Leadership Influence

Leadership can be defined as "the individual behaviour that guides a group to achieve a common target" (Stogdill, 1957). "The essence of a leader's power is the extent to which they can satisfy – or appear to satisfy – specific needs of their followers" (Burns, 1978). The way in which leaders influence their followers is through their traits, styles, and behaviours. This influence has an effect on outcomes such as revenue growth, return on sales, efficiency, profitability, employee satisfaction, and employee engagement. Therefore, it is important to understand the ways in which leaders affect their environment.

Influence on climate

In order to have a positive impact on organisational outcomes leaders must influence the organisation's climate. The climate refers to factors that influence a working environment. There are six key factors of climate that influence the working environment: *flexibility, responsibility, standards, rewards, clarity, and commitment* (Litwin & Stringer, 1968).

Flexibility refers to the level of freedom employees are given when it comes to making decisions regarding their own work. Leaders who restrict flexibility exhibit extreme top-down decision making which limits the generation of new ideas. Employees working in inflexible conditions feel disrespected and are, therefore, unwilling to offer their thoughts and opinions. Because their leader makes all the decisions, they no longer feel responsible for their work or their own performance because they feel it is out of their control. This can result in resentment and refusal to help their leader. On the other hand leaders who permit flexibility foster creativity and innovation because employees feel free to experiment and take calculated risks without unnecessary restrictions (Goleman, 2000). This also encourages accountability for their own performance.

Responsibility refers to the accountability employees feel over their work and performance. This component of climate goes hand in hand with flexibility. For example, giving employees freedom and control over their own work creates a sense of autonomy and responsibility for their own performance. Employees who feel accountable for their performance will put in greater effort. Limiting flexibility dissipates responsibility because

employees feel they aren't in control of what they work on and how they work. They feel their performance is a reflection of their leader's decisions and instructions rather than their individual effort.

Standards refer to the expectations and level of performance needed to succeed and whether these are clear to all. Employees who know what is expected of them are more likely to rise to the occasion and produce work that is in line with what is expected. Clear standards and expectations maximise motivation and commitment to the organisation's mission. On the contrary, employees who do not understand what it takes to succeed are more likely to produce inadequate work and will spend a lot of time second-guessing because they don't have any guidelines to abide by. The most effective standards are defined with reference to an organisation's mission or vision and are referred to in any performance feedback.

Rewards refer to whether the distribution of rewards and recognition are fair and in line with the set standards and expectations. Leaders who praise, promote, and award their employees fairly, cultivate motivation and commitment towards the organisation's mission (Goleman, 2000). Moreover, the promise of rewards for great work motivates performance. Lack of rewards and recognition demotivate employees and they are likely to put in less effort. Furthermore, perceived unfairness in the distribution of rewards and recognition can result in negative outcomes such as turnover, theft, vandalism, intentional idleness, absenteeism, employee fraud, exit behaviours, withdrawal behaviours, and grievance filing (click here for more on fairness).

Clarity refers to whether or not employees understand how their work ties in with the overall mission of the organisation. Understanding why their work matters again maximises employee commitment to the organisation and its vision. When a leader takes the time to explain to employees how their effort contributes and furthers the overall goal of the organisation, they are more likely to feel a sense of purpose and meaning because they understand what they do matters and why it matters. Lack of clarity leads to lack of motivation and commitment to the mission because employees have no idea how their personal efforts fit into the larger picture.

Commitment refers to the level of dedication employees feel towards their organisation's overall mission/vision. This factor is closely linked to *clarity*. Employees feel more

committed to their tasks and goals when they know why their work matters and how their work helps their organisation to achieve its goals. Effective leaders will frame their employees' tasks with reference to their organisation's mission and give feedback with reference to that mission. Commitment dwindles when employees have no understanding of how their work contributes to their organisation.

Styles

Leaders influence these six factors of climate with their leadership style. Daniel Goleman (an emotional intelligence expert) has identified 6 key leadership styles and their effect on an organisation's climate. Each style stems from different aspects of emotional intelligence.

Coercive/commanding

Coercive leaders demand immediate compliance and take on complete decision-making responsibility. Their underlying emotional intelligence competencies include initiative, self-control, and the drive to achieve. Of the 6 styles, coercive is the least effective in most circumstances. This is partly attributed to the complete top-down decision-making process. This not only limits the generation of new ideas but also eliminates attribution resulting in employees taking little accountability for their performance. This style also destroys the rewards system because high performing employees seek rewards other than money (e.g. autonomy, challenging tasks, pride over one's good work/ideas). Moreover, coercive leaders do not advise employees how their work fits with the team or organisation's vision which reduces motivation and commitment toward that common goal. There are, however, situations where the style is very useful. For example, it's very useful in an emergency (where urgency and compliance are crucial), during a turnaround or hostile takeover, or with a problematic employee. In these cases, the style can break old, outdated habits and shock people into adopting new approaches.

