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ILJ

International Leadership Journal

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From the Editor

August 2009

Welcome to the third/fourth issue of the *International Leadership Journal,* an online, peer-reviewed journal available at no charge to researchers, educators, practicing leaders, consultants, and anyone else interested in exploring leadership and organizational issues. The journal emphasizes international perspectives and "bold new ways of understanding leadership and organizations" that derive from many different disciplines and knowledge domains and that include formal and informal organizations in diverse sectors.

This issue includes four articles, a leadership education/development piece, a leadership field/practice piece, an interview, and two reviews. Altogether, the inclusions represent five continents and, more specifically, five countries: Italy, Thailand, Trinidad, India, and the United States. They also display diverse methodologies, including surveys (e.g., using the MLQ) and interviews.

The four articles in the issue provide an interesting look at leadership in different sectors and types of organizations around the world. Kaweevisultrakul *et al.* investigate the knowledge sharing intentions within the pharmaceutical industry in Thailand and outline the implications for leadership of the findings. Simon and Preziosi examine transformational leadership in small- and medium-size enterprises in Trinidad. Pandey and Sharma explore leadership characteristics required for innovative performance through respondents who are based in India. Colozzi and Bassi look at the nonprofit sector in Italy, the types of organizations within that sector, and the role of leadership within the types.

The field/practice piece by Gmelch *et al.* is a lively, entertaining, and insightful exploration of the role of the Dean in higher education. It makes use of stage theory and rites of passage to present a compelling picture of the Dean's role and how it evolves over time.

The education/development piece by Nikravan and Jolly examines customer service strategies in institutions of higher education. It offers practical suggestions for developing those strategies.

The interview is with Dr. James MacGregor Burns, arguably the most influential scholar in the broad field of leadership studies. Dr. Burns has been writing about leadership for at least four decades now, and his work is among the most cited in the field. His theory of "transforming leadership," first articulated in 1978, literally transformed leadership studies and is still thriving today, as the article by Simon and Preziosi demonstrates.

The two book reviews offer an interesting contrast of successful leadership in highly different contexts. Bryant's review focuses on the leadership of Jim Kilts in the successful turnaround at the Gillette Company, while Johnson's review focuses on the charismatic church leadership of Elizabeth Clare Prophet.

This issue, like the first two, required the assistance of many capable people. In particular, I would once again like to mention the dedication of Cindy Mooney, who carefully edited and formatted the final drafts of the entire issue, and Joe Guzzardo, without whose help we could not sustain our ongoing Web page.

As we said in the first two issues, we hope you will let colleagues, friends, practicing leaders, and consultants know about us, and also encourage them to submit manuscripts or to share opinions with us about the journal. We also hope you will enjoy this issue.

Joseph C. Santora

Editor

ARTICLES

Leadership and Managerial Implications of Healthcare Employees' Knowledge-Sharing Intentions: A Study of Respondents in the Pharmaceutical Industry of Thailand

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Today, knowledge is regarded as the most important strategic asset for organizational effectiveness and competitiveness. The purpose of this study was to develop an integrative understanding of the factors supporting or inhibiting individuals' knowledge-sharing intentions. The study used a theoretical framework that integrated the theory of reasoned action with extrinsic motivators, social-psychological forces, and organizational climate factors that are believed to influence individuals' knowledge-sharing intentions. Research results from 374 respondents from the Thai pharmaceutical industry indicate that the expected associations are the major determinants of the individual's attitude toward knowledge sharing. An individual's sense of self-worth and organizational climate factors affect knowledge-sharing intentions only indirectly. Expected rewards, believed by many to be the most important motivating factor for knowledge sharing, are insignificant to knowledge-sharing intentions. As anticipated, a positive attitude toward knowledge sharing and subjective norms are found to lead to a positive intention to share knowledge. Leadership and managerial implications, recommendations, and direction for future studies are presented.

***Key words*: intentions, knowledge management, knowledge sharing, leadership, management, theory of reasoned action**

Effective knowledge management practices not only bring about many organizational benefits—such as improved contingency response, innovation capabilities, rapid commercialization for new products, and response to market changes—but also ensure long-term survival. That is why some organizations have attempted to implement knowledge management (KM) strategy (Chin-Loy & Mujtaba, 2007). While managers recognize the importance of knowledge sharing among their employees and are eager to introduce the KM paradigm in their organizations, many of them still lack sufficient knowledge about the determinants of the individual's knowledge-sharing behavior, which is why many past attempts have been unsuccessful.

In today’s highly competitive business environment, organizations have to search constantly for new business tools and/or practices to remain competitive and ultimately survive. While the traditional economic structure emphasized factors of production such as labor and capital as core assets, knowledge has emerged as an important factor today, perhaps the most important factor in many organizations. Perez and Pablos (2003) neatly summarize this argument:

> In an entrepreneurial environment such as the present one, characterized by market globalization, the intensification of competition and the high rate of technological change, tangible assets no longer provide sustainable competitive advantages. As firms are focusing on their intangible assets, intellectual capital can be viewed as the future basis of sustained competitive advantage. For these reasons, the strategic management of employee knowledge, skills, and abilities has greater importance than ever (83).

Consistent with that reasoning, Bock, Zmud, Kim, and Lee (2005) argue that knowledge is the foundation of a firm's competitive advantage and, ultimately, the primary driver of a firm's value. That is why many organizations today attempt to promote a knowledge-sharing culture. KM is not a new concept. Forward-thinking organizations have been implementing KM for years. However, past attempts often resulted in failure because organizations continually overlooked motivational drivers that encourage and/or discourage individuals’ involvement. As stressed by Riege (2005), the identification and recognition of knowledge sharing barriers plays a crucial role in the success of a KM strategy. For this reason, it is imperative that organizational managers and leaders become more attentive to finding ways to encourage their employees to share knowledge (Chin-Loy & Mujtaba, 2007).

The objective of this study is to provide some insights on how to successfully promote an effective knowledge-sharing culture. Since the attainment of such a culture profoundly depends on employees' involvement and contribution, individuals' motivational drivers conducive to knowledge sharing behaviors will be examined.

Theoretical Framework and Knowledge Sharing

Knowledge sharing concerns individuals' willingness to share their work-related experience, expertise, know-how, and contextual information with other employees within or across teams or work units. It also entails individuals' ability to acquire knowledge that is held by other divisions within the organization. The operative phrase here is "the willingness of individuals" (Kim & Lee, 2006, p. 371). Generally speaking, organizational knowledge is largely carried within individuals; even if knowledge is codified, knowledge objects remain unexposed to (and hence unrecognizable by) others until the knowledge owner makes the objects available. In a practical sense, knowledge sharing cannot be forced but can only be encouraged and facilitated. Therefore, an organization that wishes to increase its member's knowledge-sharing behavior will encounter the challenging task of having to change people's behaviors (Bock *et al.,* 2005). But what, exactly, are the motivational factors likely to encourage such behaviors?

Accordingly to the theory of reasoned action (TRA), it can be expected that individuals will share knowledge if they hold a positive attitude toward knowledge sharing. TRA posits that a person's behavioral intention depends on that person's attitude about behavior and subjective norms (Ampofo, Mujtaba, Cavico, & Tindall, 2004). TRA consist of three general constructs: (1) behavioral intention, (2) attitude, and (3) subjective norms. An attitude is "an individual's positive or negative behavioral belief about performing a specific behavior... An individual will intend to perform a certain behavior when he or she evaluates it positively" (So & Bolloju, 2005). Subjective norms are "the influence of social pressure as perceived by the individual to perform or not perform a certain behavior. In other words, it is the individual's perception that most people who are important to him/her think he/she should or should not perform the behavior in question" (So & Bolloju, 2005). Behavioral intention is a function of both attitudes toward a behavior and subjective norms toward that behavior, which have been found to predict actual behavior (Bock *et al.,* 2005; Lin & Lee, 2004).

Bock *et al.* (2005) state that motivational drivers that affect employees' willingness to share knowledge can be grouped into three broad categories that derive from economics, social psychology, and sociology.

1. *Economic*: anticipated extrinsic rewards. Every organization implements monetary incentives, points toward promotion, or both as extrinsic motivators for knowledge sharing. Much of the utilitarian tradition, including classical and neoclassical economics, assumes rational, self-interested behavior in explaining social actions.
2. *Social-psychological*: anticipated reciprocal relationships and sense of self-worth. Anticipated reciprocal relationships capture employees' desires to maintain ongoing relationships with others, specifically with regard to knowledge provision and reception. Sense of self-worth, on the other hand, captures the extent to which employees see themselves as providing value to their organizations through their knowledge sharing. Here, the concept of self-worth refers to individuals' degree of liking themselves, based largely on competence, power, or efficacy regarding conduct.
3. *Sociological*: fairness, innovativeness, and affiliation. Sociologists see social action as largely governed by institutional structures (i.e., social norms, rules, and obligations). Related to these institutional structures are three organizational climate factors for knowledge sharing, including fairness, innovativeness, and affiliation. Additionally, this study integrated one variable from Kim and Lee’s (2006) research: trust. Trust is commonly cited as one of the most important explicitly-stated values that promote KM; low-trust cultures constrict knowledge flow. Developing a high level of trust is a prerequisite for developing a collaborative culture. Trust will increase the propensity of employees and teams to share relevant knowledge and information (DeTienne *et al.*, 2004).

By bringing together those three motivational drivers, an integrative view of the forces manipulating individuals' willingness to share knowledge can be established. Thus, employees' decisions to engage in a specified behavior are influenced by their intention to perform the behavior, which in turn is influenced by both their attitude toward (reflecting their salient behavioral beliefs) and the subjective norm regarding (reflecting their normative beliefs and motivation to comply with these beliefs) the behavior. This leads to an implicit and explicit knowledge-sharing research model, as demonstrated in Figure1.

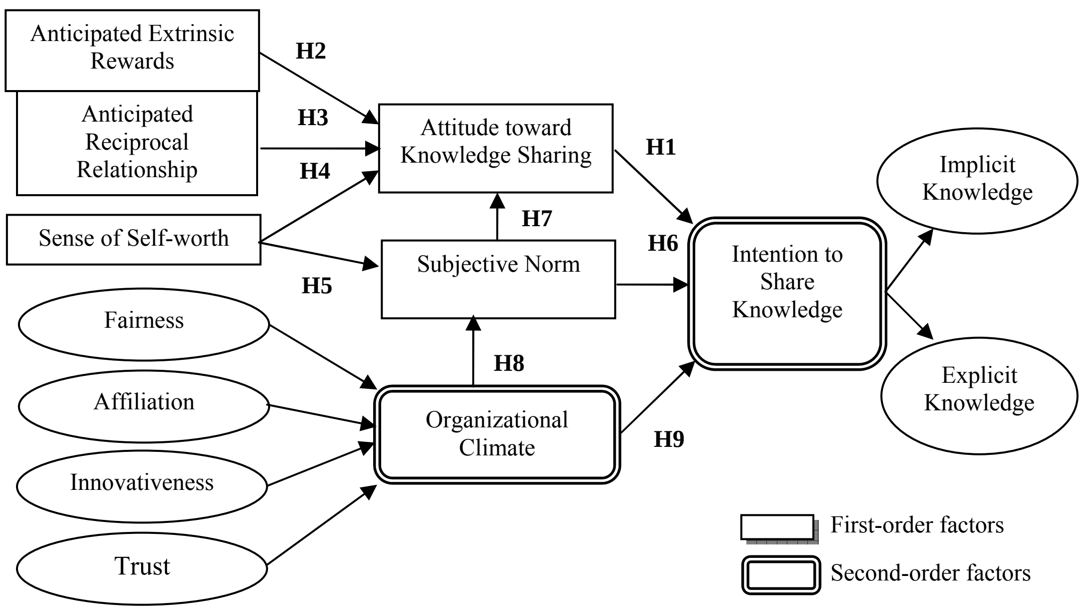

Figure 1: Implicit and explicit knowledge-sharing research model

The Research Model and Hypotheses

Figure 1 depicts our research model. The model differs from a TRA formulation in two major ways in order to acknowledge that knowledge-sharing inherently involves collective action at its core: (1) the subjective norms of an individual are posited to directly and indirectly (through attitude) influence intention to share knowledge and (2) organizational climate is posited to directly and indirectly (through subjective norms) influence the intention to share knowledge (Bock *et al.*, 2005).

An attitude toward a behavior refers to “the degree to which a person has a favorable or unfavorable evaluation appraisal of the behavior in question" (Ajzen, 1991, p. 188). The person will most likely perform the behavior in question if he or she evaluates it positively. As indicated by Kwok and Gao (2005/2006), an individual's intention to perform a behavior and their actual behavior can be determined by their attitude toward this behavior. Specifically, individuals are usually more likely to perform a behavior if they possess a positive attitude toward this behavior and vice versa. Here, attitude toward knowledge sharing is defined as the degree of one's positive feelings about sharing one's knowledge. This leads to the first hypothesis.

> Hypothesis 1: The more favorable the attitude toward knowledge sharing is, the greater the intention to share knowledge will be.

According to the economic exchange theory, individuals habitually behave by rational self-interest. Individuals will share their knowledge only when its rewards exceed its costs (Bock & Kirn, 2002). As pointed out by several researchers (i.e., Bartol & Srivastava, 2002; Ipe, 2003; Reige, 2005), employees are often reluctant to share critical knowledge as it is considered a source of power, as leverage, or as a guarantee of continued employment. Hence, unless there is some kind of positive reward system (e.g., appreciation and recognition, monetary rewards, promotion, educational opportunity), employees will continue to withhold their knowledge. That is why many organizations today use reward systems to promote knowledge sharing. Thus, expected extrinsic rewards are conceived to encourage more positive attitudes toward knowledge sharing, leading to the second hypothesis.

> Hypothesis 2: The greater the anticipated extrinsic rewards are, the more favorable the attitude toward knowledge sharing will be.

The social exchange relationship is a key determinant of individuals’ attitudes when they are manipulated by their social and organizational contexts, particularly in a situation where knowledge is exchanged. Social exchange establishes bonds of friendship with and/or superordination over others, and engenders diffuse, unspecified obligations. The main focus is with the relationship itself without the necessity of any extrinsic benefit that might directly follow (Bock *et al.,* 2005). As noted by Bock and Kirn (2002), “the benefits involved in social exchange do not have an exact price in terms of a single quantitative medium of exchange, and the nature of the return cannot be bargained about. This is why only social exchange tends to engender feelings of personal obligation, gratitude, and trust.” In the context of knowledge sharing, if a newcomer receives an initial offer of useful knowledge, this will develop a friendly relationship and the newcomer will feel obligated, although not necessarily so, to reciprocate. If the reciprocation is done properly, trustworthiness and exchange relations will be established (Bock & Kirn, 2002). Thus, it can be argued that reciprocity affects individuals’ willingness to engage in social exchange. This results in the third hypothesis.

> Hypothesis 3: The greater the anticipated reciprocal relationships are, the more favorable the attitude toward knowledge sharing will be.

In an organization, individuals’ sense of self-worth can be enhanced by sharing valuable and constructive knowledge that improves the work of others and/or organizational performance. When employees share expertise useful to the organization, they gain confidence in terms of what they can do and this in turn may increase their sense of self-worth. As several researchers have found, employees who believe that their contributions can enhance the organizational performance and help others will develop a positive attitude toward knowledge sharing (i.e., Bock & Kirn, 2002; Kankanhalli, Tan, & Wei, 2005; Lin, 2007a; Lin & Lee, 2004). That in turn would render these employees more likely to develop favorable attitudes toward knowledge sharing. Defining this cognition as an individual's sense of self-worth from their knowledge-sharing behavior leads to our fourth hypothesis.

> Hypothesis 4: The greater the sense of self-worth is through knowledge-sharing behavior, the more favorable the attitude toward knowledge sharing will be.

It is believed that a sense of self-worth influences individuals' behaviors in directions congruent with the prevailing group and organizational norms (Huber, 2001). The reference group's norms become the internalized standard against which individuals judge themselves (Bock *et al.*, 2005, p. 93). Thus, in addition to the direct effect of sense of self-worth on attitude, this study hypothesizes that individuals characterized by a high sense of self-worth through their knowledge sharing are more likely to both be aware of the expectations of significant others regarding knowledge sharing behaviors and comply with these expectations. This reasoning leads to the fifth hypothesis.

> *Hypothesis 5:* The greater the sense of self-worth is through knowledge sharing behavior, the greater the subjective norm to share knowledge will be.

Subjective norms are considered the second antecedent of behavioral intention. So and Bolloju (2005) defined them as "the individual's perception that most people who are important to him or her think he or she should or should not perform the behavior in question." The subjective norm construct has received substantial empirical support as an imperative antecedent to behavioral intention (Lin & Lee, 2004; So & Bolloju, 2005; Xu & Quaddus, 2005). This leads to the study's sixth hypothesis.

> Hypothesis 6: The greater the subjective norm is to share knowledge, the greater the intention to share knowledge will be.

Subjective norms, through social influence processes, can have an important influence on attitudes. This means that when individuals' beliefs match those of the referent, the individuals will voluntarily perform a behavior congruent to those of the referent. Bock and Kim (2002) stated that such voluntary behaviors are largely a function of identification and internalization. Lewis, Agarwal, and Sambamurthy (2003) neatly summarized these functions:

> Via internalization, the individual incorporates the opinion of an important referent as part of her own belief structure: in essence, the referent's beliefs become one's own. Via identification, the individual seeks to believe and act in a manner similar to those possessing referent powers (662).

In other words, the more individuals are motivated to conform to group norms, the more their attitudes tend to be group-determined rather than individual-determined (Bock *et al.*, 2005). Thus, this study posits that subjective norms regarding knowledge sharing will influence organizational members' attitudes toward knowledge sharing. This leads to the seventh hypothesis.

> Hypothesis 7: The greater the subjective norm is to share knowledge, the more favorable the attitude toward knowledge sharing will be.

To establish an effective knowledge-sharing culture, organizations need to create a long-lasting, open, and caring climate. Such a climate enhances individuals' interaction and, as a result, their learning and knowledge exchange. As discussed earlier, the study has identified four aspects of organizational climate that are conducive to knowledge sharing: fairness, innovativeness, affiliation, and trust. Fairness, which reflects the perceptions that an individual has about the organization, management, and fellow workers, can greatly influence his/her willingness to share knowledge with other members (Sharkie, 2005). If organizational practices are equitable, a trusting relationship between employees will be developed and will thus serve to overcome the dilemma associated with knowledge sharing. Fairness, therefore, can lead employees toward knowledge-sharing behaviors. Innovativeness reflects a strong culture of continuous improvement and learning that emphasizes problem seeking and solving where individuals are constantly encouraged to generate new ideas, knowledge, solutions, and reasoned risk-taking (Wong, 2005). Accordingly, individuals working in innovative work environments are more likely to share new and creative ideas with each other than those in non-innovative work environments. Affiliation is the sense of togetherness among an organization's members that reflects the caring and pro-social behavior critical to inducing an organization's members to help one another (Bock *et al.*, 2005). Finally, trust is defined as one’s willingness to be vulnerable against the actions of another; it is grounded on a belief that an exchange partner will not act in self-interest at one's expense or expectation (Lang, 2004). Trust between employees exemplifies the extent to which individuals participate in both open dialogue and the free flow of knowledge. Hence, trust is a vital element favorable to individuals’ willingness to share knowledge. Combining these ideas with arguments outlined earlier, this study hypothesizes that organizational climate affects individuals' intentions to share knowledge in two ways. First, institutional structures influence the salience of subjective norms. This leads to the eighth hypothesis.

