Question 1: How do organizations select their leaders?

Answer 1: Most companies predicate their decision in selecting which employee is going to be developed in a leadership role on how well the individual can enhance the organization. Several studies have attempted to base selections of individuals on indicators of ability and motivation, such as test scores and grades. Another area of research has investigated characteristics and backgrounds of individuals attaining leadership positions in major corporations.

Often succession to leadership positions is determined by individual-based criteria, such as social origins or social connections—a situation aptly described by the popular saying, "It is not how much you know but who you know."

Question 2: What role do leaders and managers play in shaping an organization's culture?

Answer 2: Every organization that deals with groups of people has some type of a cultural reference. Organizational culture defines values, beliefs, behaviors, customs, and attitudes that help employees understand what the company stands for, how it conducts business, and what it considers important.

According to a PricewaterhouseCoopers survey with the World Economic Forum (2003), the majority of CEOs said that reshaping corporate culture ranked among one of the top priorities. Cultural issues and communications continue to be a major stumbling block for many reorganized, merged, or fast-growing companies.

Effective leaders are able to influence the company’s culture through establishing directions and vision for the company. They also can align employees through communications and actions that provide direction, motivating and inspiring employees by satisfying their needs, producing useful changes, and instituting new approaches to challenges. An effective manager is able to influence a company’s culture by planning and budgeting allocating resources, organizing, staffing, monitoring, implementing, controlling, and problem solving. The efforts of leaders and managers together can create a useful company culture that can result in financial gains for all.

Question 3: What are the benefits and drawbacks of a strong company culture?

Answer 3: The success of many companies is directly related to their cultures. The failure of many mergers often illustrates the difficulties and challenges of combing two business organizations with differing cultures. A company’s culture can greatly
influence its strategic management processes, particularly in the options generated in the formation of strategy, and in how effectively a specific strategy is implemented.

Through company experience and the emergence of a social process, employees develop common ways to interpret events and attitudes about what is important and what actions should be instituted under given conditions. This type of mindset provides employees with an ordered approach to routine problems that arise.

A more homogeneous organization comes into existence once this type of thinking is established and embedded in the employees. The importance of this is seen in communication and shared understandings that facilitate flow of information and the making of decisions. It is often noted, however, that the cost of these commitments is a loss of creativity, flexibility, and adaptability. They inhibit the company by associating with traditional customers and binding established marketing practices and technologies, and they constrain the company from changing long-standing patterns of resource allocation. The culture can make the company more livable, orderly, and stronger, but it can also reduce the company’s capacity to adapt and survive under new conditions.

**Question 4:** How do leaders influence employees?

**Answer 4:** Many leadership studies show that most business leaders seem to have in common the ability to reawaken primitive emotions in their employees. This is particularly true of those leaders who are charismatic, and are masters of manipulation in certain situations.

Some of these leaders have the power to affect behavior, and have the uncanny ability to exploit the unconscious feelings and emotions of their employees. In spite of the regressive potential of some leaders, there are others who transcend petty intra-office concerns to create a constructive work climate and involve, initiate, and spur creative endeavors.

Many researchers have compared transactional with transformative leadership traits. The transactional leader motivates employees by exchanging rewards for services rendered, whether political, economic, or psychological. The transformative leader recognizes and exploits an existing need or demand of a potential employee.

**Question 5:** How does leadership differ from country to country?

**Answer 5:** The best way to answer this question is through several examples, documented by DuBrin (1997).
Highly skilled German workers do not necessarily need a U.S. style manager for motivation. Compared to other countries, Germans have the highest rate of personnel in productive roles and the lowest both in leadership and staff roles. German business schools are virtually unknown. German workers perform their duties efficiently; therefore, a strong concept of management might be a liability rather than an asset.

In Japan, the main core of the enterprise is the permanent worker group. The Japanese workers are tenured and aspire for life-long employment. University graduates in Japan join the permanent worker group and subsequently fill various positions, moving from line to staff as the need occurs. It is interesting that these workers are paid according to seniority rather than position. Everyone is involved in the decision-making processes, which extend the decision-making period, but guarantee fast implementation. The Japanese work culture is controlled by a peer group rather than a manager.