Authoritative/Visionary

Authoritative leaders rally their followers towards a common vision through defining standards and expectations with vibrant enthusiasm. Their underlying emotional intelligence competencies include self-confidence, empathy, and change catalyst. Authoritative leaders motivate employees by making it understood how their contributions

fit with the overall goals of the organisation. This allows employees to understand why their work matters which maximises their commitment and motivation towards the common vision. These leaders also define end goals and give employees the freedom to explore how to get there - ultimately fostering creativity and innovation. Performance feedback (both positive and negative) is always given in reference to the end goal. Standards and expectations are known to all so employees know what they need to do in order to gain rewards and recognition. This style is most effective when a new vision or direction is needed. An authoritative leader plots a course and motivates employees toward a new long-term goal. The authoritative leadership style can, however, fail in situations where the leader is working in a team of people more experienced or educated than they. In addition, this style comes across as domineering at times, so is best paired with another style.

Affiliative
Affiliative leaders keep the peace and create emotional bonds with their followers. Their underlying emotional intelligence competencies include empathy, building and maintaining relationships, and communication. Employees working under an affiliative leader tend to be fiercely loyal because they like and admire their bosses. This affection inspires conversation, idea sharing, and a sense of belonging. Affiliative leaders do not restrict employees with unnecessary rules and guidelines. The trust that results from this enables innovation and risk-taking. Employees are given abundant rewards and recognition for their hard work which motivates employees toward that common goal. This style is perfect for mending relationships in a team or to motivate people in stressful times. If used regularly, the exclusive focus on praise can enable poor results and outcomes to be uncorrected. This style works best when used together with the authoritative style. These styles enable employees to understand visions and standards whilst providing the necessary support and rewards.

Democratic
Democratic leaders establish consensus through participation. Their underlying emotional intelligence competencies include collaboration, team leadership, and communication. These leaders ask for opinions, ideas, and concerns which builds trust, respect, commitment and high morale. They allow employees to create their own goals which enables them to be realistic about their success. Though this style can be useful, democratic leaders often over-schedule meetings where ideas are generated but no

conclusions are drawn. They also have a tendency to put off critical decisions hoping enough discussion will lead to a resolution. This style is best used when the leader is unsure of which direction or approach is best suited to a situation and can thus use the knowledge and experience of their co-workers. This style is not useful when those employees are incompetent and ill-informed and this style should not be used in a crisis or emergency where there is no time to build consensus.

Pacesetting
Pacesetting leaders set high standards of performance exemplified by their own accomplishments. Their underlying emotional intelligence competencies include conscientiousness, the drive to achieve, and initiative. The pacesetter is obsessed with doing things bigger, better, faster, and is quick to point out poor performers. Consistently poor performers are replaced. The demand for excellence can tire and overwhelm employees. This paired with the lack of reward and positive feedback causes morale and commitment to plummet. The pacesetter also fails to demonstrate how an employee's work fits with the common goal which reduces motivation. Moreover, feedback is not offered nor are guidelines for working, resulting in a lot of second-guessing. This style should be used sparingly, but does work when used in highly competent, motivated teams (e.g. legal & research and development teams). In these settings, pacesetters help to get projects delivered in a timely manner and often ahead of schedule.

Coaching
Coaching leaders develop people for the future. Their underlying emotional intelligence competencies include developing others, empathy, and self-awareness. Coaches identify strengths and potential development needs, giving employees the encouragement, feedback, and guidelines needed for improvement. Coaches also make excellent delegators, offering challenging opportunities with adequate instruction. Of the six styles, coaching is used least often, despite being very effective. This may be attributed to the time needed to teach and develop others. There is also a trade-off when it comes to using the coaching style. Because coaches focus on personal development, effort directed to immediate work tasks may lack. Coaching works best when improvement is needed and leaders want to develop the long-term strengths of their followers; however, the style only works if employees want to be coached. This style should not be used with employees who are resistant to accepting and improving their weaknesses or when the coach lacks expertise and experience.

Why leadership matters

A leader's job is to get positive results whether they be financial or people oriented. How they achieve these results is through motivating their employees to achieve a vision. They guide behaviour, set guidelines, goals, and direction, offer feedback and support, and create culture. Essentially, leaders interact with people and those interactions can predict good and bad organisational outcomes depending on the effectiveness of those interactions. For example, interactions that transpire when leaders are in a positive mood are more likely to bring about positive outcomes. Hatfield et al. (1993) explained that people often transfer their moods when interacting with others, a term known as emotional contagion ('a tendency to mimic another person's emotional experience/expression and thus to experience/express the same emotions oneself.'). Tsai, Chen, and Cheng (2009) demonstrated that positive moods are strongly linked to task performance, therefore, leaders can positively affect employee performance through happy and constructive exchanges. A leader's positive mood can also promote follower satisfaction, which in turn boosts group productivity. "Groups with high levels of follower satisfaction improve their productivity over time, due to their increased morale and positive feelings toward the leader and fellow group members" (Jesuino, 1996).

Within academic literature, interactions between leaders and their followers are known as Leader-Member-Exchange (LMX). Employees who are satisfied with their LMX are more likely to undertake challenging and relevant tasks compared to employees who are not satisfied with their LMX (Liden & Graen, 1980). Undertaking challenging tasks fosters creative performance (Amabile & Gryskiewicz, 1987). Employees who are satisfied with their LMX also perceive themselves to be working in a supportive environment which creates a level of liking, admiration, and loyalty toward their leader (Duchon, Green, & Taber, 1986; Dunegan, Tierney, & Duchon, 1992; Scott & Bruce, 1994). These positive feelings are linked to trust and comfort (Mumford & Gustafson, 1988) which are linked to the creative output of employees (Oldham & Cummings, 1996).

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