> Hypothesis 8: The greater the extent to which the organizational climate is perceived to be characterized by fairness, innovativeness, affiliation, and trust, the greater the subjective norm to share knowledge will be.

Second, organizational climate is also expected to directly influence individuals' intentions to share knowledge. Bock *et al.* (2005) state that in the collectivist culture cultural factors such as group conformity and face saving can directly affect intentions. As Thailand is considered to be among the collective countries and our data collection is limited to a sample of Thai firms, the unique character of Thai culture is taken into consideration. Thus, given the research context, organizational climate is anticipated to directly influence employees' behavioral intentions to share knowledge, which leads to our final hypothesis.

> Hypothesis 9: The greater the extent to which the organizational climate is perceived to be characterized by fairness, innovativeness, affiliation, and trust, the greater the intention to share knowledge will be.

Research Method and Analysis

To test the proposed research model, the study adopted the survey method for data collection, and examined hypotheses by applying the structural equation model (SEM) method using LISREL 8.54 to the collected data. Our unit of analysis was the individual.

Survey Instruments

A questionnaire was designed to gather information on motivational drivers conducive to individuals' knowledge sharing behaviors in Thailand. The survey's items were adapted from previous studies (Bock *et al.*, 2005; Kim & Lee, 2006). Since the survey items were in English, the questionnaire was sent to Ramkhamhaeng University language institution for Thai translation. Additionally, to ensure that the questionnaire was free of content and wording problems, the translated questionnaire was sent for experts' reviews to ensure accuracy and appropriate back-translation. Before the actual survey administration, a pilot study was undertaken to ensure internal reliability of research items. The questionnaire was sent to 40 sales representatives. Cronbach alpha using the SPSS 13.0 program was used to assess the internal reliability of the research instruments. The pilot survey responses showed that the survey items had reliability scores above 0.70, indicating an acceptable level of internal consistency (Nunnally, 1978). Additionally, for each of the construct's items, the corrected item-total correlation values exceeded 2.00. This means that the items for each of the constructs are capable of independently measuring the construct. Due to our satisfaction with the pilot results, all of the items were retained for the actual survey administration. The scale reliability value of the pretest is .9456.

Samples and Data Collection

In Thailand, the number of pharmaceutical companies is myriad and the number of sales representatives in the industry is unidentified; hence, the questionnaires were distributed to companies that are listed with the Pharmaceutical Research & Manufacturers Association (PReMA). PReMA was established as a non-profit and non-government organization to represent Thailand's pharmaceutical manufacturers and associated companies. The listed companies are leaders in Thailand's R&D, production, and marketing of high-quality medicines (Pharmaceutical Research and Manufacturers Association, 2008). This study used a simple random sampling technique to collect data. To determine the sample size, the study used Cochran's formula. The calculated sample size was 323. A total of 900 questionnaires were mailed, and 374 questionnaires were returned and used for the analysis. Table 1 sets out the demographic characteristics of respondents.

Table 1: Demographic Characteristics of Respondents

		Frequency	Percentage
Gender	Male	179	47.86
	Female	195	52.14
	Total	374	100.00
Age	Less than 21	3	0.80
	21~29	124	33.16
	30~34	118	31.55
	35~39	67	17.91
	40+	62	16.58
	Total	374	100.00
Education	High school	28	7.49
	College (2 years)	25	6.68
	University (4 years)	272	72.73
	Graduate school	46	12.30
	Post graduate	1	0.27
	Missing	2	0.53
	Total	374	100.00
Position	Sales representative	291	77.81
	Supervisor	43	11.50
	Manager	37	9.89
	Director	2	0.53
	Missing	1	0.27
	Total	374	100.00
Work Experience (in years)	0~3	94	25.13
	3~6	93	24.87
	6~9	44	11.76
	9~12	58	15.51
	12+	85	22.73
	Total	374	100.00

Analytical Technique

The data were analyzed using LISREL 8.54, a software package based on SEM techniques. The SEM technique allows the use of multiple indicators to measure constructs and account for measurement errors. Additionally, it permits the evaluation of causal relationships among multiple interested constructs simultaneously (Janz & Prasarnphanich, 2003). Since the model is based on existing theoretical foundations and well-validated scales, and since this research attempted to account for the observed covariance, LISREL was used to test the conceptual research model of this study.

To test the validity and reliability of the research model, Confirmatory Factor Analysis (CFA) was adopted in this study. The covariance structure model is comprised of two parts: the measurement model and the structure model. Numerous researchers have proposed a two-stage model-building process for applying SEM in which the measurement models (or confirmatory factor models) are tested before testing the structural model (Lin & Lee, 2004). The measurement model specifies how hypothetical constructs (latent) are measured in terms of observed variables (Hong, *et al.,* 2004), while the structural model specifies causal relationships among the latent variables (Lin & Lee, 2004). Additionally, to ensure that the model fit the data, model-fit analysis was performed. The overall model fit was assessed in terms of seven common measures: chi-square/degree of freedom, goodness-of-fit index (GFI), adjusted goodness-of-fit index (AGFI), normalized fit index (NFI), non-normed fit index (NNFI), comparative fit index (CFI), and root mean square error of approximation (RMSEA).

Measurement Model

In this study, there are two second-order variables: organizational climate and knowledge-sharing intention. The study treated the indicators of organizational climate as informative and the indicators of intentions as reflective. Organizational climate is measured by four indicators: fairness, innovativeness, affiliation, and trust. As shown in Table 2, all four indicators were sufficient and

Table 2: CFA Results of Measurement Model

Construct/measure	Loading	T-value	CR	AVE	α
Anticipated extrinsic rewards			0.810	0.681	0.8066
AER1	0.98	9.49			
AER2	0.72	8.78			
Anticipated reciprocal relationships			0.866	0.568	0.8808
ARR1	0.42	13.99			
ARR2	0.39	12.97			
ARR3	0.46	15.75			
ARR4	0.53	19.78			
ARR5	0.56	19.97			
Sense of self-worth			0.911	0.671	0.9097
SSW1	0.52	16.52			
SSW2	0.60	18.35			
SSW3	0.59	19.79			
SSW4	0.62	19.83			
SSW5	0.59	19.95			
Fairness			0.824	0.611	0.8185
FAI1	0.70	18.38			
FAI2	0.56	15.92			
FAI3	0.66	15.65			
Innovativeness			0.853	0.662	0.8535
INN1	0.63	18.77			
INN2	0.59	17.10			
INN3	0.62	18.06			
Affiliation			0.898	0.690	0.9051
AFF1	0.59	17.09			
AFF2	0.54	16.10			
AFF3	0.71	21.87			
AFF4	0.70	21.87			
Trust			0.840	0.567	0.8473
TRU1	0.50	16.55			
TRU2	0.50	16.77			
TRU3	0.55	17.31			
TRU4	0.49	13.31			
Attitude toward knowledge sharing			0.753	0.432	0.6715
ATK1	0.37	10.94			
ATK2	0.17	3.15			
ATK3	0.45	13.74			
ATK4	0.55	19.26			
ATK5	0.57	18.24			
Subjective norm			0.897	0.596	0.8554
NOB1	0.61	17.69			
NOB2	0.62	19.67			
NOB3	0.57	18.55			
MTC1	0.55	17.60			
MTC2	0.48	4.13			
MTC3	0.44	13.29			
Intention to share knowledge			0.888	0.615	0.8878
IEK1	0.49	16.19			
IEK2	0.43	13.32			
IIK1	0.57	19.73			
IIK2	0.55	20.92			
IIK3	0.54	18.58			

Note: Based on Fornell & Larcker (1981); (1). CR can be calculated as follows: (sum of standardized loading) 2 / (sum of standardized loading) 2 + sum of indicator measurement error). (2). AVE can be calculate as follows: (sum of squared standardized loading) / (sum of squared standardized loading + sum of indicator measurement error) applicable for measuring the latent construct. In other words, organizational climate can be perceived, at least in the context of this study, by its indicators. Moreover, in terms of knowledge to be shared, individuals preferred to share implicit rather than explicit knowledge. This might suggest that Thai people are more socialized in the sense that they are more willing to spend time with fellow employees to assist them in resolving their problem(s) rather than referring them to some work manuals or reports. This reflects the nature of the Thai people, characterized by openness, consideration, and compassion.

To validate the measurement model, three types of validity were evaluated: content validity, convergent validity, and discriminant validity. Content validity was established by ensuring consistency between the measurement items and the extant literature. This was done by experts' review and pilot-testing the instrument. The convergent validity was examined using composite reliability (CR) and average variance extracted (AVE) from the measures (Hair *et al.* as cited in Bock *et al.*, 2005). CR seeks to ensure that the "measures of constructs that theoretically *should* be related to each other are, in fact, observed to be related to each other" (Trochim, 2006). As shown in Table 2, CR values ranged from 0.753 to 0.911, which were above the 0.70 threshold for field research (Hair *et al.* as cited in Lin, 2007b). For AVE, a score of 0.50 indicates acceptability (Hair *et al.* as cited in Lin, 2007b). Table 2 shows that AVE values ranged from 0.432 to 0.690, which indicated that most constructs, with the exception of ATK (Attitude Toward Knowledge Sharing) were above the level for acceptability. In addition, Table 2 exhibits loadings of the measures and t-values. In general, the t-values are considered significant if they are greater than 2 or 2.576 (Hong *et al.*, 2004). As expected, all measures were significant on their path loadings at the level of 0.01. Moreover, as shown in Table 2, all indicators were then submitted to reliability analysis via Cronbach alpha coefficient using the SPSS 13.0 program. Cronbach alpha measures how well a set of items (or variables) measures a single unidimensional latent construct. Theoretically, 0.70 is an acceptable level (Nunnally, 1978). As with CR, all constructs showed an acceptable level of reliability except for ATK.

Finally, the discriminant validity (DV) of the instrument was examined by looking at the square root of the average variance extracted as recommended by Fornell and Larcker (as cited in Lin, 2007b). DV seeks to ensure that "measures of constructs that theoretically should not be related to each other are, in fact, observed to not be related to each other" (Trochim, 2006). The result in Table 3 confirms DV: the square root of the average variance extracted for each construct is greater than the levels of correlations involving the construct. The results of the inter-construct correlations also show that each construct shares larger variance with its own measures than with other measures. In addition to validity assessment, multicollinearity was also performed due to the relatively high correlations among some variables (e.g., a correlation of 0.619 between SSW and ARR or 0.534 between SUN and INN). The resultant variance inflation factor (VIF) values for all of the constructs are acceptable (i.e., between 1.080 and 2.037). In general, a VIF value greater than 10 is of concern (Rathor, 2004).

Table 3: Correlation Between Constructs

	AER	ARR	SSW	FAI	INN	AFF	TRU	ATK	SUN	ISK
AER	0.825									
ARR	0.038	0.754								
SSW	0.142	0.619	0.819							
FAI	0.063	0.243	0.259	0.782						
INN	0.052	0.273	0.320	0.464	0.814					
AFF	0.124	0.202	0.220	0.389	0.403	0.831				
TRU	-0.002	0.282	0.214	0.381	0.379	0.642	0.753			
ATK	-0.077	0.481	0.404	0.290	0.392	0.368	0.455	0.657		
SUN	0.000	0.442	0.436	0.363	0.534	0.414	0.424	0.565	0.827	
ISK	-0.021	0.486	0.495	0.248	0.419	0.297	0.323	0.613	0.740	0.784

Note: The shaded numbers in diagonal row are square roots of the average variance extracted.

The model-fit analysis was then performed to ensure the rectitude of the model. The model-fit was estimated using various indices provided by LISREL 8.54. The results are presented in Table 4. The overall chi-square statistic for the model was significant (χ^2 = 1,072.85, p = 0.00). The ratio of the chi-square value relative to the degree of freedom (χ^2 / df = 1,072.85/752 = 1.427) was within the recommended value of 3 (Carmines & McIver as cited in Lin, 2007b) which indicated a good model. GFI and AGFI were 0.88 and 0.86, respectively. CFI, NFI, and NNFI are three other indices of fit. Values normally range from 0 to 1, with values greater than 0.9 representing reasonable model fit. This study observed values of 0.99, 0.97, and 0.99 for CFI, NFI, and NNFI respectively, all indicating good model fit. Finally, RMSEA illustrates the discrepancy between the proposed model and the population covariance matrix. The value was 0.034, which was within the recommended cut-off value of 0.08 for good fit (Byrne as cited in Lin, 2007b).

Structural Model

The casual structure of the hypothesized research model was tested using SEM. Model testing was based on estimating the overall fit indices of the structural model, as listed in Table 4. The ratio to degrees-of-freedom was 0.978 for the structural model, again within the recommended level of 3. Comparison of other fit indices with their corresponding recommended values provided evidence of a good model fit (GFI=1.00, AGFI=0.98, CFI=1.00, NFI=1.00, NNFI=1.00, and RMSEA=0.00). In sum, all the model-fit indices exceeded their respective common acceptance levels, suggesting that the model fit well with the data and that an examination of path coefficients can be commenced.

Table 4: CFA Model Fit Indices

Goodness-of-Fit Statistics	Recommended value	Measurement model	Structural model
Chi-Square (χ^2)	N/A	1,072.85	3.91
Probability Level (p)	N/A	0.00	0.42
χ^2/df - adjusted chi-square	$\leq$ 3.00	1,072.85 / 752 = 1.427	3.91/4 = 0.978
Goodness-of-Fit Index (GFI)	$\geq$ 0.90	0.88	1.00
Adjusted Goodness-of -Fit Index (AGFI)	$\geq$ 0.80	0.86	0.98
Comparative Fit Index (CFI)	$\geq$ 0.90	0.99	1.00
Normed Fit Index (NFI)	$\geq$ 0.90	0.97	1.00
Non-Normed Fit Index (NNFI)	$\geq$ 0.90	0.99	1.00
Root Mean Square Error of Approximation (RMSEA)	$\leq$ 0.10	0.034	0.00

Note: The recommended value was obtained from Lin (2007b, p. 127)

Hypotheses Testing

SEM was performed to examine the hypothesized relationships among the constructs in the model. The results are discussed in the following sequence: standard TRA constructs (Hypotheses 1, 6, and 7), psychological antecedents to these TRA constructs (Hypotheses 2, 3, 4, and 5), and organizational climate (Hypotheses 8 and 9). Properties of the casual paths, including path coefficients and t-values for each equation in the hypothesized model, are presented in Figure 2.

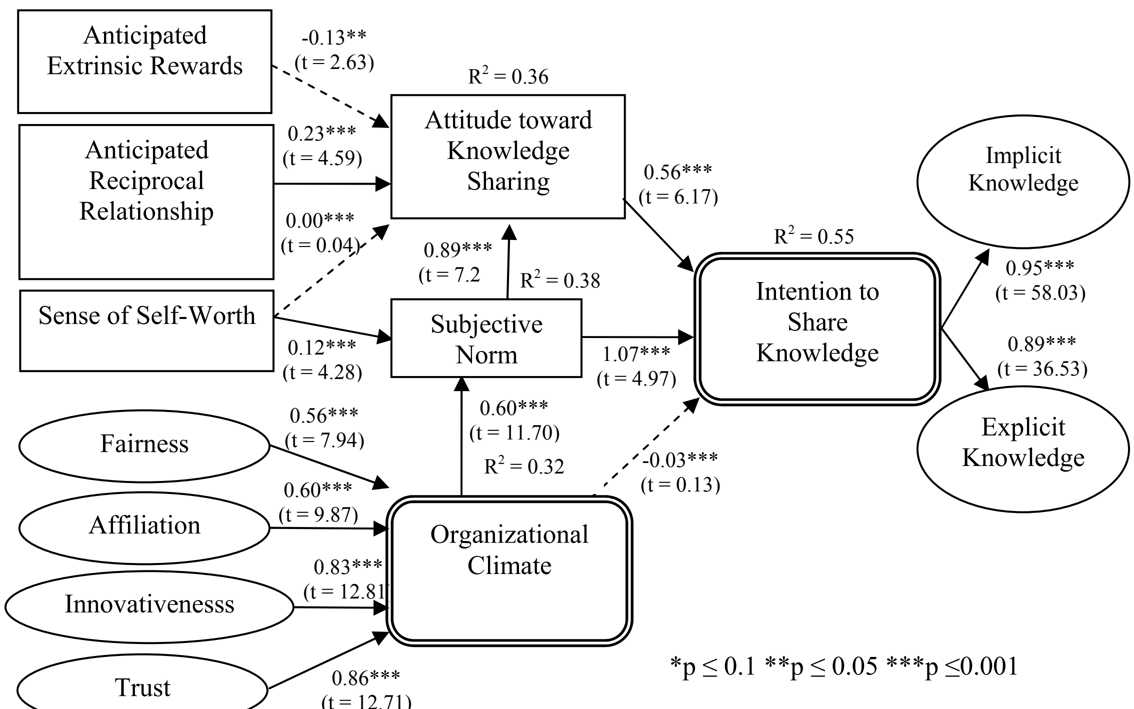

Figure 2. Results of structural model

As shown in Table 5, the analytical results supported the hypotheses. H1 predicts a positive relationship between attitude toward knowledge sharing and individuals' intentions to share knowledge. The analytical results supported H1, with a significant path coefficient of 0.56 ($p < 0.001$). Additionally, H6 predicts a positive relationship between subjective norm and intention to share knowledge. Subjective norm produced a path coefficient of 1.07 ($p < 0.001$), which indicates positive association. H7 is also supported with a path coefficient of 0.89 ($p < 0.001$). H7 argues that subjective norm can influence individuals' knowledge sharing intentions indirectly via attitude toward knowledge sharing. The positive linkage fortifies the argument that subjective norms can influence intentions both directly and indirectly (through attitudes), particularly within cultural contexts characterized by a strong group orientation, such as is the case with Thai organizations.

