies have identified useful information.

The time taken for newly appointed senior managers successfully to go through the learning curve and to emerge as confident and effective can vary between 9 to 35 months. It can take up to 35 months before an individual fully appreciates the nature, values and deeply held attitudes of the organisation, and negotiates sufficient credibility with the key opinion formers in the enterprise to really add value.

Finally

*As so many in history have discovered, people love their leaders. They equally love to hate them.*
Authors

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