In the Netherlands, leadership presupposes modesty, as opposed to assertiveness in the United States. Working in the Netherlands, though, is not perfect; there is a built-in premium of mediocrity, along with jealousy and time-consuming ritualistic consultations. This is all done to maintain the appearance of total consensus.

Hong Kong, Taiwan, and Singapore play an important role in the economies of Indonesia, Malaysia, Thailand, and the Philippines. These enterprises lack almost all characteristics of modern management. They prefer economic activities in which great gains can be made with very little manpower. In addition, the Chinese employ few professional managers, but instead include members of their families. Chinese businesses, even though conducted in an "unprofessional" approach compared to U.S. standards, commanded a gross national product of around 200 to 300 billion U.S. dollars.

**Question 6:** What is the "glass ceiling" and how does it affect leadership or management opportunities for women and minorities?

**Answer 6:** There is considerable evidence produced by the Equal Employment Opportunity Commission (EEOC) that Caucasian women and minorities encounter a "glass ceiling" in management. The glass ceiling is a concept popularized in the 1980s that describes a subtle barrier that prevents women and minorities from moving up the managerial ranks. Even though today women fill nearly a third of all management positions, they typically have little authority, and still receive relatively low pay.
Women do better in management positions in government or in educational arenas. With regard to racial minorities in managerial rankings, statistics show less progress for racial minorities than for women.

There are a number of theories as to why gender and racial differences exist in management. One theory assumes that differences place a handicap on women and minorities. Another theory points to discrimination by individuals in the majority population as a major cause of inequities. For example, racial and gender stereotypes held by Caucasian males in power are said to account for the slow progress of women and minorities. A third theory points to structural, systemic discrimination as the cause of differential treatment rather than actions or characteristics of individuals.

Even today, the glass ceiling syndrome continues to frustrate ambitious women and minorities. Although it is seen that employer’s attitudes are changing, the lack of substantial progress can be partly blamed on the lack of employers committed to equal opportunity. It is interesting to note that when women believed they were merely hired only to meet EEOC requirements, there was a negative effect on their self-image and development.

**Question 7:** What are the major theoretical perspectives on leadership?

**Answer 7:** There are three main theoretical perspectives: trait theory, behavior theory, and contingency theory.

**Trait Theory**

Trait theory states that if a person possesses specific traits, he or she will be able to take the lead in different types of situations. The first trait theorists believed there was a definite set of characteristics that classified an individual as a leader. John Gardner, a more recent researcher, concluded that there are some qualities or attributes that enabled a person in a given situation to lead others. Here is Gardner’s list of leadership traits: intelligence, eagerness, responsibility, action orientation, physical vitality, assertiveness, decisiveness, self-confidence, flexibility, trustworthiness, capacity to motivate, skill in dealing with people, courage, and resolution. It is interesting to note that these listed attributes are often viewed as stereotypically male.

**Behavioral Theory**

In the 1950s, researchers studied leaders' behaviors. Different patterns of behavior emerged and were then classified as leadership styles. Various concepts appeared,
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designed to diagnose and develop individual styles of working. Four main styles were described:

- Concern for task: Leaders were seen to emphasize the achievement of concrete objectives. This concern was indicated by high levels of productivity and techniques for organizing employees and activities to meet these objectives.
- Concern for individuals: This leader acknowledges an employee’s needs, interests, problems, and development.
- Directive: This type of leader makes decisions for others. Employees are required to subordinate themselves and follow instructions.
- Participative: Leaders using this style attempt to share decision making with others.

Contingency Theory

Researchers found there were a lot of inconsistencies with the two previous theories. For example, the original studies did not appropriately address the context or setting in which the style was used. Contingency theory was developed to address this element. Fiedler developed a theory that leadership effectiveness depends on two interacting factors: (1) leadership style, and (2) the degree to which the situation affords the leader control and influence.

Fielder described three additional factors that determine the favorableness of a situation:

- Relationship between leaders and followers (employees): if leaders are liked and respected then they will have the support of others.
- Structure of task: if the task’s expectations, methods, and standards of performance are explained, then it is more than likely that leaders will be able to exhibit and exert influence.
- Position power: the power conferred on the leader affects the degree of influence the leader holds.

Models such as this can assist individuals to think more clearly about what they are doing in a variety of situations.
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References


