

THE NEGLECTED ORGANIZATIONAL "WHAT" OF LEADERSHIP

Robert B. Kaiser
Kaplan DeVries Inc.

There are two major functions in leadership: one, unite people around a common purpose and two, guide them to realize that purpose. Psychology has defined the first function and studied it in detail in terms of interpersonal influence. But psychology has overlooked the second function—guiding the team to victory. A lot of guiding a team comes down to key decisions about strategy, structure, and staffing—the stuff of traditional management education. These two aspects of leadership—the interpersonal *how* and the organizational *what*—are complementary, but scholars tend not to study them in concert. Until we begin studying both the *how* and the *what*, our understanding of leadership will necessarily be unsatisfactory.

The psychological study of leadership is nearly 100 years old and the resulting literature is enormous. Thousands of primary studies, several meta-analyses, and a host of theories consider how leaders influence and motivate followers. For example, behavioral theories suggest that followers need both structure and consideration while contingency theories describe when they need which; social exchange theories emphasize the quality of the leader-follower relationship; and transformational theories attempt to explain how leaders motivate followers to transcend pure self-interest and identify with the group and its mission. We've learned a lot about how leaders influence followers. However, *interpersonal* influence is only part of the conceptual space covered by leadership.

A growing number of writers have acknowledged two distinct domains of leadership. Dubin (1979) distinguished leadership *in* an organization (interpersonal influence) from leadership *of* an organization (structural influence). Zaccaro and Horn (2003) contrasted *direct influence* of the interpersonal variety with impersonal, *indirect influences* that guide and constrain followers through direction, goals, plans, and policies. Antonakis and House (2002) differentiated two classes of leadership roles: inspirational (motivating people) and instrumental (attaining goals). Kaiser and Hogan (2007) noted that psychologists define leadership style in terms of social behavior while management scholars emphasize the substance of organizational decisions. Consider the term, *transformational leadership*. In the psychological tradition, it describes something leaders do to followers (Bass, 1985). In the management literature, it refers to how *organizations* get transformed through changes in strategy, structure, and culture (Tichy & Devanna, 1986).

I have described these two domains as the interpersonal *how* and the organizational *what* of leadership, a distinction that is supported conceptually and empirically (Kaiser, Lindberg, & Craig, 2007; Kaplan & Kaiser, 2006). Put simply, the stylistic *how* refers to face-to-face, social influence while the substantive *what* refers to shaping the formal structural features of an organization through fateful decisions. These two domains are rarely considered simultaneously. Some scholars even polarize the differences. For instance, Vroom and Jago (2007) argued that,

"... there are many processes by which leaders can impact their organizations that have little or nothing to do with what is defined as leadership. For examples, mergers and acquisitions, changes in organizational structure, and layoffs of

personnel may have great impact on shareholder value but do not necessarily embody the influence process integral to leadership." (p. 17)

From this perspective, leadership in terms of interpersonal persuasion is all there is. However, other writers have taken the opposite point of view with equal vigor. For example, Lewis and Jacobs (1992) argued that interpersonal style is irrelevant because of the centrality of cognitive capacity and substantive judgment in leadership effectiveness. Yet 90% of the leadership literature focuses on interpersonal processes (Hunt, 1991).

The lack of integrative work bridging these different domains raises interesting questions: what are the unique contributions to leadership effectiveness of the interpersonal *how* and the organizational *what* functions? Does the latter contribute enough to suggest that psychologists have overlooked a major element of leadership effectiveness?

I conducted a series of analyses to address these questions. These studies involved coworker ratings of 484 middle- to senior managers¹ on the *Leadership Versatility Index (LVI)*, a valid and reliable 360-degree feedback instrument (Kaiser & Kaplan, 2007). The *LVI* measures leadership in terms of forceful and enabling interpersonal behaviors and focusing the organization around strategic and operational business considerations (Table 1). Forceful-Enabling Leadership represents the interpersonal *how* while Strategic-Operational Leadership represents the organizational *what* (cf. Kaiser et al., 2007). High scores indicate an optimal mix of the behaviors in each pair while low scores indicate too much of one (e.g., forceful) and too little of the other (e.g., enabling) or too little of both.

The first study used ratings of the *how* and *what* to predict perceptions of corporate leaders. The criterion was a single-item rating of overall effectiveness on a 10-point scale, where "5 is adequate and 10 is outstanding." I used the average ratings across all coworkers—superiors, peers, and subordinates—to measure leadership behavior and *perceived* effectiveness. A regression analysis indicated that the beta-weight for Strategic-Operational Leadership (representing the *what*) was substantially larger than the beta-weight for Forceful-Enabling Leadership (representing the *how*; see Table 2). Thus, it appears that managers implicitly give more weight to the organizational *what* than the interpersonal *how* when evaluating one another overall. This makes sense because managers are business people, not social psychologists.