Table 5: Hypothesis Testing Results

Hypothesis	Path Coefficients	T-value	Result
H1: Attitude toward Knowledge Sharing → Intention to share knowledge	0.56	6.17	**Supported**
H2: Anticipated Extrinsic Rewards → Attitude toward Knowledge Sharing	- 0.13	2.63	**Not Supported** (significant but in opposite direction)
H3: Anticipated Reciprocal Relationship → Attitude toward Knowledge Sharing	0.23	4.59	**Supported**
H4: Sense of self-worth → Attitude toward Knowledge Sharing	0.00	0.04	**Not Supported**
H5: Sense of self-worth → Subjective norm	0.12	4.28	**Supported**
H6: Subjective norm → Intention to share knowledge	1.07	4.97	**Supported**
H7: Subjective norm → Attitude toward Knowledge Sharing	0.89	7.23	**Supported**
H8: Organizational Climate → Subjective Norm	0.60	11.70	**Supported**
H9: Organizational Climate → Intention to share knowledge	-0.03	0.13	**Not Supported**

Assorted results were obtained for the antecedents to the standard TRA constructs. H3 and H5 displayed significant relationships in the hypothesized direction with path coefficients of 0.23 ($P < 0.001$) and 0.12 ($P < 0.001$) respectively. These findings indicated that, at least in the Thai context, relational motivators rather than expectations of extrinsic rewards positively influence individuals' attitude toward knowledge sharing. Conversely, the anticipation of extrinsic reward, as posited in H2 (path coefficient equals to -0.13 ($P < 0.05$), was negatively correlated with attitude toward knowledge sharing, which suggested that extrinsic rewards hinder rather than facilitate the formation of positive attitudes toward knowledge sharing. It is noteworthy that a sense of self-worth seemed to influence attitudes toward knowledge sharing indirectly through subjective norms (H5 being significant and positively related) rather than directly (H4 being non-significant with path coefficient of 0.00). This finding implies that Thai people tend to be confined within their respective group rather than wanting to be prominent, which reflects the strong collectivist orientation of Thai organizations. Thai people preferred to be more humble and modest rather than to stand out from the rest of the group.

Finally, with regard to organizational climate, the findings also showed diverse results. As posited, with a path coefficient of 0.60 ($p < 0.001$), organizational climate influences individuals' intentions to share knowledge indirectly through subjective norms (H8). On the contrary, H9 which posits that organizational climate directly influences intention to share knowledge showed negative correlation. This finding solidified the general belief that Thai people are more group-oriented in preference to individualism. Thai people tend to think and/or behave in a way that is congruent with the referent group rather than with personal beliefs or preferences.

Findings

This study attempted to evaluate motivational drivers that affect individuals' attitudes toward and intentions to share knowledge. The results provide important insights for organizational leaders and managers.

Unlike previous studies, this study found a negative association between a felt need for extrinsic rewards and the development of favorable attitudes toward knowledge sharing. While such a finding might merely be a reflection of the study's design or the specific extrinsic reward mechanisms applied by the sampled organizations, plausible explanations do exist for such an observation. As explained by Bock and Kirn (2002), rewards, like punishment, can have a punitive effect. Rewards may impede relationships. For someone to win someone else has to lose. When employees compete for a limited number of incentives, they will see each other as competitors to their own success. Moreover, Bock *et al.* (2005) suggested that extrinsic rewards are only useful at securing temporary compliance, and mismatches between employees' and management's perception regarding suitable extrinsic rewards for the encouraged behaviors may well exist.

In Thailand, social relationships are grounded in smooth, pleasant interpersonal interactions that avoid conflict. Thai people prefer to be non-assertive, polite, humble, and relaxed (Niphon, 2008). They often avoid being overly aggressive and stay away from creating conflict with other members of society. This might be the reason why the respondents reacted pessimistically toward the anticipation of extrinsic rewards, especially if they would have to compete with others to achieve the rewards. Another probable explanation might be the fact that in Thailand employees are expected to obey and follow their employers' instructions regardless of whether there is a reward. It is a case of "you do what I tell you to do or else." Moreover, in most instances, the reward, if any at all, is predetermined by the employers. Therefore, whether the rewards are liked or not liked, they constitute what employees will receive for a job well done. Hence, reward as a motivator is considered indifferently by the respondents.

An individual's attitude toward knowledge sharing is driven by anticipated reciprocal relationships regarding knowledge sharing and the subjective norm regarding knowledge sharing. Reciprocity or the mutual give-and-take relationship of knowledge can facilitate knowledge sharing between individuals. In Thai culture, most interactions are believed to be honest and sincere, and the Thais are bound to sincere and deep reciprocal relationships. *Bunkhun,* sometimes defined as indebted goodness, is a psychological tie between two parties where an individual, out of kindness, renders another person assistance and favors, and the latter remembers the goodness done and is always ready to reciprocate the kindness. Reciprocity of kindness, particularly the value of being grateful, is highly valued in Thai society. Thais have been socialized to value this grateful (*Katanyu*) quality in a person (Niphon, 2008).

Subjective norm significantly influences individuals' attitudes toward knowledge sharing. In a collectivist society, such as Thailand, people highly value group formality, co-existence, and interdependence. As explained by Schwartz (cited in Gambrel & Cianci, 2003, 147), collectivism is "... giving priority to in-group goals over personal goals." In this sense, the group exerts a strong influence on how individuals think and behave. If the group encourages knowledge sharing behavior, then members will develop favorable attitudes toward knowledge sharing. In short, in a collectivist culture, belief is placed in group decisions.

An individual's sense of self-worth intensifies the salience of the subjective norm regarding knowledge sharing. In Thailand, people focus on the sense of belonging to organizations where membership is ideal. The importance of one's self-worth or social identity is determined by the group values and how individuals behave in accordance with the values. People as an in-group seek satisfaction from the group acceptance and recognition. People are taught to think of themselves in terms of "we" rather than "I" (Gambrel & Cianci, 2003). Hence, people are cautious not to stand out or demonstrate signs of initiative. In this context, group values and acceptance directly predict the psychological well-being or self-esteem of an individual. This is why a sense of individual self-worth shows no association with attitude toward knowledge sharing; it is through the subjective norm that the attitude toward knowledge sharing develops.

The formation of subjective norms regarding knowledge sharing is manipulated robustly by an organizational climate that supports knowledge sharing, operationalized here as fairness, innovativeness, affiliation, and trust. Like previous studies, this study found that an organizational climate that promotes knowledge sharing influences its members to share their knowledge (i.e., Bock *et al.*, 2005; Janz & Prasarnphanich, 2003; Lee, Kim, & Kim, 2006). In the study, organizational climate was found to affect obliquely, but not directly, individuals' intention to engage in knowledge-sharing behaviors. Possibly, this is because Thai people embrace their respective groups' beliefs, values, and conducts over their own. The group exerts a strong influence on how a person perceives and evaluates the conduct of his/her organization.

This study has provided additional verification that in the collectivist culture subjective norms are likely to affect, both directly and indirectly through attitude, behavioral intentions. Moreover, the institutional structures within which individuals operate influence behavioral intentions. However, in contrast to the research of Bock *et al.* (2005), this research found that organizational climate influences behavior only indirectly through subjective norms. Perhaps this indicates that within a collectivist society, such as in Thailand, people value their groups more dearly than do people in other kinds of societies. However, it is very possible that such an outcome is limited to behaviors largely constituted through the sampled organizations and/or industry. Furthermore, it is noteworthy that in terms of knowledge-sharing intentions, Thai people preferred to share implicit knowledge rather than explicit knowledge. This demonstrated that the Thais favored personal interaction and connection within their respective groups as opposed to referring their colleagues to work manuals.

Managerial and Leadership Implications

Based on the findings, several recommendations are proposed to those leading KM initiatives or otherwise wanting to encourage knowledge sharing within their organizations (Kaweevisultrakul, 2008).

First, social relationships and interpersonal interactions should be encouraged. As the results indicate, Thai people treasure personal relationships and feel indebted to those who have helped them. Thai organizations may wish to employ a mentoring system to assist employees who are in need of assistance so that those employees feel grateful and, as a result, also feel obligated to return the favor whenever an opportunity permits. Additionally, employees may value such practices as organizational traditions and values and may themselves seek an opportunity to assist others. These social exchange relationships are apparently crucial in driving knowledge-sharing intentions.

Second, organizations need to build collective trust within the workplace. Trust is often cited as one of the most important drivers in the knowledge sharing process. Without trust, knowledge sharing will not occur. People tend to feel anxious that essential knowledge might be illegally or inappropriately used or stolen, and knowledge sharers are thus tempted to deliberately exclude valuable knowledge from the sharing process. Trust can be enhanced by promoting social interaction. As Kaweevisultrakul and Chan (2007) found, interactive cultures provide an opportunity for individuals to interact and become familiar with each other, and hence develop a valuable degree of trust among co-workers. Interaction between individuals is crucial to the innovation process. Communication between individuals or groups must be both formally and informally encouraged, since effective communication is often the foundation for the creation of new ideas and new knowledge.

Third, as suggested by Bock *et al.* (2005), organizations should seek to support the formation and maturation of robust referent communities within the workplace, particularly to provide suitable feedback to those who engaged in (or did not engage in) knowledge sharing. Such actions will exert strong pressure on one's referent groups (e.g., peers, supervisors, senior managers) to engage in knowledge sharing behaviors and may also enhance the individual's sense of self-worth.

Fourth, organizations should make certain that their conduct is justified and fair to all employees. In Thailand, a majority of employees often experience negligence and unfairness. People who are closer to top management, the “favorites,” tend to have more opportunity than those who are not. Mistreating employees generates lack of trust and dissuades employees from participating in the knowledge sharing process or from "giving it their all" (Kaweevisultrakul & Chan, 2007). An employee might ask: If my boss does not trust me, why should I help him/her improve his/her company? Thus, it is imperative that managers provide equal opportunities for all employees.

Fifth, in a collectivist culture, people tend to preserve their “faces” or dignities within the community. Therefore, when knowledge sharing is encouraged, very negative comments or feedback should be kept to a minimum. This is because when a person receives a negative and/or unconstructive response, especially from management, he/she will tend to avoid sharing knowledge in the future. Moreover, such responses will inhibit other members from sharing knowledge because they may want to avoid possible humiliation. As suggested by Kaweevisultrakul and Chan (2007), it is a known fact that most Asians, particularly older people, are uneasy about losing face. When sharing ideas, Asians tend to remain silent much of the time. This is to make sure that they will not say anything silly or unconstructive that might in turn humiliate them.

Sixth, management involvement in the knowledge sharing process is crucial. This is because followers tend to look up to their leaders for guidance. If managers themselves refuse to participate in the process, followers may develop pessimistic perceptions about that process. For instance, one of the barriers identified by Riege (2005) is the fear that sharing may reduce or jeopardize job security. In this sense, if managers withhold knowledge to protect their positions within an organization, then followers will be tempted to do the same.

Seventh, companies need to minimize and effectively balance the degree of internal competition between business units, functional areas, and subsidiaries (Riege, 2005). This is because if the degree of competition is high, business units will hold back important knowledge to protect their competitiveness. In other words, the degree of competition affects trust between business units and may lead to the failure of the knowledge sharing process.

Eighth, organizations should not put too much emphasis on extrinsic rewards, especially for individuals, as primary motivators within knowledge sharing initiatives. This is because in the collectivist society such motivators will disrupt personal well-being, affiliation, and trust within the community. Alternatively, organizations can utilize team-based rewards to promote knowledge sharing behaviors in the workplace. As Bartol and Srivastava discovered (2002), team-based rewards enhance team members' knowledge-sharing behaviors since knowledge sharing is seen as an instrument in accomplishing the task. Moreover, without continual reward systems, extrinsic rewards tend to promote only temporary compliance.

Finally, expatriate managers should first learn the culture where they work—in this case Thai culture—before criticizing their colleagues' work performances. This is to prevent the managers from unintentionally insulting their colleagues, since Western managers tend to be more assertive and aggressive than their Asian counterparts. As Riege points out (2005), differences in national culture or ethnic background, along with the values and beliefs that constitute part of those differences (and language is certainly an important element of this), can create barriers to knowledge sharing.

Limitations and Future Research

The findings from this study must be interpreted in light of the study's limitations. First, the study took into consideration only motivational factors identified by the research of Bock *et al.* (2005) and by one variable from Kim and Lee (2006). Thus, other motivational factors acknowledged by other KM scholars and practitioners were disregarded. For this reason, it would be constructive to test other motivational factors to determine their influence on individuals' willingness to share their knowledge and expertise as well; for example in regard to leadership (DeTienne *et al.*, 2004; Goh, 2002; Oliver & Kandadi, 2006; Taylor & Wright, 2004; Wong, 2005), organizational structure (e.g., Kim & Lee, 2006; Oliver & Kandadi, 2006), and/or information technology (e.g., Kim & Lee, 2006; Lee *et al.*, 2006; Lin & Lee, 2006; Wong, 2005). Second, this study focused on the Thai healthcare industry, and its results cannot be interpreted as necessarily applicable to other industries and countries. Therefore, it would be especially useful to conduct similar research on other industries and/or countries for comparative purposes. Third, the data collected are cross-sectional and not longitudinal; hence, the hypothesized causal relationships could only be inferred rather than proven. Fourth, given that the sample size used for this research is moderately small, a larger sample is needed for more robust tests of the hypotheses. A larger sample would also increase the potential generalizability of the findings. Lastly, since the study centered on knowledge sharing within the boundaries of single organizations, it would be useful to look at knowledge sharing with outside members, such as customers, suppliers, and other partners (Hong *et al.*, 2004) to reflect the increasing necessity for involved parties to become more collaborative in today's dynamic business environment.

Conclusion

This study sought to evaluate motivational drivers that encourage individuals' knowledge sharing behaviors, specifically in the Thai healthcare industry. The study used anticipated extrinsic rewards, anticipated reciprocal relationships, sense of self-worth, and four facets of organizational climate (fairness, innovativeness, affiliation, and trust) as motivational factors to examine individuals' knowledge sharing intentions. The results indicated that extrinsic rewards hinder knowledge sharing intention whereas reciprocal relationship promotes knowledge sharing intention. Moreover, individuals' sense of self-worth and organizational climate only indirectly affect individuals' intentions to share knowledge. This is a reflection of the Thai culture, where people tend to focus on group formality, value, and association. Thus, to encourage knowledge sharing behaviors in such a culture, organizational leaders need to promote individuals' relationships and interactions within the workplace.

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The Impact of Transformational Leadership on Small and Medium Enterprises in Trinidad

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This paper focuses on small and medium enterprises in terms of transformational leadership and organization performance. The research population consisted of managers and owners of enterprises in Trinidad, a developing country in the Caribbean. The MLQ (Multifactor Leadership Questionnaire) Form 5X was used to assess the research population. An organization performance instrument was also employed. Correlational data were used to determine relationships between performance and leadership style. No significant relationship between each of the MLQ subscales and organization performance was found. Implications of the study and recommendations for future research are presented.

Key words: leadership style, medium enterprises, organization performance, small enterprises, transformational leadership

The island of Trinidad is the most southerly island in the Caribbean archipelago. The economy of this twin island republic (Tobago is the sister island) is driven by petroleum and natural gas, which contribute significantly to gross domestic product (GDP). Small and medium enterprises (SMEs) are the most prolific business forms in this twin island state.

The SME sector is a significant employer and a major player in the local economy. These firms provide employment for large numbers of individuals. To become globally competitive, these SMEs will require leaders who have a global vision and who can envision—and lead their firms to—the future. The leaders of these firms, who may be owners/managers, set the direction for their firms and drive the business toward existing opportunities.

As noted above, the SMEs need to change and become internationally competitive. This is the reason why transformational leadership, rather than transactional, was chosen as the focus of this research. Transformational leadership is much more appropriate when change is required, while a transactional approach may even inhibit change (McCarthy *et al.*, 2008).

The central problem set by this study was to determine the nature of the relationship that exists, if any, between leadership style and organizational performance as measured by qualitative/quantitative performance measures in Trinidad. The dearth of research on leadership styles in developing countries and in particular on SMEs inhibits the ability of policy makers and institutions to design appropriate interventions to address the needs of this most important constituency.

The results of this research will contribute to the body of knowledge related to SMEs' growth in developing countries as well as extend the applicability of the leadership theories to different environments in developing countries. The recent work of Mujtaba and Balboa (2009) reinforces the importance of differentiating environments when studying leadership behaviors. Additionally, the research could be used as a basis for interventions in the development of the sector through targeted management development based on assessments of the leader's style.

Definition of Terms

Several terms bear definition:

- *Transformational leadership*: The leader's effect on followers—i.e. they feel trust, admiration, loyalty, and respect toward the leader and are motivated to do more than they originally expected to do (Bass, 1985; Northouse, 2000).
- *Small and Medium Enterprise (SME)*: A small enterprise employs between 6 and 25 people and has assets valued between $39,700 and $238,000 and sales between $39,700 and $794,000. (Ministry, 2001) A medium enterprise employs between 26 and 50 employees and has assets valued between $238,000 and $794,000 and sales between $794,000 and $1, 587,000. (Ministry, 2001) (All value in U.S. dollars. US $1 =TT $6.30).
- *Leader*: The owner/manager of the firm in this study.
- *Performance:* The change in quantitative and qualitative variables such as market share growth, revenue growth, asset growth, income growth, and overall performance/success compared to key competitors as reported by the leaders (Allen & Helms, 2002).

Bass (1985) argued that transformational leadership motivated followers by raising their levels of consciousness about their goals and helping them transcend their self-interest and address higher level needs (Northouse, 2000). In the original version of the theory, Bass (1985) included three types of transformational behavior: charisma (also called idealized influence), intellectual stimulation, and individualized consideration. Later, a fourth was added called inspirational motivation. These four transformational behaviors are highly intercorrelated and jointly interact to influence followers (Yukl, 1998).

Components of Transformational Leadership

A fundamental feature of transformational leadership involves motivating subordinates to strive to attain goals and ideals beyond self-interest. Transformational leaders seek to clarify the importance of organizational tasks and actions (Zaccaro, 2001) and develop followers into leaders (Avolio, 1999). Transformational leaders provide an organizational vision and mission which elicit an emotional attachment by subordinates to the leader and communicate strong performance expectations (Bass & Avolio, 1993; Zaccaro, 2001). Bass (1985) identified four components (the four I's) of transformational leadership:

1. Idealized Influence (Charisma): This leadership behavior results in the creation of role models for followers. Such leaders display conviction, trust, and a values orientation, and they emphasize the importance of purpose, commitment, and ethical consequences of decisions. They do not use power for personal gain, but use the power at their disposal to move individuals toward accomplishing the mission and vision of the organization. They are highly respected, have much referent power, and set challenging goals for their followers to encourage their development (Bass & Avolio, 1993; Avolio, 1999; Bass, 1998, 1997; Bass & Steidlmeier, 1999).
2. Inspirational Motivation: This leadership behavior refers to leaders who inspire and motivate followers to reach ambitious goals that previously

may have appeared unreachable. They raise followers' expectations and communicate confidence that followers can achieve ambitious goals, thereby creating a self fulfilling prophesy (Pygmalion effect). They tend to focus on the best in people, on harmony, charity, and good works (Bass & Avolio, 1993; Avolio, 1999; Bass, 1998, 1997; Bass & Steidlmeier, 1999).

3. Intellectual Stimulation: In this leadership behavior, leaders encourage followers to be innovative and question assumptions and to look at problems in new ways. They encourage followers to express new ideas and do not criticize mistakes publicly. The leaders encourage participation by followers in finding solutions to problems and do not reject followers' ideas if they differ from the leaders' (Bass & Avolio, 1993; Avolio, 1999; Bass, 1998, 1997; Bass & Steidlmeier, 1999).
4. Individualized Consideration: In this leadership behavior, the leader pays particular attention to individual follower needs for achievement and personal growth by becoming a mentor to the follower. The leader is an effective listener and delegates tasks to develop followers. The leader monitors the follower to determine if additional direction and support are required for completion of tasks (Bass & Avolio, 1993; Avolio, 1999; Bass, 1998, 1997; Bass & Steidlmeier, 1999).

Hancott (2005) investigated the relationship between transformational leadership and organizational performance in the top 100 public companies in Canada. He found that transformational leadership was a common style practiced by leaders of the best performing public companies in Canada and that poorer performing companies had lower ratings of transformational leadership. Boerner, Eisenbess, and Griesser (2007) took the study of the relationship between the two variables a step further with their research on a mediating variable and concluded that there is in fact evidence for such a variable.

Significant research has been conducted on the relationship between ownership and firm performance. This relationship is exemplified in the management of small firms versus large firms. It can be argued that a firm owned by the leader/manager will be subject to the personality of the leader/owner.

Singh and Krishnan (2008) addressed one aspect of personality—altruism—in their study of managers in India. They concluded that altruism enhances transformational leadership.

This study investigated the relationship between the transformational leadership style of managers/owners of SMEs in Trinidad and the dependent variable of organization performance. The research question was: Is there a relationship between transformational leadership styles of managers/owners of small and medium enterprises (SMEs) in Trinidad and organizational performance? This question led to the following hypotheses:

Hypothesis 1_0: There was no relationship or a negative relationship between transformational leadership style and organizational performance.

Transformational leadership was divided into the following sub-hypotheses:

Hypothesis 1_{01}: There was no relationship or a negative relationship between Idealized Influence (Attributed) and organizational performance.
Hypothesis 1_{02}: There was no relationship or a negative relationship between Idealized Influence (Behavior) and organizational performance.
Hypothesis 1_{03}: There was no relationship or a negative relationship between Inspirational Motivation and organizational performance.
Hypothesis 1_{04}: There was no relationship or a negative relationship between Intellectual Stimulation and organizational performance.
Hypothesis 1_{05}: There was no relationship or a negative relationship between Individual Consideration and organizational performance.

The independent variable in this study was transformational leadership. The dependent variable in this study was organizational performance.

Operational Definitions

- Idealized Influence (Attributed): Measured using four items. Leaders instill pride in followers and go beyond self-interest for the good of the group. They display a sense of power and confidence. Sample item: Instills pride in others for being associated with him/her (Bass & Avolio, 2004).
- Idealized Influence (Behavioral): Measured using four items. Leaders consider the moral and ethical consequences of decisions and emphasize the importance of a collective sense of mission. Sample item: Talks about his/her most important values and beliefs (Bass & Avolio, 2004).
- Inspirational Motivation: Measured using four items. Leaders behave in ways that motivate followers and provide meaning and challenge to their work. Sample Item: Articulates a compelling vision of the future (Bass & Avolio, 2004).
- Intellectual Stimulation: Measured using four items. Leaders stimulate followers' efforts to be innovative and creative and solicit new ideas and solutions from followers. Sample Item: Gets others to look at problems from different angles (Bass & Avolio, 2004).
- Individual Consideration; Measured with four items. Leaders pay attention to individual needs for achievement and growth. Sample Item: Helps others to develop their strengths (Bass & Avolio, 2004).

Firm performance was measured using a subjective measure developed and validated by Dess and Robinson (1984) and adapted by Allen and Helms (2002). It consists of items that measure overall success/performance, market share growth, net income growth, total asset growth, and total revenue growth compared to key competitors. According to Choi and Lee (2003), subjective performance measures present a "…balanced scorecard and are effective in comparing business units and industries" (407). Each item was measured using a five point Likert scale which ranges from "lowest" (1 – 20%) to "Top" (81-100%). Respondents were asked to compare their organization's performance to competitors' performance for each of the five items over a three year period. The five items were average revenue growth, average asset growth, average net income growth, average market share growth, and overall performance.

Data were collected through a self-reporting questionnaire completed by both the leader and senior employees who report directly to him/her in the SME. The population from which the sample was drawn was the small and medium sized enterprises in Trinidad. In Trinidad, small and medium sized enterprises are defined as follows: small firms are defined as having between 6 and 25 employees and medium sized enterprises are defined as having between 26 and 50 employees (Ministry, 2001).

Data were collected using the MLQ Form 5X (2000). A formal letter was sent to the Chief Executive Officers/General Managers of the targeted companies inviting them to participate in the study. The letter also emphasized the confidentiality of the information provided to the researcher. The questionnaire package was sent to the Chief Executive Officer/General manager/Owner of the SME and contained the cover letter from the researcher, the CEO MLQ questionnaire, four MLQ questionnaires for direct report subordinates, and an addressed, stamped envelope for each questionnaire for return to a local address in Trinidad.

Data Analysis

The data collected were analyzed using the statistical package for the social sciences (SPSS) version 13. Descriptive statistics including frequencies, means, and standard deviations were derived to examine the demographic data, self-reported leadership styles, subordinates' perception of leadership styles, and organizational performance. The 0.05 level of statistical significance was used to test the hypotheses. A correlation matrix of the variables under study was prepared for subordinates and leaders. Multiple regression analysis was used to test the hypothesized relationships between the independent and dependent variables (H01 to H05).

The data were also tested to determine whether the sample was normally distributed. It was also tested for kurtosis and skewness (Hancott, 2005).

Reliability estimates of the MLQ for this sample population have been previously obtained by Hancott (2005). A factor analysis of the study variables was run to determine the goodness of fit of the data (Hancott, 2005).

Assumptions and Limitations

The research design was based on the assumption that the scores for the sample were normally distributed. The correlations were also assumed to be linear among the scores for the leadership styles. The information provided by both leaders and subordinates was assumed to be true and accurate.

The major limitation was the paucity of previous research linking the leadership styles as assessed by the MLQ to organizational performance outcomes. Additionally, few studies have been conducted in developing countries and even less on leadership styles and performance in developing countries.

Another limitation which unfortunately limits the generalizability of the results was the nature of the sample population, which was a convenience sample. The agency in Trinidad responsible for SME development was unable to provide a database of SMEs.

Results and Analysis

A total of 150 small and medium enterprises were sent questionnaire packages. Each package contained one leader questionnaire and four subordinate questionnaires. A total of 145 questionnaire packages were delivered to the convenience sample of small and medium enterprises. A total of 31 companies responded, giving a 21.4 percent response rate. A total of 31 owners/leaders responded, making the response rate for SME owners/leaders 21.4 percent. The total number of subordinates who returned completed questionnaires was 87, which gave a response rate of 15.0 percent for subordinates.

The firm leaders who responded belonged primarily to three categories. Eight (25.8%) were owners, fifteen (48.4%) were Owners/General Managers, and four (12.9%) were General Managers. These data show that owners are actively involved in the management and day to day operations of the businesses.

The responding companies represented a variety of industries. The largest group of respondents (11, or 35.48 percent) was in the category of Finance and Business Services. Other respondents came from Food, Beverage and Tobacco (3), Chemical and Non Metallic Minerals (3), and Hotels and Guest Houses (3).

The leaders who responded managed firms which ranged from 5 to 50 employees, with 50 being the maximum allowed for SME classification. Firms with 20 to 50 employees were most frequent in the sample.

Comparison of Leader and Subordinate Responses

Table 1 shows the descriptive statistics from the total sample of 118 respondents for both the independent and dependent variables. The independent variables were idealized influence (attributed), idealized influence behavior, inspirational motivation, intellectual stimulation, and individualized consideration, which comprise the dimensions of transformational leadership. The dependent variable was organizational performance. The means, standard deviations, and maximum and minimum ranges of values are also presented. Inspirational Motivation had the highest average score (3.08), while Individualized Consideration had the lowest average score (2.69).

Table 1
Descriptive Statistics for all Study Variables in Total Sample (n=118)

Variable	MEAN	S.D.	MIN.	MAX.
Idealized Influence (Attributed)	2.92	0.82	0.5	4
Idealized Influence-Behavior	2.92	0.82	0.00	4
Inspirational Motivation	3.08	0.76	0.50	4
Intellectual Stimulation	2.82	0.77	0.00	4
Individualized Consideration	2.69	0.97	0.00	4
Organization Performance	14.35	4.98	5.00	25

Table 2 provides data on the composite scores for firms in which both leaders and subordinates responded. In this case the sample comprised 30 firms, since only one firm did not have subordinate respondents. The data indicate here again that Inspirational Motivation had the highest average score (3.17) while Individualized Consideration (2.92) had the lowest average score.

Table 2
Composite Scores for Leaders and Subordinates (n=30)

	MEAN	S.D.	MIN.	MAX.
Idealized Influence-Attributed	3.02	0.45	2.00	4.00
Idealized Influence-Behavior	3.01	0.50	1.88	4.00
Inspirational Motivation	3.17	0.48	2.21	3.94
Intellectual Stimulation	2.96	0.39	2.38	3.75
Individualized Consideration	2.92	0.53	1.56	3.94
Organization Performance	14.40	5.06	5.00	25.00

Table 3 presents the descriptive statistics for the leader responses. In this case all leader respondents were included in the analysis. The data showed that the highest response was for Inspirational Motivation (3.31). Interestingly, the leaders' mean responses for the transformational leadership dimensions were consistently high.

Table 3
Descriptive Statistics for Leaders All Variables (n=31)

VARIABLE	MEAN	S.D.	MIN.	MAX.
Idealized Influence-Attributed	3.12	0.67	1.75	4
Idealized Influence-Behavior	3.19	0.59	1.75	4
Inspirational Motivation	3.31	0.53	2.00	4
Intellectual Stimulation	3.19	0.47	2.25	4
Individualized Consideration	3.30	0.53	2.25	4
Organization Performance	14.35	4.98	5.00	25

Table 4 presents the descriptive statistics for the responses from the subordinates' perspective. An analysis of the average responses for the subordinates revealed that the average responses for transformational leadership were fairly consistent with the leader ratings. In this case, the highest mean response from the subordinates' perspective was for Inspirational Motivation (2.99), while the lowest was for Individualized Consideration (2.48).

Table 4
Descriptive Statistics for Subordinates-All Variables (n=87)

VARIABLE	MEAN	S.D.	MIN.	MAX.
Idealized Influence-Attributed	2.85	0.85	0.50	4
Idealized Influence-Behavior	2.82	0.87	0.00	4
Inspirational Motivation	2.99	0.81	0.50	4
Intellectual Stimulation	2.68	0.82	0.00	4
Individualized Consideration	2.48	0.99	0.00	4

Organizational Performance Instrument

The alpha coefficient for the organizational performance instrument was 0.927. This alpha compares favorably with that computed for the scale of 0.95 (Allen and Helms, 2002). Table 5 provides the reliability estimates for each item in the organizational performance scale.

Table 5
Reliability Coefficients - Organization Performance

Item	Alpha
Average Revenue Growth	0.91
Average Asset Growth	0.92
Average Net Income Growth	0.91
Average Market Share Growth	0.91
Overall Performance	0.90

Correlation Analysis

The correlation coefficients were used to determine if there were any relationships between the leaders' leadership style scores and organization performance. The correlations between the independent variables of transformational leadership for leaders were positive, though low (Table 6). These ranged from a low of 0.08 for Intellectual Stimulation to a high of 0.45 for Individualized Consideration. Individual Consideration was positively correlated with Idealized Influence (attributed) (0.45) and was significant ($p<0.05$). Similar results were obtained by Hancott (2005) who surveyed Canadian businesses. There was a statistically significant relationship between Idealized Influence (behavior) and organizational performance ($p<0.05$), though the correlation was negative. This relationship was interesting since the direction of the relationship was unexpected.

Table 6

Pearson Correlation Matrix for Leaders (n=31)

	IIA	**IIB**	**IM**	**IS**	**IC**	**CR**	**MBEA**	**MBEP**	**LF**	**OP**
IIA	1									
IIB	0.14	1								
IM	0.31	0.35	1							
IS	0.08	0.31	0.17	1						
IC	**0.45***	0.23	0.24	0.35	1					
OP	0.07	**-0.45***	0.03	0.13	0.19	-0.12	-0.14	-0.00	0.05	1

* Correlation is Significant at the 0.05 level(2-tailed)
** Correlation is significant at the 0.01level(2-tailed)

IIA = Idealized Influence (Attributed)
IIB = Idealized Influence (Behavior)
IM = Inspirational Motivation
IS = Intellectual Stimulation
IC = Individual Consideration
OP = Organization Performance

Hypothesis Testing

Hypothesis 1_0: There was no relationship or a negative relationship between transformational leadership style and organizational performance.

Hypothesis 1_{01}: There was no relationship or a negative relationship between Idealized Influence (Attributed) and organizational performance.

Hypothesis 1_{02}: There was no relationship or a negative relationship between Idealized Influence (Behavior) and organizational performance.

Hypothesis 1_{03}: There was no relationship or a negative relationship between Inspirational Motivation and organizational performance.

Hypothesis 1_{04}: There was no relationship or a negative relationship between Intellectual Stimulation and organizational performance.

Hypothesis 1_{05}: There was no relationship or a negative relationship between Individual Consideration and organizational performance.

Table 7

Results-Transformational Leadership (Composite)

	Unstandardized Coeff.		Standardized Coeff.		
	B	**S.E.**	**Beta**	**t**	**Sig.**
Constant	9.70	13.65		0.71	0.49
Age group	-1.24	0.765	-0.35	-1.62	0.13
Sex	4.24	3.54	0.40	1.20	0.25
Education Level	4.30	3.18	0.32	1.35	0.20
Firm Size	0.15	0.06	0.49	2.48	0.03
Tenure	0.24	0.82	0.08	0.29	0.78
Leadership Training	2.26	3.67	0.22	0.62	0.55
Management Training	-1.99	3.27	-0.17	-0.61	0.55
Idealized Influence-Attributed	-2.34	3.27	-0.21	-0.71	0.49
Idealized Influence-Behavior	4.41	4.20	0.44	1.05	0.31
Inspirational Motivation	-1.87	2.58	-0.18	-0.73	0.48
Intellectual Stimulation	-2.04	3.48	-0.16	-0.59	0.57
Individual Consideration	3.65	3.03	0.39	1.20	0.25

R=0.822; R^2 = 0.675; Adj. R^2 = 0.327; F=1.939; Sig. 0.112

Table 7 provides some results. Given that the significance (0.49) was greater than the alpha (0.05), the null hypothesis cannot be rejected; therefore there was no support for the hypothesis that there was a positive relationship between Idealized Influence (Attributed) and organizational performance.

Given that the significance (0.31) was greater than the alpha (0.05), the null hypothesis cannot be rejected; therefore there was no support for the hypothesis that there was a positive relationship between Idealized Influence (Behavior) and organizational performance.

Given that the significance (0.48) was greater than the alpha (0.05), the null hypothesis cannot be rejected; therefore there was no support for the hypothesis that there was a positive relationship between Inspirational Motivation and organizational performance.

Given that the significance (0.57) was greater than the alpha (0.05), the null hypothesis cannot be rejected; therefore there was no support for the hypothesis that there was a positive relationship between Intellectual Stimulation and organizational performance

Given that the significance (0.25) was greater than the alpha (0.05), the null hypothesis cannot be rejected; therefore there was no support for the hypothesis that there was a positive relationship between Individual Consideration and organizational performance

The results indicated that none of the transformational leadership variables was significant.

Discussion

Discussion: Research Question and Hypotheses

The research question addressed the relationship between transformational leadership styles of managers/owners of small and medium enterprises in Trinidad and organizational performance. The analyses conducted did not reveal any statistically significant relationships between the transformational leadership style subscales.

Implications of the Study for SMEs in Trinidad

This study's findings add some pieces of empirical evidence to the body of literature on leadership style and organization performance.

The study adds value to the current body of literature on leadership styles as measured by Bass and Avolio's (1990) leadership typology, since it was the first such analysis undertaken on SMEs in Trinidad. This initial study can serve as the platform to further investigate leadership styles and performance in SMEs in Trinidad as well as the wider Caribbean region.

The study thus represents an addition to the literature on leadership of SMEs in a developing country. In the case of Trinidad, which is a developing country, all of the SMEs are privately-held firms; organization performance may not be driven by shareholder value or stock price. Leaders of SMEs may want to develop their subordinates in transformational leadership not only to ensure superior performance, but also to engage in the wider world of international trade, in which they have become inescapably intertwined as a result of globalization. The development of subordinates in transformational leadership can assist firms in recruitment as well as in retention of staff (though this study, of course, provides no evidence to support that possibility).

Several factors influence organization performance, both endogenous and exogenous (Hancott, 2005). In the case of Trinidad, these endogenous factors include availability of resources (finance, trained staff) while exogenous factors include inflation, availability of labor, and economic conditions. Most of these organization factors are not under the direct control of leaders and would not affect performance negatively or positively. In the case of Trinidad, we would note, the exogenous factors in particular have impacted the performance of the SMEs. The country is experiencing full employment as well as positive economic growth with a concomitant scarcity of trained workers.

This study also found that leaders assessed themselves objectively, since their ratings were similar to, though slightly higher than, the subordinate ratings. Similar results were obtained by Hancott (2005). The reason for the similarity in the transformational scores may be due to the proximity of the leaders to their subordinates in SMEs. Subordinates would be familiar with their leaders and with their leadership styles. The leader is able to articulate his vision for the organization and influence his subordinates to perform at higher levels.

Perhaps most importantly, the study begs the question: If transformational leadership is not associated with organizational performance in these SMEs, what factors are associated with that performance? Clearly, our research is not consistent with much previous research that demonstrates a positive relationship between transformational leadership and organizational performance. If the leader is not directly associated with performance, then what factors—endogenous or exogenous—may demonstrate an association? And is it perhaps something in the nature of developing countries—or of Trinidad in particular as a specific culture—that inhibits the role of transformational leadership as a factor in the organizational performance of SMEs? Furthermore, would research using larger organizations in Trinidad yield similar results? Finally, is transformational leadership conceived and practiced differently in different regions of the world, such that it may have a more significant relationship with organizational performance in some regions than in others?

Recommendations for Future Research

It would be useful to replicate this study with a larger sample and with a wider representation of industries/sectors drawn from different geographic regions within Trinidad. Also, it would be useful if SMEs from the island of Tobago were included in the sample.

The financial data should be collected across several performance criteria and would serve to provide a much more accurate measure of performance.

Conclusion

This research on the leadership styles of SMEs is a first step in understanding the SME sector in Trinidad. If SMEs are to survive and grow into large firms, they may have to develop both leaders and subordinates in transformational leadership. To be sure, leadership—and transformational leadership in particular—may be a significant factor in organizational performance in SMEs in Trinidad, despite the findings of this study. Further research on transformational leadership together with other factors may yield positive results in investigations of organizational performance in these SMEs.

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An Empirical Study of Leadership Characteristics in Exploration-Exploitation Units

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This study identifies three propositions highlighting leadership characteristics required for innovative performance. It aims to test these propositions for types of innovation, for example, exploration and exploitation. The study adopts multiple case study design. Four organization units of innovator companies were selected for data collection. Both qualitative and quantitative data were gathered. The study collected evidence from in-depth interview and survey methods. We conducted 40 interviews at innovation units. Participating in the survey were 102 respondents equally distributed in exploration and exploitation innovation units. The sample consists of engineers, research and development managers, and executives. The results support all the propositions. Mean scores indicate that leaders' attitudes for creativity, emotional security to subordinates, and tolerance for mistakes is higher in exploration than exploitation. This research supports the idea that some styles of leadership contribute to innovative performance. It is less well known, however, what leadership styles are related with which mode of innovation. This study addresses this gap in the literature.