The second study examined how the two domains of leader behavior predict team performance. Again, average ratings across all coworkers—superiors, peers, and subordinates—were used to measure leadership behavior in terms of *how* and *what*. Following the literature on team performance, I used two distinct criteria—one representing employee attitudes and the other representing team results. Employee attitudes were measured with aggregated subordinate ratings on the *LVI Team Vitality* scale, a composite of three items tapping morale, engagement, and cohesiveness ($\alpha = .87$). Results were measured with superior ratings on the *LVI Team Productivity* scale, composed of three items tapping quantity, quality, and overall output ($\alpha = .89$). Forceful-Enabling Leadership (representing the *how*) was the strongest predictor of employee attitudes, a result consistent with a large body of psychological research (Kaiser,

¹ The sample is mostly male (80%) with a median age of 45, median years of managerial experience of 15, and median tenure in the current job of 2.5 years. Forty-seven percent of participants were executives, 50% were middle managers, and 3% were supervisors. Most organizations represented were publicly traded, U.S.-based firms (85%).

Hogan, & Craig, 2008). However, Strategic-Operational Leadership (representing the *what*) was the strongest predictor of team results (see Table 2). In both cases, the opposing leadership function did contribute unique variance to the prediction of the criterion, indicating that the *how* and *what* functions are unique and complementary.

Following the work of Hogan and Kaiser (Hogan & Kaiser, 2005; Kaiser & Hogan, 2007; Kaiser et al., 2008), I next tested a theoretical model of how leaders affect organizational performance. Specifically, leadership style (the *how*) was expected to predict employee attitudes, which in turn was expected to predict team results. Further, leadership substance (the *what*) was expected to also predict employee attitudes, and also to directly predict organizational performance independent of its effect on attitudes. Again, the methodology controlled for common source bias by using all coworker ratings for the *how* and *what* variables, subordinate ratings for employee attitudes, and superior ratings for team results. A Path Analysis indicated significant beta-weights for each of the *a priori* relationships in the model, accounting for sizable variance in employee attitudes (Vitality) and team results (Productivity; see Figure 1).

These results suggest that the interpersonal *how* and the organizational *what* functions provide unique avenues for leaders to influence organizational effectiveness (cf. Kaiser et al., 2008). Therefore, incorporating the *what* in psychological research might advance the field. For instance, it may help explain why some notable leaders consistently achieve phenomenal results despite being difficult interpersonally (e.g., New England Patriots coach Bill Belichick, Apple CEO Steve Jobs). It may also explain why major success may nevertheless elude some inspirational leaders. After all, follower motivation is irrelevant if they are pursuing a bad plan.

References

- Antonakis, J., & House, R. J. (2002). An analysis of the full-range leadership theory: The way forward. In B. J. Avolio & F. J. Yammarino (Eds.), *Transformational and charismatic leadership: The road ahead* (pp. 3-33). Greenwich, CT: Elsevier Science/JAI Press.
- Bass, B.M. (1985). *Leadership and performance beyond expectations*. New York: Free Press.
- Dubin, R. (1979). Metaphors of leadership. In J.G. Hunt & L.L. Larson (Eds.), *Crosscurrents in leadership* (pp. 225–238). Carbondale, IL: Southern Illinois University Press.
- Hogan, R., & Kaiser, R.B. (2005). What we know about leadership. *Review of General Psychology, 9*, 169-180.
- Hunt, J.G. (1991). *Leadership: A new synthesis*. Newbury Park, CA: Sage.
- Kaiser, R.B., & Hogan, R. (2007). The dark side of discretion. In R. Hooijberg, J. Hunt, J. Antonakis, K. Boal, & N. Lane (Eds.), *Being there even when you are not: Leading through strategy, systems and structure. Monographs in leadership and management (Vol. 4; pp. 173-193)*. Oxford: JAI Press.
- Kaiser, R.B., Hogan, R., & Craig, S.B. (2008). Leadership and the fate of organizations. *American Psychologist, 63*, 96-110.
- Kaiser, R.B., Lindberg, J.T., & Craig, S.B. (2007). Assessing the flexibility of managers: A comparison of methods. *International Journal of Selection and Assessment, 16*, 40-55.
- Kaiser, R.B. & Kaplan, R E. (2007). *Leadership Versatility Index facilitator's guide*. Greensboro, NC. Kaplan DeVries Inc.
- Kaplan, R.E., & Kaiser, R.B. (2006). *The versatile leader: Make the most of your strengths—without overdoing it*. San Francisco: Pfeiffer.
- Lewis, P. & Jacobs, T.O. (1992). Individual differences in strategic leadership capacity: A constructive/developmental view. In R.L. Phillips & J.G. Hunt (Eds.), *Strategic leadership: A multiorganizational-level perspective* (pp. 119-138). Westport, CT: Quorum.
- Tichy, N.M, & Devanna, M.A. (1986). *The transformational leader*. New York: Wiley & Sons.
- Vroom, V.H. & Jago, A.G. (2007). The role of situation in leadership. *American Psychologist, 62*. 17-24.
- Zaccaro, S. J., & Horn, Z.N.J. (2003). Leadership theory and practice: Fostering an effective symbiosis. *Leadership Quarterly, 14*, 769-806.