Key words: emotional security, exploitation, exploration, leadership, tolerance for mistakes

A recent McKinsey survey conducted on 600 global business executives, managers, and professionals reports that leadership is the best predictor of innovative performance (Barsh, Capozzi, & Davidson, 2008). It also shows that senior executives in particular are disappointed with their ability to stimulate innovation. Around 65 percent of the executives surveyed by the company indicated "somewhat," "a little," or "not at all" in terms of their role in decision making related to innovation. To be sure, traditional views of leadership do not highlight the importance of leadership in creativity and innovation, as Jung (2001) has suggested. Mumford *et al.* (2002) explain that leadership is often discounted in innovation because of the embedded romantic conception of individual creativity. An early study conducted by Pelz (1963) on 300 scientists based at 20 laboratories concluded, on the contrary, that intensity of the interaction with the group leader is positively related to creativity. Interestingly too, Mumford *et al.*

(2002) observed the differences in the creative behavior of scientists, musicians, and academics and speculated on the possibility of building a general model of the creative leadership. Current studies on exploration and exploitation do not explicitly address the issue of leadership and innovation at an individual level (Mom, 2006). So there is a need to understand more about leadership and how it plays a role in the issues of exploration and exploitation.

Literature Review

Exploration refers to pursuit and acquisition of new knowledge (Gupta, Smith, & Shalley, 2006), whereas exploitation indicates the use of knowledge for efficiency (Adler, Goldoftas, & Levine, 1999). In his pioneering conceptual paper on exploration and exploitation, March (1991) indicates that exploration can be captured by terms such as *search, variation, risk taking, experimentation, play, flexibility, discovery,* and *innovation,* and exploitation may involve things such as *refinement, choice, production, efficiency, selection, implementation,* and *execution*. He further mentions that firms face a persistent dilemma in choosing one over another. He and Wong (2004) find that managing exploration and exploitation simultaneously results in higher sales performance. However, Scott and Bruce (1998) note that there is relative lack of theory-based leadership research in the context of R & D management. Leader-Member Exchange (LMX) theory, as proposed by Graen and his colleagues, talks about the leader-subordinate social exchange processes. This theory was recently revised such that it describes these social exchanges in terms of three stages: (1) initial testing, including evaluations of motive, attitudes, resources, and role expectations; (2) development of mutual trust, loyalty, and respect; and (3) development of mutual commitment to organizational/unit goals (Graen & Uhl-Bien, 1991). This development in shifts LMX theory from an individual-based traditional leadership approach to a far more group-related approach.

Scott and Bruce (1998) found that high LMX was related to managers' ratings of innovative behavior for both associative and bisociative problem-solvers. Koestler (1964) describes an associative mode of thinking as habitual thought or as pursuit of a set mental routine, which is similar to an exploitative innovation group, whereas a bisociative mode is characterized by a separate domain of thought. Bisociative problem solvers are prepared to adopt novel approaches that are required in exploratory innovation group. High LMX relationships are viewed as collaborative partnerships. Similarly, Covin & Miles (2007) use the term *collaborative community model* for their theory I (I for Innovation), which recognizes that "most people do expect to ultimately benefit as the result of economic gains achieved by knowledge sharing." Theory I argues that leaders maintain a trust climate that generates a high rate of innovation by regularly recognizing and acknowledging contributions and by encouraging efforts to find new knowledge sources both within and across units as well as organizational lines. On the opposite side, Kirton (1976) found that high LMX was related to creativity for those with adaptive style, but not for those with an innovative style. Denison (1996) describes an interpersonal process involving scientists and engineers who generally work in cross-functional project groups or teams with a project leader. The team is composed of the right mix of scientists, engineers, and other specialists, who bring in and process scientific and technological information into technological innovations. Elkins and Keller (2003) explain that people in R&D groups usually rely on the project leader, and it is this person whom we usually focus on when we study leadership in R&D organizations. Tierney, Farmer, and Graen (1999) found that a leader's expression of enthusiasm or acceptance of innovation is one of the noted factors necessary to motivate employees to be creative. Yukl (2002) identifies three general categories of LMX research: (1) research examining variables that predict the quality of exchange relationships, (2) research examining the relationship between LMX and behaviors of leaders and subordinates, and (3) research examining the relationship between LMX and outcomes. Until recently, LMX research in the R&D context has focused on the third category (Elkins & Keller, 2003).

Research has consistently reported that high quality exchanges between leaders and subordinates result in creative and innovative performance (Amabile, 1988; Mumford & Gustafson, 1988). High quality exchange relationships include providing subordinates with challenging tasks (Liden & Graen, 1980), supporting risk-taking (Graen & Cashman, 1975), giving recognition (Graen & Cashman, 1975), and advocating as a supervisor for employees (Duchon, Green, & Taber, 1986). Redmond, Mumford, and Teach (1993) and Vosburg (1998) concluded that effective supervisory behavior tends to build feelings of self-esteem, which contributes to creative work. James (1995) found that conflict among task goals can lead to enhanced creativity. Amabile (1983) mentions that extraneous events, particularly those that induce external performance pressure, may reduce the intrinsic motivation and curiosity needed for creative work. Dougherty and Bowman (1995) found that downsizing and reorganization often disrupt innovation, such that employees require emotional security or assurance from leaders to carry on creative work. Augmenting one's leadership style may not be essential to lower degrees of creativity tasks, which are often characterized by exploitative innovation. Creativity or exploration imply risks, which in consequence make performance evaluation critical. Criticism may effectively inhibit creative work and demotivate creative people (Amabile, 1982; Sternberg, O'Hara, & Lubart, 1997). Tolerance for ambiguity, as mentioned by Volberda (1998), reflects the extent to which peer or superior managers allow a manager to have and/or express new ideas, different opinions, and deviant behavior, norms or values. Situations involving risk or uncertainty, which are characteristics of exploration (March, 1991; Levinthal & March, 1993), may require sufficient tolerance until a positive outcome is achieved. Until recently, research on tolerance of ambiguity had not focused on the character demonstrated by a leader or supervisor. Less tolerance for ambiguity causes managers to focus only on the least ambiguous problems and the most reliable answers (Dollinger, 1984). Based of this discussion, we suggest the following propositions:

Propositions

1. A leader's attitude toward creativity is significantly higher for exploration than for exploitation.
2. Higher "emotional security" requires more exploration than exploitation.
3. Higher "tolerance for mistakes" requires more exploration than exploitation.

Method

Focusing on the level of the individual would have certain consequences for this research: It would, for example, affect the level of measurement, the source of the data, the unit to which data are directly attached, and the level of analysis (i.e., the treatment of the data during statistical analyses) (Klein *et al.*, 1994). Several research studies have argued that there is a difference between exploration and exploitation units within a firm (e.g., Benner & Tushman, 2003; Duncan, 1976). We identified the organization units by asking for dichotomous responses. For instance, a respondent had the option to either agree or disagree with the items mentioned in our screening questions. (Contact authors directly for screening questions.) We used the measures provided by Jansen, Van Den Bosch, and Volberda (2006) to screen out the respondents engaged in either exploration or exploitation. For measuring a leader's attitude to innovation, emotional security, and tolerance for mistakes, the items from the Multifactor Leadership Questionnaire (Bass & Avolio, 2000) and the Perceived Leader Integrity Scale (Craig & Gustafson, 1998) were combined together and used in this study .

We adopted multiple case study design to collect data. Two companies were selected from the list of the world's 50 most innovative companies (The World's 50 Most Innovative Companies, 2007). On the basis of a majority of the responses from the employees engaged either in exploratory or exploitative innovation, four organization units were identified. These units belonged to Nokia-Siemens network and to Agilent Technologies, which had spun off from Hewlett-Packard in 1999. One exploration and one exploitation unit was identified for each company. Respondents were based at Gurgaon (India). Unit A and B belonged to exploitative innovation, while Unit C and D belonged to exploratory innovation.

To test the propositions, questions were sent to an executive cadre of employees of all four units. Out of 300 mailed sets of questionaires, 102 valid responses were received. Hence, the rate of response was 34 percent. A total of 52 responses were collected from the exploitation group, distributed equally in units A and B. Similarly, 50 responses from the exploration group were included in the study, 25 responses belonging to each of the C and D units. A five point Likert-type rating scale was used for low to high rating of the measures. Data were classified unit-wise and descriptive statistics were calculated for each unit. Since both Unit A and Unit B engaged in exploitative activities, they constituted a homogeneous sample. Similarly, units C and unit D constituted a homogeneous sample for exploratory innovation. An independent sample t-test was conducted to check the null hypothesis; that is, whether the population mean was equal for both groups. A stepwise discriminant analysis was conducted using SPSS. We also gathered data from the interviews and from archival sources. Forty in-depth interviews were conducted to collect the opinions of the employees of the respective units. The authors personally visited the company locations to talk to respondents. All of these interviews were conducted at company sites. Interviews were audio-recorded and then transcribed.

Findings

Findings from in-depth interviews (see Diagram 1) indicate that the exploration group viewed their leaders as supportive, passionate, and committed, and as patient listeners. Respondents realized that their managers are so creative that at times they—the leaders—ignore market realities. The group termed them "technology leaders," not business managers. The exploitation group showed a very different response. They indicated that layoffs are impeding their tendency to take risks and that this hampers innovation. A majority of the exploitation group respondents told us that they work under strict deadlines. Failure to meet

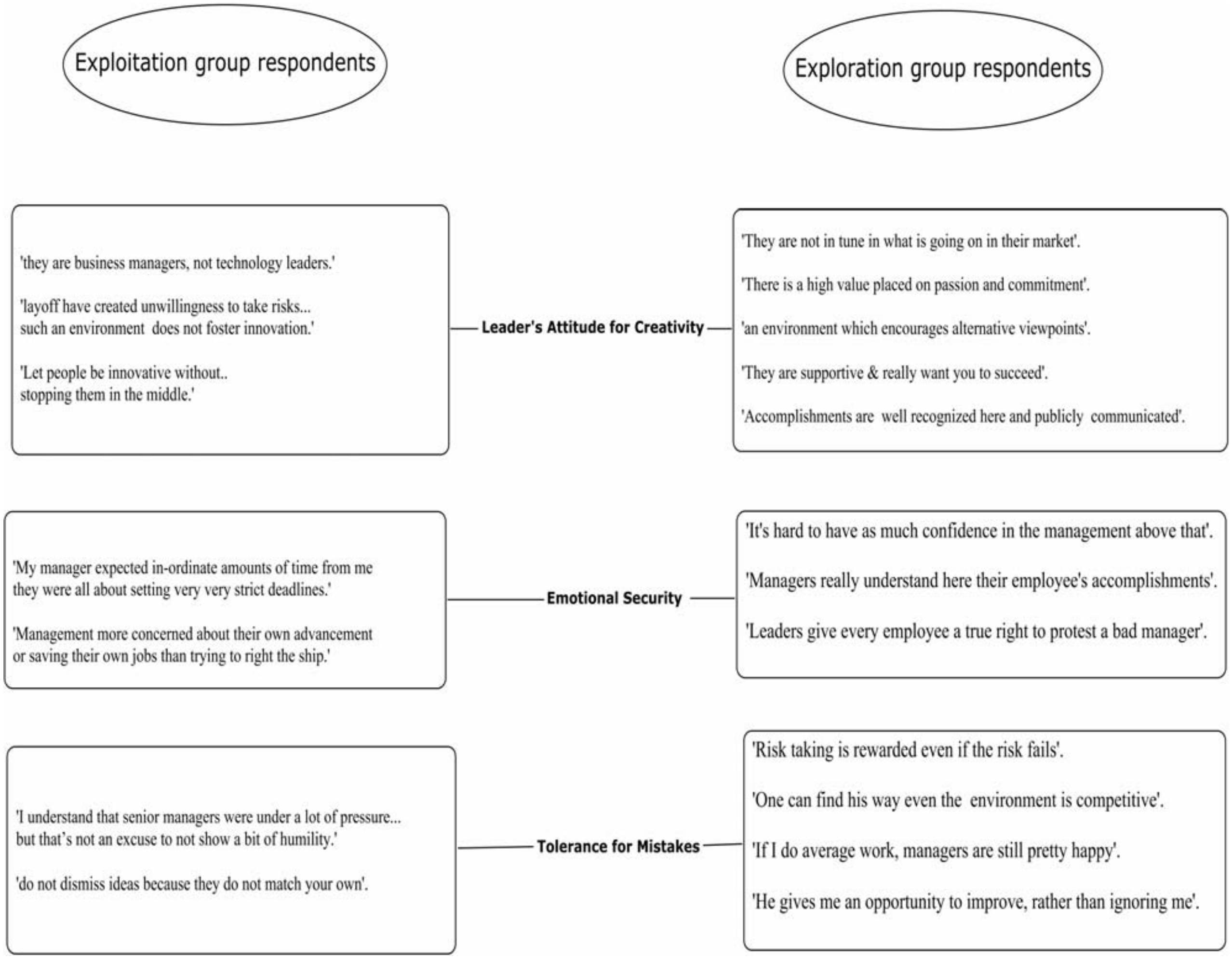

Diagram 1. Qualitative evidence

deadlines will result in the loss of their jobs. Their leaders were themselves insecure about their jobs. On the contrary, leaders of the exploration group provided ample space for their subordinates, who could even protest a poor manager. Respondents in both the groups reported that their work environment is competitive. The exploration group leaders tend to express much more empathy than leaders of the exploitation group. Leaders of the exploitation group felt threatened by ideas generated by subordinates. Conversely, exploration group leaders showed content even with average work from their subordinates.

The reliability of the Leadership Characteristics Scale as measured by the alpha is 0.66. Results indicate (see Table 1) that a leader's attitude toward creativity plays the most important role in exploration activities (mean score 3.12). It is much greater than the mean score for exploitative innovation (mean score 1.48). Tolerance for mistakes (mean score for exploration 3.10; exploitation 2.5) also offers strong evidence in support of our propositions. For emotional security, we obtained only partial support for our proposition (mean score for exploration 3.99; exploitation 3.73).

Table 1: Summary statistics: Group Statistics

	Grouping variables	N	Mean	Standard. Deviation	Standard Error Mean
Leader's attitude toward creativity	1.00	52	1.4808	.88540	.12278
	2.00	50	3.1200	1.20611	.17057
Emotional security	1.00	52	3.7308	.93127	.12914
	2.00	48	3.9896	1.18272	.17071
Tolerance for mistakes	1.00	52	2.5000	1.07101	.14852
	2.00	50	3.1000	1.27775	.18070

Levene's test (see Table 2) was used to assess the equality of the variance of exploratory and exploitative samples. The low p-value of the leader's attitude toward creativity (0.002) indicates that there is a difference between the variance of the two populations. However, the p-value for emotional security (0.070) and tolerance for mistakes (0.052) is slightly higher than the critical value (0.05). This indicates that population variance is almost equal for exploration and exploitation groups.

The variable "leader's attitude toward creativity" displays the highest standardized canonical discriminant function coefficient (1.180) (see Table 3), which indicates this variable's maximum contribution in discriminating the exploration and exploitation groups. Barcikowski and Stevens (1975) have shown that the discriminant function coefficients and the structure coefficients are about equally unstable, unless the n is fairly large (for example, if there are 20 times more cases than variables). The "leader's attitude toward creativity" displays a higher Wilks' lambda score (0.605) (Table 4, following pages) than tolerance for mistakes (0.581). This indicates the greater role of the former variable in classifying grouping variables.

The structure matrix (Table 5, following pages) shows the correlation of each variable with each discriminate function. Many researchers use this measure because they consider it more accurate than the standard canonical discriminant function coefficient. It is similar to factor loading in factor analysis. The 0.30 score serves as the cut off between variables of lesser and greater importance. Table 5 shows that only the leader's attitude for creativity and tolerance for mistakes are important variables (ones that exceed the cutoff score). Emotional security is a less important variable in discriminating exploration and exploitation groups.

Table 2: Hypothesis Testing: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
		Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower
Leader's attitude toward creativity	Equal variances assumed	10.089	.002	-7.846	100	.000	-1.63923	.20892	-2.05373	-1.22474
	Equal variances not assumed			-7.800	89.777	.000	-1.63923	.21017	-2.05678	-1.22169
Emotional security	Equal variances assumed	3.365	.070	-1.221	98	.225	-.25881	.21204	-.67960	.16197
	Equal variances not assumed			-1.209	89.251	.230	-.25881	.21406	-.68412	.16650
Tolerance for mistakes	Equal variances assumed	3.861	.052	-2.574	100	.012	-.60000	.23310	-1.06246	-.13754
	Equal variances not assumed			-2.565	95.633	.012	-.60000	.23391	-1.06432	-.13568

Table 3: Standardized Canonical Discriminant Function Coefficients

	Function
	1
Leader's attitude toward creativity	1.180
Tolerance for mistakes	-.389

Table 4: Stepwise Statistics

Variables Entered/Removed[a,b,c,d]

		Wilks' Lambda							
						Exact F			
Step	Entered	Statistic	df1	df2	df3	Statistic	df1	df2	Sig.
1	Leader's attitude for creativity	.605	1	1	98.000	63.872	1	98.000	.000
2	Tolerance for mistakes	.581	2	1	98.000	35.041	2	97.000	.000

At each step, the variable that minimizes the overall Wilks' Lambda is entered.

a. Maximum number of steps is 6.

b. Minimum partial F to enter is 3.84.

c. Maximum partial F to remove is 2.71.

d. F level, tolerance, or VIN insufficient for further computation.

Table 5: Structure Matrix

	Function
	1
Leader's attitude to creativity	.950
Tolerance for mistakes	.311
Emotional security[a]	.138

Within-groups correlations were pooled between discriminating variables and standardized canonical discriminant functions.

Variables were ordered by absolute size of correlation within function.

[a] This variable was not used in the analysis.

Conclusion

Innovation management researchers generally agree about the potential of developing capabilities associated with both exploration and exploitation at the corporate level for competitive advantage; nevertheless, at the business level, the segregation of exploration and exploitation may inevitably occur because of a limited resource base. We found that most of the executives we studied felt that leadership characteristics are an important factor in the survival and growth of their companies. The study attempted to identify the key leadership characteristics required for effective exploration and exploitation. As Gupta *et al.* (2006) note, however, it is not yet known precisely how exploration and exploitation can thrive together. Still, the critical insights about leadership reported by the employees engaged in these two innovations enhance our understanding. The study highlights the .need for building specific leadership characteristics in units engaged in particular types of innovation. Thus, it has attempted to set a base for designing a future comprehensive framework that will provide a means of exploring leadership characteristics required for different types of innovation.

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Leaders of Nonprofit (Third-Sector) Organizations in Italy: Cultures of Three Types of Organizations

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This research was exploratory in nature, primarily because it was based upon a relatively modest sample: 230 leaders were interviewed, mostly presidents of organizations but also vice presidents and advisors from the executive branch, the board of directors, or equivalent entities. These leaders were drawn from three types of organizations of the Third Sector (i.e., the nonprofit sector): voluntary service organizations (OdV-100 interviews), social cooperatives (CoopS-100 interviews), and national social promotion associations (APS-30 interviews). The questionnaire administered to the leaders included items on the social-demographic characteristics of the individuals, their career paths, their religious and political views, and the pathways through which they were able to start work in the Third Sector and assume roles that include leadership responsibility. The central part of the questionnaire was about two factors which, based on our hypothesis, were crucial to the research: the style of leadership and the concept of the role of the company within the Third Sector.

Who are the Nonprofit Leaders in Italy?

What are the main social-demographic characteristics of those who occupy leadership positions in nonprofit organizations in Italy? This paper seeks to identify the main features of the associative and cooperative leaders in our country. Seven key variables are taken into consideration: gender, age, educational level, occupation/professional position, political position, religion, and previous experience (i.e., associative, political, union, administrative).

In terms of the gender variable, as set out in Table 1, for both the OdV and the APS, male leaders are predominant, even taking into account the overall composition of the associates in those organizational types. In fact, though the male volunteers are only slightly more than half (54.5%) of the overall associates of the OdV (Istat 2006), they represent three-quarters of the directors (74.0%). The same situation holds for the APS, where even if the male presence among the overall associates was just 56.3 percent (Iref, 2003), four-fifths of the directors were men (80.0%). Only in the case of the CoopS is there reasonable parity between genders, with a strong presence of females at the highest directoral levels (45.0%) (Bassi, Masotti, & Sbordone, 2000; Bassi, 2003).

Table 1: Distribution of the Leaders by Gender and Organizational Type

			Organizational Type			Total
			OdV	CoopS	APS	
Gender	Male	Number	74	55	24	153
		%	74.0%	55.0%	80.0%	66.5%
	Female	Number	26	45	6	77
		%	26.0%	45.0%	20.0%	33.5%
Total		Number	100	100	30	230
		%	100.0%	100.0%	100.0%	100.0%

In terms of age (see Table 2), there is evidence of people of relatively advanced ages among the leaders of the OdV and APS (average age = 53 and 52 respectively), with peaks in the 60s, an age group that represents one third of the directors of the volunteer class (OdV) and almost half of the leaders of the social promotional association (APS). In Table 3, when age is considered as a variable, it is clear that the CoopS differs from the other two types of organizations, showing an average age of 10 years less (44 years old) than the other types and a strong presence of leaders in the classes “up to 40” and “from 41 to 50 years,” representing more than one-third of the interviewed people.

Table 2: Distribution of the Leaders by Average Age and Type of Organization

Organizational Type	Age (Years)		
	Mean	N	Standard Deviation
OdV	53.30	94	13.520
CoopS	43.99	97	10.227
APS	51.96	24	13.848
Total	48.95	215	12.940

Table 3: Distribution of the Leaders by Age and Organizational Type

			Organizational Type			*Total*
			OdV	CoopS	APS	
Age category	*Up to 40 years*	*Number*	*18*	*37*	*5*	*60*
		%	*18.0%*	*37.0%*	*16.7%*	*26.1%*
	From 41 to 50 years	*Number*	*18*	*34*	*6*	*58*
		%	*18.0%*	*34.0%*	*20.0%*	*25.2%*
	From 51 to 60 years	*Number*	*29*	*24*	*5*	*58*
		%	*29.0%*	*24.0%*	*16.7%*	*25.2%*
	Over 60 years	*Number*	*35*	*5*	*14*	*54*
		%	*35.0%*	*5.0%*	*46.7%*	*23.5%*
Total		*Number*	*100*	*100*	*30*	*230*
		%	*100.0%*	*100.0%*	*100.0%*	*100.0%*

In terms of educational level and professional position (see Table 4), one could certainly build an appropriate index of social and economic status.[1] Our data clearly show that the leaders of nonprofit organizations in Italy belong to the “middle-upper” and “upper” classes. The “upper class,” in fact, includes more than half of the respondents: 52.5 percent for the OdV, 59.3 percent for the APS, and 41.4 percent for CoopS.

Table 4: Distribution of Leaders by Index of Social and Economic Status and Organizational Type (%)

		Organizational Type		
		OdV	CoopSoc	APS
Socioeconomic Status	Low	4.0%	-	-
	Medium-low	15.2%	16.2%	11.1%
	Medium-high	28.3%	42.4%	29.6%
	High	52.5%	41.4%	59.3%
Total		100.0%	100.0%	100.0%
(N)		(99)	(99)	(27)

If we consider respondents' political views (see Table 5), there is a noticeably clear centrist position for the leaders of the CoopS and a significantly right position for the leaders of the APS. Comparing the collected data with other samples we have seen, we can say that the political orientation of the volunteers (OdV) and of the social cooperatives (CoopS) looks more homogeneous in our study than in other research. In fact, the leaders of the volunteers and the social cooperatives seem to belong, in our research, to centrist parties and centrist-left parties respectively. On the other hand, the orientation of leaders affiliated with the association of the social promotion (APS) appears to be more broadly distributed across the general population,

In terms of religion (see Table 6), our data demonstrate that a clear majority of the leaders of the OdV (68.0%) and the CoopS (65.3%) consider themselves either very or mildly religious. On the other hand, only 51.9 percent of the leaders of the APS consider themselves either very or mildly religious, while 44.4 percent were non-believers.

Table 5: Distribution of Leaders by Political Orientation and Organizational Type

			Organizational Type			Total
			OdV	CoopS	APS	
Political Status	Extreme left	Number	1	2	1	4
		%	1.3%	2.6%	6.3%	2.3%
	Left	Number	15	15	2	32
		%	19.2%	19.5%	12.5%	18.7%
	Centrist - left	Number	12	25	2	39
		%	15.4%	32.5%	12.5%	22.8%
	Centrist	Number	27	12	2	41
		%	34.6%	15.6%	12.5%	24.0%
	Centrist - right	Number	12	14	4	30
		%	15.4%	18.2%	25.0%	17.5%
	Right	Number	11	9	5	25
		%	14.1%	11.7%	31.3%	14.6%
Total		Number	78	77	16	171
		%	*100.0%*	*100.0%*	*100.0%*	*100.0%*

Table 6: Distribution of Leaders by Religion and Organizational Type

			Organizational Type			Total
			OdV	CoopS	APS	
Do you consider yourself... ...	A very or mildly religious person	Number	66	62	14	142
		%	68.0%	65.3%	51.9%	64.8%
	Not very religious	Number	22	21	1	44
		%	22.7%	22.1%	3.7%	20.1%
	Don’t believe in any religion	Number	9	12	12	33
		%	9.3%	12.6%	44.4%	15.1%
Total		Number	97	95	27	219
		%	100.0%	100.0%	100.0%	100.0%

Finally, in terms of previous relevant political and administrative experiences (see Table 7), half of the interviewed leaders indicated that they had no previous experience (53.3% for the APS, 49.5% for the CoopS, and 40.2% for the OdV). Among the leaders who indicated that they had previous experiences in the associations, we discovered the following: In the case of the OdV, there was greater previous experience in the church environment (parochial association), in other nonprofit organizations, and in unions. The CoopS leaders indicated that they had some previous experience in nonprofit organizations (one quarter of the respondents). Leaders of the APS, by contrast, demonstrated greater former experience in local public administration organizations and in leadership positions in businesses.

Table 7: Distribution of Leaders by Previous Experiences in Diverse Social Contexts Before Starting the Experience in the Current Organization (%)

Context	OdV	CoopS	APS
Church or ecclesiastical organizations	18.6%	13.1%	13.3%
Other organizations of the Third Sector	36.1%	22.2%	6.7%
Unions	7.2%	4.0%	3.3%
Political parties	5.2%	4.0%	0.0%
Social movements	0.0%	5.1%	6.7%
Public institutions	19.6%	8.1%	20.0%
Businesses/Companies	20.2%	22.0%	44.8%
None of the above	40.2%	49.5%	53.3%

In sum, we can state that the leaders of the 3 types of nonprofit organizations we studied demonstrate original features that allow us to derive an ideal type.

The leaders of the volunteer organizations (OdV) exhibit, on average, the following prevailing characteristics: male, between 51 and 60 or even older, high social and economic status, politically centrist, and generally consider themselves religious. In addition, they tend to have previous parochial experience or experience in the Third-Sector organizations or in unions.

The leaders of the social cooperatives (CoopS) exhibit the following prevailing characteristics, on average: between age 41 and 50 years old, medium-high social and financial status, leftist political orientation, consider themselves religious, and exhibit previous experience in other Third-Sector organizations. These leaders include nearly equal numbers of males and females.

The leaders of social promotion associations (APS) demonstrate the following prevailing characteristics, on average: male, over 60 years old, high social and economic status, non-religious. They generally have previous experience in local political administration and in for profit associations. They are widely dispersed across the political spectrum.

Three Cultures of Italian Nonprofit Leaders

In order to explore one of our primary concerns—the styles of the leaders—we sought to discover what the leaders thought about their Third-Sector job and their responsibilities therein, asking first of all if they consider the members of their organization as friends—that is, as people they can count on at any time. We also wanted to verify their level of trust in other people in the Third Sector, in various institutions, and in what we call task environment; that is, the environment of the organizations for which they are responsible, including such entities as political parties, religious organizations, companies, unions, global mass media, families, and individual citiziens. We wished to verify whether or not a correlation exists between these elements.

The Cultures

From previous research (Donati & Colozzi, 2004a; Donati & Colozzi 2004b), we know that Third-Sector organizations are not homogenous from a cultural point of view, in particular in terms of the concept of the role they play within society and also in terms of the vision of the relationship that should exist between the state and the market. Research has discovered the presence of 3 points of views that are strongly differentiated: civic (democratic) culture, mercantile (individualistic) culture, and society-oriented culture.

The society-oriented culture, which we have hypothesized as typical of the Third Sector, conjoins the value of solidarity with first-person responsibility and autonomy; it considers the people with whom organizations are related as a group (not individual users, customers, or citizens), people among whom a problem is shared and who have to be helped to find in themselves or in the environment the resources to face and fix the problem according to a logic of empowerment that adopts as a criterion the subsidiarity principle (Bortoli & Folgheraiter, 2002; Donati & Colozzi, 2005). This culture is shared by one-third of the associates within the different types of organizations and reaches even higher percentage values among the members of the OdV, though it is not the only one or the most diffused (see Table 8).

A minority of respondents refer to mercantile culture, which is more attuned to the problem of individual freedom, to efficacy, and to economic answers to individuals' needs.

The most consistent group adheres to a civic culture that recognizes itself in the values that founded the welfare state and that conceive the Third Sector as a tool to help the state guarantee better—and in an equal manner—social rights for the citizens or as a stimulus to the state to recognize new rights and respond to new needs.

Table 8: A Comparison Between the Leaders' Culture and the Associates' Culture (%)

Culture	Voluntary service organizations (OdV)		Social cooperatives (CoopS)		National social promotion associations (APS)	
	Leader	Associate	Leader	Associate	Leader	Associate
Mercantile	5.1%	11.9%	11.9%	12.7%	7.8%	9.2%
Civic	47.1%	45.5%	47.7%	47.5%	59.3%	53.1%
Society-oriented	47.8%	42.5%	40.4%	39.8%	32.8%	37.7%
	100%	100%	100%	100%	100%	100%

This research has revealed that the leaders' cultural orientations and their distributions are very similar to the associates' cultural orientations and their distributions. These data support the hypothesis that the cultural differences between the organizations depend in a significant way on the cultural orientations of their leaders.

Leadership and the Valorization of Social Capital

We now turn to the large quantity of information pertinent to the theme of social capital. This concept synthesizes two aspects that must remain analytically distinct: (1) the relationship of reciprocal support that exists or can be initiated between a group of people; and (2) the attitude of trust toward people, environment, or institutions with which organizations are directly linked.

Regarding the first aspect, one of the goals of our research was to verify the hypothesis that the ability of the Third Sector to produce associative social capital depends, at least in part, upon the style of leadership of the leaders—in brief, upon the way the leaders seek to manage their roles and their relationships with the other members of the organization. In terms of this point, we can say that only a minority of the interviewed leaders conceive their role in a bureaucratic manner and are not conscious of the importance that the ability to create support and friendship relationships holds in the Third Sector. Nevertheless, this ability to create associative social capital is not particularly diffuse. Only a minority of the leaders (though a majority in the case of the OdV) are able to create an associative feature. But the difference between the intentions and abilities of the leaders does not undermine the hypothesis we have advanced. On the contrary, it invites further in-depth research into the style of the leadership to better understand the importance of personal characteristics of the leaders, how much their organizational cultures count in the Third Sector, and the concrete modalities with which they manage the organizations for which they are responsible. Research should also focus on "hard" variables that would include specific dimensions of the organization, the numbers of employees compared to the number of volunteers, and other considerations.

The second aspect of social capital is trust/faith. Our data indicate that our sample evidences a level of trust that is similar to the level within Italian society as a whole. In other words, like the Italian citizens, the leaders of the Third Sector have very high trust toward families and toward the Third Sector at large, but a very limited trust toward companies, the mass media, and especially national political institutions. It is worth noting, of course, that the scores measuring the degree of trust in the different subjects are higher than in previous surveys: one based on a representative sample of the Italian population and a second one based on a sample of members of nonprofit organizations. Also, in terms of trust, the mean statistics generated by our research almost certainly conceal differences that may be related in a significant manner to the biographical background of the leaders and to their cultural orientation.

The leaders who reveal that they are immersed in a society-oriented culture and have various experiences within the Third Sector have considerable trust in the civil society and in the population in general. In addition, they have a leadership style that seeks to create trusting connections within their organizations and among Third-Sector organizations, but they have less trust for some actors within the economic and political systems.

The leaders who reveal that they are immersed in a civic culture are generally steeped in political and institutional experiences, have much trust in the political system, and have low trust in the civil society. Their leadership style is not always based on trust or on creating faithful relationship among members.

Finally, the mercantile orientation is associated with a very high degree of trust toward families and public entities, not because these entities provide services, but because they tend to provide financial backing (contracting out). Those who share this orientation also appear to be more prone to a contingency approach that adapts leadership style to situations and does not consider it a priority to create trust and friendship toward the members of the organization.

Conclusions

At the risk of oversimplification, we have attempted, through this research, to synthesize the diverse identities of the Third Sector as revealed through the eyes of sector leaders.

The voluntary work, even if quite differentiated in its internal makeup, expresses a broad cultural and organizational norm that exalts the generative qualities of social connections. Within the OdV we observed an ability to generate friendship and trust. Admittedly, however, that ability is not as well developed in the other Third-Sector types.

But this broad capacity for connectedness is also expressed in a strong trust toward the “generalized other.” The volunteer work expresses a cultural and organizational norm that is highly productive in terms of social connection because it is guided by the value of the gift and gratuity toward the other. This guiding value expresses itself in a very high degree of trust toward the ecclesiastical institutions but also toward the political and institutional systems, and—to an even greater degree—toward the other Third-Sector types, toward citizens, and toward families. The cultural and organizational norm of social cooperation is very important. Indeed, it is based upon a worldview in which reciprocal friendship among members is quite strong. The emerging values appear to center on "the knowledge of how to do" and professional competence; these values tend to compel the organizations to improve in qualities like efficiency and efficacy. In addition (and as previously noted) the Third Sector is highly differentiated internally and reflects diverse cultural orientations.

The social promotional associations (APS) elaborate a cultural and organizational norm that is based on an internal social capital that is friendly but not entirely grounded in generalized trust. The basic value of this type of organization appears to be personal interest, though the intent is clearly to promote the sharing of similar interests. Relations exist between the different subjects (companies, political parties, public boards) and are considered very important because they allow for sponsorships and the realization of mutual projects.

To summarize, our research reveals an extremely differentiated image of the Third Sector that makes it problematic to use the term *Third Sector* to indicate a reality that is not homogenous and cannot be evaluated with the same criteria as an undifferentiated entity. In all likelihood, there is not one "Third Sector" but multiple organizations with different organizational, cultural, and functional features, all in tension with one another.

Endnotes

[1] The index of socioeconomic status was constructed by adding the values recorded by respondents on two variables: level of education and occupation.

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ESSAY FROM THE FIELD

Passages in the Profession: The Academic Deanship

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The development of academic leaders is at a critical juncture. While the corporate world complains that they simply have progressed from the Bronze Age of leadership to the Iron Age, we fear higher education may still be in the Dark Ages. It is our hope that this article into deans' passages through their profession sheds some light to help illuminate the way to the Building Age of our leadership capacity. This case study of 24 deans investigates the organizational socialization process of deans at different stages or "seasons" of their deanships from: (1) Getting Started: The first three years (Springtime); (2) Hitting Your Stride: Years Four to Seven (Summer); (3) Keeping the Fire Alive: Eight Years and Beyond (Fall); to (4) Ending of an Era: Life after Deaning (Winter). The socialization of these academic executives appears to be left to chance. While this may be a strategy in itself, institutions must realize the impact this has on the dean's productivity and propensity to serve.

Key Words: dean, passages, socialization

Scholars and administrators alike speak about a great leadership crisis in higher education. Blue ribbon commissions and executive reports from the American Council on Education (Eckel, *et al.*, 1998), the Kellogg Commission (1999), the Kellogg Foundation (1999), the American Association of Colleges for Teacher Education (Anderson, 2002). to the Global Consortium of Higher Education (Acker, 1999) call for bolder and better college and university leadership. The search for solutions to this leadership dilemma leads us to realize that the academic leader is the least studied and most misunderstood management position in America (Gmelch, 2002). The transformation to academic leadership takes time, training and commitment, and not all deans make the complete transition to academic leadership.

The development of academic leaders is at a critical juncture. While the corporate world complains that they have simply progressed from the Bronze Age of leadership to the Iron Age (Conger & Benjamin, 1999), we fear that in higher education we may still be in the Dark Ages (Gmelch & Schuh, 2004). It is our hope that this inquiry into deans' socialization sheds some light to help illuminate the way to the Building Age of our leadership capacity (Fullan & Scott, 2009).

Stages of Leadership Development

What are the social and psychological stages that academics experience as they progress from faculty to administration? New deans find themselves in an adult transition paradox: life depends on growth, growth creates change, change consumes energy, and all transitions consume energy. To overlook professional transition would be to eliminate self-development (Hargreaves & Fink, 2006).

Research on stages of personal development begins with Freud's (1915—1917) and Piaget's (1954) charting of childhood development and continues with Erikson's (1963) stages of adolescence. But what about adult development and professional development? Three prominent life-cycle scholars, Gould (1978), Levinson (1978), and Vaillant (1977), have developed theories about adult development. These theories were popularly described in Sheehy's books, *Passages* (1976) and *New Passages* (1995). Professionally reported in Vaillant's *Adaptation to Life* (1977), Levinson's *The Seasons of a Man's Life* (1978), and Gould's *Transformations* (1978), these theories outline remarkably predictable crises of adulthood. Transition to and from each of these stages in adult life brings about change, whether it is the exhilaration of a new appointment in the academy or depression from the denial of tenure.