Table 1.
Model and Definitions of Forceful, Enabling, Strategic, and Operational Leadership

The Interpersonal <i>How</i>	
<p>Forceful Leadership <i>exercising power and authority to push for performance</i></p> <p>Takes charge: assuming authority by showing initiative and setting expectations</p> <p>Declares/decides: being decisive; taking a position and defending it</p> <p>Pushes: setting high expectations and holding people accountable for reaching them</p>	<p>Enabling Leadership <i>creating conditions for other people to be influential and contribute</i></p> <p>Empowers: delegating and trusting people to decide how to do their work</p> <p>Listens/includes: being participative; seeking input and being open to influence</p> <p>Supports: tending to people's needs; showing empathy and encouragement</p>
The Organizational <i>What</i>	
<p>Strategic Leadership <i>positioning the organization to be competitive in the future</i></p> <p>Direction: planning ahead with a high-level view and broad perspective</p> <p>Growth: being aggressive to grow the business and expand capability</p> <p>Innovation: embracing change and encouraging creativity and new ideas</p>	<p>Operational Leadership <i>driving the organization to get results in the near term</i></p> <p>Execution: managing the day-to-day details of implementation to produce results now</p> <p>Efficiency: conserving resources by cutting costs and being selective about goals</p> <p>Order: establishing stability through discipline, consistency, and monitoring</p>

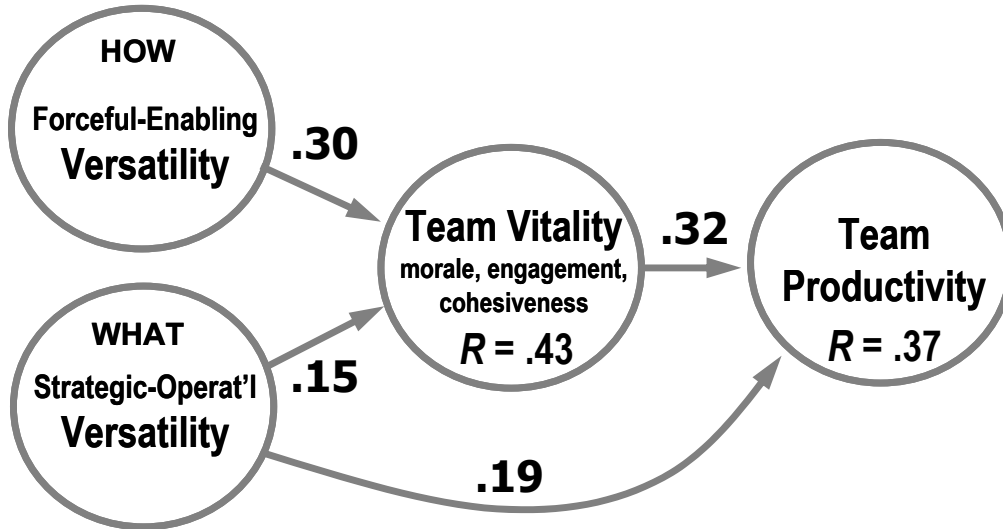
Note: Based on Kaiser and Kaplan (2007).

Table 2.
Regression Analyses Predicting Leadership Criteria

	Perceived Effectiveness β	Team Vitality β	Team Productivity β
Forceful-Enabling Leadership	.23**	.30***	.12*
Strategic-Operational Leadership	.51***	.15*	.40***
Model <i>R</i>	.71***	.43***	.36***

Note: *** $p < .001$, ** $p < .01$, * $p < .05$

Figure 1.
*Path Analysis Results Testing a Theoretical Model Linking the
 "How" and the "What" of Leadership to Team Performance*



Notes. All path coefficients significant ($p < .05$). The How and What variables were measured with ratings aggregated across superiors, peers, and subordinates; employee attitudes were measured with aggregated subordinate ratings on the Team Vitality scale; unit results were measured with superior ratings on the Team Productivity scale.