While there is no shortage of theory upon which to base stages of personal development in academia, considerable discrepancy exists among the theorists (Bridges, 2004). What literature helps illuminate the unknown path academics take as they pass through the deanship?

Rites of Passage: The Seasons of a Dean's Career

Traditional tribal societies place tremendous emphasis on transitions in their social culture, just as did ancient civilizations. Van Gennep, a Dutch anthropologist, first interpreted these rites for a modern, Western audience almost 85 years ago and coined the term *rites of passage* to describe the way rites were used in traditional societies to structure life transitions dealing with birth, puberty, death, selection of a chief, and creation of the shaman (van Gennep, 1960; Bridges, 2004). While appointing a new dean is not equivalent to anointing a shaman, all transitions pass through three phases: separation, transition, and incorporation. The first phase consists of separating one from the old and familiar social context and putting the person through a symbolic death experience. Next comes a time in isolation in what van Gennep called the "neutral zone," a gap between the old way of being and the new. Finally, when the intended inner changes have taken place, a person is brought back and re-enters the social order on a new basis. All passage rites reveal this three-phase form. Rituals of passage are simply a way of focusing and making more visible the natural pattern of dying, chaos, and renewal

Sociologists label this transition period from the time of appointment to a position until the time of acceptance in the organization as the *organizational socialization* period. From the many organizational socialization developmental models (Hart, 1991), a similar three-stage model emerges: (1) *anticipation*, (2) *encounter*, and (3) *adaptation*. The anticipatory socialization stage begins when one is selected for the new position and has made the decision to leave the current position as characterized by breaking off loyalties to the present position and developing new loyalties. Louis (1980) refers to this as "leave taking." The encounter stage begins when one actually starts the new position and begins to cope with the routines, surprises, and relationships. Finally, the adaptation stage begins when one develops strong trusting relationships in the academy and finds out how things work in the informal organization.

This theoretical framework has been used to study new department chairs' transition from faculty to administration (Gmelch & Miskin, 2004; Gmelch & Parkay, 1999; Gmelch & Seedorf, 1989; Seedorf, 1990) and new school administrators' socialization process (Ortiz, 1982), and is the impetus for recent studies of deans' transition into administration (Bright & Richards, 2001; Buller, 2007; Gmelch, 2000; Wolverton & Gmelch, 2002). This study not only focuses on the transition to the deanship but also describes the socialization process through and exit out of the deanship.

Study Objectives

What rites of passage do academic deans experience as they enter and transition through their deanships? They usually come to their positions without leadership training, without prior executive experience, without a clear understanding of the ambiguity of their new roles, without recognition of the metamorphic changes that occur, and without an awareness of the toll their new positions will take on their academic and personal lives (Hopkins, 1999, 2002; Gmelch, 2002). This study investigated the socialization process academics go through in their career as academic deans. Specifically, the researchers investigated how deans successfully made this transition to the deanship and beyond.

The literature is silent on the question of leadership succession, at least from the leader's perspective (Sarros, Gmelch & Tanewski, 1998; Sorenson, 2000). This study focuses on deans "passages in the profession" and describes, from their point of view, the challenges and success at different stages of the dean's career.

Study Design

This case study of deans was undertaken to investigate the organizational socialization process of deans and draw practical implications for institutions and academic leaders. Four researchers conducted in-depth interviews of 24 deans at different stages (“seasons”) of the deanship—similar to the anticipation, encounter, and adaptation phases:

1. Getting started
2. Hitting your stride
3. Keeping the fire alive
4. Ending of an era (life after deaning)

This methodological approach, grounded in the interpretive perspective (Morgan, 1980), and advocated by MacPherson (1984), rests on the premise that to understand the socialization process it is necessary to “understand an administrator’s sense of ‘being an administrator’ over time in terms of what he or she does and his or her reflections on what is being done” (60). The few studies that have been conducted on the deanship have treated the position as though it was an undifferentiated experience across time. Our experience indicated that this was not so. But if the position holds different rewards and stresses depending upon length of time in it, what exactly are these differences? The interview procedure permitted the deans to report on their routine and non-routine impressions of the deanship as well as their perspectives, beliefs, and overall sense making (Staton-Spicer & Spicer, 1987).

Sample and Procedures

An open-ended interview guide (contact authors directly for guide) was developed based upon the literature and our experiences as well as those of some of our colleagues. In order to be able to compare responses across the sample, a core set of questions was developed for use with all those interviewed. For example, all the deans were asked background questions on how long they have served as deans, what interested them in the position, what they did about becoming a dean once they were interested, what experiences from childhood through their professional career helped prepared them for the deanship, what gave them greatest satisfaction/dissatisfaction, and what plans they had for the future (and why). We consulted a panel of experts to develop a series of unique questions for each of the seasons of the deanship. For example, new deans were asked how long it took them to feel competent in their position, committed to the institution, and comfortable being a dean; how they knew when they were competent, committed and comfortable; what personal adjustments they made to become a dean; and what they found most difficult as a dean.

Of the 24 individuals interviewed, 16 were male and 8 were female. The sample included 3 African-Americans and 1 Latino. Of particular interest is the range of professional fields from which the deans were drawn. Common lore would have deans primarily coming from educational administration backgrounds. In this study, less than half (eight) of the deans reported their professional field as educational administration. Of these eight, five are deans in their ninth to thirteenth years in the position. Those deans who have made the move to a deanship more recently report a wide range of professional disciplines; only two of the deans between their first and eighth year in the deanship come from an educational administration background.

A convenience sampling of education and human development deans within a national deans' professional association was undertaken for this study; all those approached agreed to be interviewed. Across the sample, interviews ranged from 45 minutes to 1-1/2 hours, with most taking 1 hour. Interviews were conducted in person and over the phone. Two of the interviewers took notes and then transcribed them, one audiotaped the interview and had it transcribed, and one typed interview responses into a computer during the interview process.

Descriptive Results of Deans' Passages

The following narrative describes deans' responses to the questions posed by the interviewers about each stage of the deans' passages through their profession from the entry into the deanship to their departure. Their testimonials help illuminate the unknown path academics take as they pass through the deanship.

Getting Started: The First Three Years

Spring Scenario

Passage to a deanship begins with letting go. It starts with an end. As T. S. Eliot (1943) wrote in "Little Gidding":

> . . . to make an end is to make a beginning.
> The end is where we start from. . . .
> (stanza 5, lines 2-3)

This first stage describes the beginning—the springtime of deanship. It is a time of starting new, sowing the seeds, having them take root, and budding as a dean. New enthusiasm and optimism enters the new dean's professional life. Everything is fresh; he or she is ready to test the water, to take the plunge, to become a dean. But he/she must also withstand the overcast days, the rain, and the muddy waters—and find the time and talent to deal with these adverse conditions.

Professors customarily enter higher education to engage in scholarship and teach in their discipline. They are socialized in their discipline for an average of 16 years (from graduate school through the professorial ranks) before considering a new role in academic administration (Carroll, 1991). Whereas public school teachers must formally engage in the study of administration to become certified to administer, the PhD or EdD in higher education is considered sufficient to enter academic administration. Literature to help the incoming dean is limited to general books on academic management, organizational structure, and leadership (Allen, 1999; Birnbaum, 1988; Bennis, 1997; Keller, 1983; Watkins, 2003). One springtime dean reflected: "Thinking of a deanship becomes an educational journey. You start reading and thinking about the field of education, broadly . . . You begin to think about change process and begin reading articles and books on leadership. You talk to those you trust." Some deans solicit assistance through workshops like the New Deans Institute sponsored by American Association of Colleges for Teacher Education (AACTE) or through other professional development opportunities.

The deans interviewed in the springtime of their deanship found several dimensions of their position satisfying: working with people (including faculty and other deans); moving the college forward by connecting with people, improving the quality of graduates, and seeing the big picture; creating change through being a catalyst and involving people to improve quality; engaging in the political role of deans by dealing with national and education policy issues and being able to see the larger political and policy landscape; fund-raising; and just meeting the challenges embedded in the deanship. Within the first couple of years, these satisfactions led to some of the new deans' proudest accomplishments: creating new centers, reorganizing their colleges, strengthening connections with their professional development schools, building bridges with other colleges, increasing the collegiality and diversity of the faculty, hiring new faculty, and generating new external funds for their colleges.

However, these satisfactions and accomplishments did not come without frustrations. New deans expressed dissatisfaction with personnel problems; inadequate budgets; anti-education sentiments in society and the university; unsupportive and negative faculty; and the unpredictability and lack of control over their working day, personal lives, and calendars. They quite simply felt stressed and pulled in too many directions.

The transition to the deanship also called for personal adjustments as job requirements impinged on weekends and evenings and brought changes in expectations from their family members. For female deans this led to some role reversal in terms of their shared duties and tasks with their spouses. All of the married deans said they could not have done it without the support of their partner. New deans also had to form new personal relationships, a task that was especially difficult for those who had been internal candidates.

Overall, the success of new deans became an issue of fit. Was there a good match between the new dean's own mission and values and those of the institution and college/school? The right set of skills was important too, but budget constraints often made it difficult to move the college ahead. In addition, new deans felt it was critical that the president and provost support their ideas and direction. If the fit was good, the new dean stayed past the springtime and entered the summer of the deanship where he or she tried to “hit his/her stride.”

Hitting Your Stride: Years Four to Seven

Summer Scenario

The summer of the deanship is time when all that is “new” is allowed to grow. The promise of spring plays out. The hard work in the spring leads to a season of constructive growth with full bloom in sight. Deans in this stage are aware of how to do things and have become comfortable with themselves. What can be called the "terrible twos"—the second and most difficult year—is over. Yet the honeymoon is over as well. Many changes that needed to be made have been or are occurring and the dean is the responsible party. By the third and fourth year, the team should finally be coming together. Those who are not contributing to the institution or who have found the leadership of the dean distracting have, one hopes, found academic homes elsewhere. The goals of the dean, faculty, and staff are nearing fruition.

In this study, the deans in the summer of their deanship averaged five years, and were still in their first deanship. Most believed that they “fell into the position” by “being at the right place at the right time.” A couple of the deans interviewed, however, made a more conscious choice and worked at becoming a dean.

Once these individuals found themselves in the deanship, it took two to four years to really feel comfortable. One dean felt uptight for the first couple of years, but then in the next 18 months started to settle into the position. Another dean recalled: “I was walking back to my office—I think the end of my second year—and it hit me: I’m the Dean.” They knew that they hit their stride when they were “making changes, not just learning acronyms,” “when faculty accepted me,” and “when I felt safe enough to take a risk.”

During the summer season of the deanship, the deans in the sample received their greatest satisfaction from people: collaborating with other deans on campus and in the system and working with faculty. They also enjoyed making things happen. Ironically, human resource issues also caused them their greatest dissatisfaction: pettiness of faculty; promotion, tenure and termination decisions; and the few that “drive me up the wall.” The deans also expressed frustration from resource and administrative barriers.

Overall, they were most proud of their accomplishments: developing new programs, receiving accreditation for current programs, creating new research centers, and making a “long overdue” change in college climate. When they “hit their stride” they still enjoyed deaning—most of the time—but realized that it didn’t get any easier. Their comfort came from knowing what to do, but they realized they had more to do. Associate deans and spouses provided support to these deans, but the deans' lives did not become any less complicated once they had hit their stride. Some at this stage of their lives found that personal factors, such as care for elderly parents or children, demanded their attention as well.

What is next for deans who have hit their stride? Their responses were as varied as they were, from staying put in their present position, to consulting or returning to the faculty, to seeking a provost position or presidency. Once they have hit their stride, how long can they keep the fire alive in their current deanship? The sampled deans shed some light on this question.

Keeping the Fire Alive: Eight Years and Beyond

Fall Scenario

The fall season of a dean’s life is a time of reduced growth, when things slow down, weariness starts to set in, and hot weather wanes along with enthusiasm. The early harvest and attention to the culture and climate bears fruit. Everyone knows the dean well. The institution relies on his/her stability. In many instances the experienced dean has lasted longer than several presidents and provosts. But for seasoned deans the fall represents a period of plateau. They need something new to continue their growth. Attention is paid to new goals and learning new things or they will die on the vine, go to seed. How does the dean at this season of life keep boredom from creeping in, or is it even an issue? How do deans keep focused on what is truly important and sustainable (Hargreaves & Fink, 2006)? How many deans at this stage of life are waiting for retirement? How many have aspirations of going higher in academe? In the fall of the deanship, how does the dean stay focused and keep the fire alive?

Staying in the deanship too long results in losing interest in the job, failing to keep up with changes in the field, and possibly entering a performance plateau—a dean doom loop (Hollander, 1991). Deans' passages in the profession resemble what we have termed the "Dean Loop: 'Zoom to Doom'" based on the work of Hollander (1991). (See Figure 1.) New deans enter Quadrant I in their springtime with a steep learning curve as they learn new skills and find new interests. The “new deans” progress to the “good deans” in the summer, as they become committed to the position and competent in their duties (Quadrant II). The confident deans now in Quadrant II are careful not to go over the edge and down the slide to becoming a “damn dean” (Quadrant III) or a “doomed dean” (Quadrant IV).

Eight deans were interviewed at this stage—the fall season of their deanship. They averaged 11.7 years in the deanship with three serving an average of 12 years in a single deanship and the other five in their second deanship. None of the deans in our study slid over the edge and into Quadrant IV; they “kept the fire alive” through continuous learning and new challenges. However, they talked about the conditions that influenced the feeling of being "plateaued" in the deanship: the "repetition and routine" of tasks where the scenery starts looking the same; having the "rate of return" on their investment of time and energy diminish; a decline in their "learning curve"; an "atrophy in their skills"; and after "time in the office" for five or six years, they felt they were not making a significant difference.

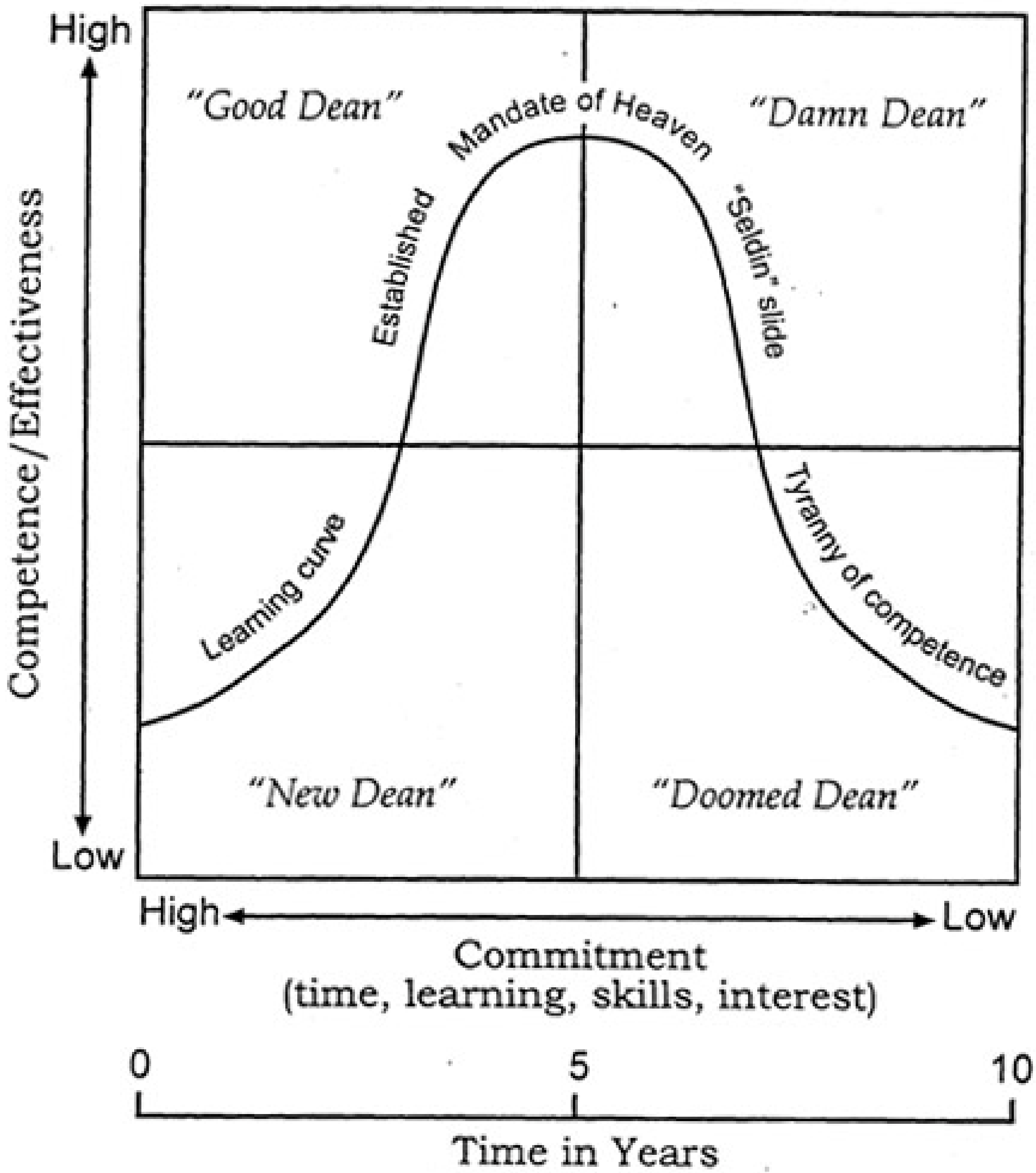

Figure 1. Dean Loop: "Zoom to Doom"

As already noted, none of the deans in this study started down what one dean coined the "Seldin Slide" (Figure 1). They found ways to "keep the fire alive" either within their current deanship or by accepting another deanship. The *protean deans* saw their career as one without boundaries by going through stages of exploration, establishment and mastery (Arthur & Fousseau, 1996) within one deanship and then shifting to another deanship. In essence, they kept their fire alive by changing institutions, while the *organizational deans* stoked their fires within one institution.

Whether deans served their time as dean within one or across several institutions, they used similar techniques to keep their fires alive. *Tinker tactics* were used to stretch new skills and learn new ideas through new assignments, committees, commissions, team members, and faculty. They focused on retreading challenges inside the college and institution rather than retreating to another institution. Other deans practiced *toehold tactics* by searching outside the college or institution for new challenges from professional associations, national organizations, and interdisciplinary connections. *Zigzag deans* explored *mosaic tactics* to look for greener grass in other education professions such as public school administration, departments of education or full time consulting. Finally some deans used *exploration tactics*—when they reached the top of the mountain and then realized the deanship was not enough, they thought about changing mountains. Deans searched inside, outside, across, and beyond their current position and institution to prevent plateauing and to keep their fires alive.

All the deans had experienced feeling "plateaued" at some point. Just being competent was not enough to keep the fire alive. Seven survival skills emerged that helped keep deans alive in their jobs: (1) Communicate in all directions: to central administration, faculty, staff, students, and external stakeholders; (2) Realize that the deanship is “not about me” but about serving others; (3) Know yourself by seeking feedback and expressing your values and beliefs to others; (4) Enhance leadership and learning through seminars, conferences, reading, and exploration; (5) Relate well to others, especially your provost; (6)

"Hallucinate":—get a vision; and (7) Love the deanship or leave it: life is too short to do it for the perks.

Few deans had preconceived career paths as most had entered the deanship serendipitously, by chance, and many served as "accidental" interim deans at first. A third of the deans in the fall season viewed the deanship as their capstone experience while the other two-thirds aspired to be a provost or president. This led us to the final season of a dean's life. Is there life after deaning?

Ending of an Era: Life After Deaning

Winter Scenario

In this, the winter of the deanship, it is important to anticipate what follows. The pace of life slows down in the winter. It is time for reflection, to sit by the fire and chat with old friends (Buller, 2007; Parks-Daloz, *et al.*,1996). Do good memories remain and bad ones go away? Do deans at this stage take time to savor successes? The former deans we interviewed expressed highs from helping good faculty succeed, advancing their institutions, championing diversity and gender equity, and nurturing students. They also reflected on their lows: lack of support from administration, poor communication with administration, faculty who didn't join the vision, wasted resources because of human shortcomings, and conflicts with faculty and students.

Is there life after deaning? What happens when deans leave the position (Henry, 2006)? Our former deans felt much less pressure and stress when they no longer were always "on point" for every responsibility. Their families and spouses were much happier as well, since they had better working hours and weekends free. They found more discretionary time—the ability to pick and choose their activities whether university committees, community engagements, professional opportunities or just leisure activities. Those who returned to teaching raved about "found time" and improved family life.

Do some deans stay in the position until retirement? Do they go on to provost positions and presidencies? What percentage returns to teaching? Are more opportunities and options open for those who have served in the deanship? At this juncture, many individuals turn to the skills they have developed through their administrative tenure and become consultants. What do deans consider as their next move? From a national study of deans we know that their most frequent choice was either to move up to a higher position in academic leadership (22%) or back to faculty ranks (27%). Another set of deans expressed no interest in moving (17%), while an equal number thought their next move would be retirement (17%). Only a few had a desire to move to another dean's position at a similar institution (7%) or a more prestigious institution (8%). A few saw themselves changing to a non-academic leadership position (2%) (Wolverton & Gmelch, 2002).

Former deans advised deans still in the trenches to keep the vision alive, advance the college, hire well and keep good faculty, continue to lead, give back to the profession, and have fun! All the deans in our study willingly offered words of advice for new deans. Possibly motivated by their need for generativity or just by generosity, they provided sage advice to new deans: be clear why you want to be a dean; become centered in your philosophy, values, and beliefs; pay attention to national issues; develop a university-wide perspective; build a multi-layered support network; and develop your leadership team.

Concluding Statement

While the deans at the end of their passage provide the most salient “last words,” it is also important to note that throughout the interviews it became apparent that socialization of academic leaders appears to be left to chance. While this may be a strategy in itself, institutions must realize the impact socialization techniques can have on the dean’s productivity and propensity toward longevity or departure from their institutions. It is our hope that this inquiry into the seasons of a dean’s career sheds some light to help illuminate the way to the Building Age of college leadership.

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**Note: We regret to inform our readership that between the time of the submission of this article and its publication, Dr Judy Nichols Mitchell passed away.*

PEDAGOGY

Planning a Strategic Response: Leadership Challenges in Exceeding Expectations of Diverse Educational Customers

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Understanding that students are customers is a key ingredient in strategic planning for services offered by higher education institutions. Colleges and universities want to gain a competitive edge by implementing customer-driven missions that accommodate diverse consumer preferences. These processes have become more proactive since institutions play a vital role as frontline service providers. A collaborative leadership approach can help produce an effective means of service delivery to engage students in positive experiences that exceed their expectations. The objective of this article is to provide leaders and members of their organizations with responsive customer service strategies that will enable them to understand the importance of developing customer-centric practices, think creatively about a systematic plan of action in order to become familiar with the dynamics of customer service and consumer relations, create a student-centered culture that motivates employees to be service-driven, and convert satisfied students into loyal customers.

Key Words: customer service, educational customers, higher education, leadership, strategic planning

Emergence of Customer Service in Academia

The economic climate, political transformations, global influences, and the rise of a prevalent consumer culture are activating the infusion of business-oriented customer service theories and terminology into the mainstream of academia. Higher education institutions are maneuvering through intricate operations and interactions that are fundamental to sustaining the highest quality in products and services to meet the needs of their diverse educational customers. Most people think about customer service in narrowly defined terms, such as wanting to make a quick profit without providing high-quality products and services valued by customers. In today's service-oriented society, there is a desire to expand on that definition to include customer service strategies that meet and exceed internal and external customers' expectations. Designing a customer-centric experience creates customer advocates for the institution. This customer service model incorporates essential characteristics of the organizational culture, diversity in hiring, communication, staff development and education, incentives, and supportive resources.

Shelley (2005) views customer service in higher education as being a shared responsibility through which the institution must engage its students in their own education, require them to take responsibility for their ultimate success, and acknowledge the role of faculty members as experts in their fields. This paradigm shift in observing students as customers has become a complex exercise for institutions of higher learning due to having to take on the whole student experience. Even though the academic progress and the general well-being of students can be influenced by the spectrum of services provided, institutions should not sacrifice academic excellence and quality standards in order to satisfy the unrealistic demands of educational customers. A successful approach should include implementing a comprehensive strategic plan that understands students' needs—without treating them like typical business customers—and better addresses those needs.

Gray (1995) weighs the pros and cons of students as customers by shedding light on this business analogy, which includes the disturbing use of jargon that has seeped into academic discourse (e.g., *relationship management, call-centers*). Whether or not the institution agrees with the emergence of this vision-setting concept in higher education, it should redefine itself by going the extra mile in being dedicated to extending the reach of its products and services to meet wider ranges of customers' expectations and demands. The decision-making processes of the leaders who are managing these adjustments must center on customers' needs that constantly evolve in relation to cultural transformations and supply and demand.

Realizing that customer service is not a one-time event means never becoming complacent with how the institution's business is handled. Visionary leadership can provide superior customer service, develop meaningful consumer relationships, and produce effective marketing through a team-based agenda building on the progress made by the organization. Even if mistakes are made periodically, solid customer relationships will give the institution and its leaders a chance to redeem previous practices, break the cycle of blame, and implement systematic reforms to ensure that blunders and oversights are not the norm.

Understanding Educational Customers

The fundamental basis for understanding educational customers is to allow customer experience to be one of the major factors that keep the institution viable. Gebauer and Lowman (2008) challenge leaders of organizations to engage their employees in creative opportunities that result in consistent brand delivery, exceptional customer service and support, and day-to-day commitment to product and process excellence. The institution becomes one that has the distinctive reputation of providing a safe, engaging, and inclusive customer care environment in the performance of services for the clients who sustain the organization.

Students—the principal component in the formula for institutional success—are usually the final decision makers regarding which higher education path they will pursue. Their choices may be based on a range of customer selection factors, including educational, career or personal needs; income; comfort levels; product and service differentiation; and the value placed on personal relationship experiences in doing business with the institution and its employees. Every touch point (engagement) educational customers experience throughout an institution is an opportunity to further enhance their experiences with the organization.

Michelli (2008) encourages leaders to initiate an attitude of service excellence. A customer-focused culture of passionate and motivated employees and employers requires planning, preparation, and persistence. Extraordinary service needs to be embedded in the institution—starting at the top—because the construct of the customer service process is taking on an increasing level of importance in the competitive higher education arena. Institutions can provide a seamless transition to high-quality educational products and services that meet and exceed the expectations of educational customers by:

- Capturing the attention of new students
- Maintaining existing students
- Converting satisfied students into loyal customers

Students have learned they are customers and recognize they must be pleased. Perhaps this is the root of the customer service dilemma among institutional staff. How does the server (higher education) leverage resources for the multifaceted needs of its educational customers (students) and effectively manage the expectations unique to this professional partnership?

We must start by understanding why students are not typical business customers. Educational customers conduct monetary transactions to receive their education. For example, they or their parents pay for the education or it is paid for through resources like financial aid, grants, or scholarships. It must be understood that students enrolled in regionally-accredited higher education programs do not receive their degrees or certificates on the same day of payment. They pay tuition and fees to participate in a stimulating educational model over a period of time. This structure empowers them to select and explore goods, services, and experiences designed to assist them to achieve their academic, personal, or professional goals. Because there exists this delayed benefit in achieving objectives, proactive measures must be put into place by the institution to help keep students on track once they actively engage in the reasonable demands of learning (e.g., assignments, tests). The quality of the outcome depends on students assuming the responsibility to work hard, getting assistance with academic and personal concerns, and demonstrating an understanding of the consequences of their actions when they choose not to follow rules and regulations.

Savvy educational consumers are using their knowledge of customer service practices to gain more attention and immediate gratification of their needs. Institutions must have a thorough knowledge of their policies and procedures, mission, student population, and teaching and learning environment in order to leave no margin for error or misinterpretation. The studies of Kuh *et al.* (2007) found the widespread use of effective pedagogical practices must be at the core of any program promoting student success. Administrative policy should foster a relationship between academics and administration that helps maximize the institution's efforts toward implementing quality teaching and learning objectives. How should administrators engage faculty in this challenging process? The factors outlined in the Table 1 could serve as driving forces to stimulate clear, careful, and creative instructional delivery and reinforcement of learning.

Discussion

According to the research of Meirovich and Romar (2006), it is imperative for institutions to be aware that the interaction of the dual roles of students (customers/grade-keepers) and faculty (service providers/retention-seekers) can affect the measure of instructional quality and the knowledge-seeking motivation of students. That is why the intent of an academic policy should communicate to students that their earned grades are based on a substantial input of their time and effort and on a demonstration of their comprehension as evaluated through integrative feedback and assessment instruments (e.g., projects, presentations). This message must also stress that grades are a tool to guide students toward the learning goals developed for the course.

Table 1
Factors Influencing the Quality of Teaching and Learning

Administrator Accountability	Faculty Accountability
Maintaining ethical standards.	Demonstrating ethical decision-making practices to complement teaching.
Maintaining standards for accountability and integrity.	Building rigorous learning structures to explore and understand accountability and integrity in the workplace and one's personal life.
Maintaining a safe and success-oriented environment.	Providing an environment conducive to learning where students can feel included, valued, and respected.
Respecting and supporting faculty and providing them with problem solving mechanisms to deal with inappropriate student behavior.	Having the resources and authority to help deal with disruptive, abusive, and harmful students.
Advocating team building, mutual trust, tolerance, and diversity.	Assisting students to think, learn, and develop relationship-building skills in a complex, changing and demanding multicultural global environment.
Providing a clear vision in the use of best practices, technology, and assessment tools to improve the quality of customer service delivery.	Understanding how to best serve educational customers in order to effectively meet their needs and wants.

What happens when students have unrealistic expectations for grades? A few students may view documented grade requirements as only a suggestion when their final grades do not match their expectations. While faculty typically strive to take the time to review and provide documentation for grade changes, condoning unrealistic points of view about grades does not bode well for receiving consideration from students. In these situations, students as customers are not always right. Faculty members need support from administration when their final decisions regarding grade changes do not favor students' unsubstantiated expectations.

Furthermore, how can institutions ensure all of their educational customers are provided with services that trigger a consumer-friendly response? A case study by Canic and McCarthy (2000) offers useful information on how a mix of leadership, communications, and staff development training for customer service in higher education can lead to promising results. This service framework is applicable to any type of venture. It is important to energize the infrastructure of the institution not only to work positively, but, more significantly, to provide an advantage with educational consumers. It is important to modify the strategic approach because the focus on institutional offerings may be different each year.

Harris (2006) highlights the value of conducting business effectively with twenty-first century consumers, adopting new technologies, and enhancing experiences to build customer allegiance to survive the competitive marketplace. Even though the needs of educational customers are constantly evolving in relation to societal changes and emerging trends, the set of assumptions these consumers may have about customer service are amenable to challenge. Adjusting educational customers' attitudes toward more beneficial perspectives means leaders must guide their teams in the creation of high-quality service without forgoing institutional efficiency and profitability.

The underlying message Seidman (2006) conveys in studies on organizational excellence focuses on the ways that customer advocacy is now a part of everyone's job description. Institutions must have the desire to become dedicated to providing beneficial choices and assets in order to keep each customer satisfied with the institution on a long-term basis. These efforts will convey a lot about how the institution recognizes the essential role students, employees, and employers play in forging success.

Responsive Strategic Planning

Envisioning customer service in higher education begins with the development of a strategic planning model that identifies and assesses the long-term direction of the organization. The classic *Academic Strategy* book by Keller (1983) discusses how catalysts for change impacting higher education—for example, a major crisis or exertion of pressure from external sources—have a profound affect on an institution's decision to start strategic planning. Many factors must be taken into consideration in the selection of a model, including size of the institution, resources available within the institution (e.g., funds, employees), and requirements imposed on the institution by external entities.

Improving the quality of products and services can influence customer satisfaction with an organization. Kazanjian (2007) emphasizes the importance of creating a strategic plan for customer service that has well-aligned cultures, addresses issues and timetables for resolution, provides mechanisms for feedback, and fuels institutional values as well as healthy economic, social and environmental growth. Establishing a sense of the logic and techniques for handling strategic planning properly guides the purpose, implementation, and evaluation of strategies in a well-matched direction. This thesis, according to Robert (2006), necessitates strategically thinking about and agreeing upon determinants of the driving force behind the strategy. Policy makers in higher education institutions need to consider the following set of critical questions as they perform this procedure:

- Where are we at the present time?
- What do we want to achieve?
- Who will benefit from our products and services?
- What barriers need to be removed to provide comfort, ease, and access for all stakeholders?
- How do we develop a well-established brand to ensure the strategy encompasses all touch points customers will encounter?
- How will we address the steps to measure progress over time?

Rutgers University Center for Organizational Development and Leadership (2007) posted a strategic planning guide on the Internet examining the significant linkages between culture and leadership. Leaders need to mobilize change and be prepared to recognize and remove ineffective strategies to move toward better results. This effort requires efficient and competent management working together with a motivated and responsible organizational culture. Open channels for cooperative dialogue are necessary if the majority in support of the plan is to be fully invested in its applications. The process must be a continuous, cyclical activity covering high-value components that serve as change agents leading to productive modifications in the direction of the institution. Integrating a pattern of accountability into strategic planning helps to ensure access to a complete and competitive education.

Organizational studies conducted by Hunt *et al.* (1997) found there is a movement toward a more appropriate fit between the organization and the demands of its external environment (that is, economic, political) and its internal culture (that is, leadership style, values). This customization of service strategies encompasses a process and an outcome. Research by Savitz and Weber (2006) illustrates the need to assess practices, policies and procedures when it comes to customer service, but it is the provision of goods and services that is the main reason why an organization exists. It is crucial to set strategic benchmarks to determine current conditions and outlook analysis to respond to the customer service plan. Thus the institution should:

- Identify distinctive characteristics
- Determine commonalities with other institutions
- Develop methods to strengthen mission statements
- Establish priorities and targets for improvement
- Devise practical steps to achieve goals and objectives

Strategic studies on leadership and employee-customer relationships by Heskett *et al.* (2003) promote the significance of rethinking a business to create a new vision for change and the processes for achieving the vision. When the strategic plan affects all persons engaged in the process, it is vital to take their buy-in into consideration. Value-centered leadership inspires organizational performance standards that are linked to mission and principles. Participants in a supportive and collective engagement model that includes in-house expertise, student voices, town hall meetings, and surveys can produce realistic measures to bring about constructive change. This holistic approach is attentive to the needs of a diverse clientele. The outcome can generate a cultural shift toward excellence at all levels of the institution.

Conclusions

Since customer service is about people, it will never be an easy task. As the institution and its products and services become more complex, adaptability and continuous upgrading are necessary actions. By mapping out new directions for progressive changes in how things are done, the solutions will overcome consumer apathy, perceived risk, and cost barriers. There is always the prospect of having unsatisfied customers. However, institutions can still seize the opportunity to bring forth a new era of engagement through other types of programs to recruit and retain this percentage of students. It could be advantageous to make the attempt rather than be limited in educational offerings.

A leadership style that champions a credible sense of collegiality strengthens concepts for customer satisfaction and nurtures an ongoing sense of team spirit, integrity, and trust among students, employees, and employers. Responsive customer care can then be aligned with the core values of an institutional philosophy.

Remarkable service cannot be delivered by an institution unless its leadership demonstrates a sense of responsibility for the welfare of students, compassion for the workforce charged with delivering incomparable service, and a belief and pride in what the institution is doing. Institutions, then are called to make an investment in a customer service model that translates into appreciation, respect, and support for the collegiate community. Allocating resources to boost customer relationships and to support educational initiatives, cutting-edge technology, marketing, and distinct protocols enhances institutional participants, operational performance, and financial gain.

The world does not stop for a higher education institution. Educational customers now have countless options from which to choose. Successful institutions work to facilitate a course of action to help the their customer service model transcend conventional parameters of planning. They leap ahead when other higher education leaders are afraid to do so. However, they avoid getting caught up in the symbolism of customer service while ignoring substance. It is crucial to ask questions and listen to internal and external customers to determine their varying needs and expectations. Restructuring service strategies can shift the institutional focus toward becoming the premier source educational customers embrace.

Future Strategies for Customer Service

The landscape of higher education is changing. Analysis of the future of higher education in America conducted by Berg (2005) points to the rise of the for-profit institution in regard to its cost, shared responsibilities, and maintenance of a student-centered mission. It is not predicted that non-traditional higher education providers will render traditional ones obsolete. However, advertisements for this growing market segment fill the Internet and other media. Print publications capitalize on the benefits, variety of degree programs, technology, and flexible instructional options offered by for-profit and virtual educational institutions. Leaders are analyzing the impact these dynamic forces have on programmatic initiatives for recruitment, retention, graduation, and customer service.

According to Fogli (2005), organizations must incorporate proven strategies for service delivery management of comprehensive resources to maintain organizational endurance. This growing trend of appraising customer experience and integrating solutions is guiding organizations toward improving practices to achieve their goals. The prime factors in this equation are hiring, training, educating, and retaining top quality workers in correlation with service performance.

Competitive practices in the global higher education arena mandate the exercise of bold leadership. Kotter (2008) answers this directive by conceptualizing a unique perspective on leadership that possesses a sense of true urgency to move an organization boldly toward prospective opportunities for significant change. This premise opens up further examination of the challenges leaders face in strategically planning for service excellence in response to diverse educational customer expectations.

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INTERVIEW

Dr. James MacGregor Burns by William Howe, Associate Editor, ILJ

ILJ Associate Editor William Howe (PhD, Stanford) had the opportunity to interview Dr. James MacGregor Burns by telephone in spring 2009. Dr. Burns, winner of a Pulitzer Prize and a National Book Award, is a highly influential and respected scholar within the field of leadership studies, and his work—including *Leadership* (1978), *Transforming Leadership: A New Pursuit of Happiness* (2003), *Running Alone: Presidential Leadership from JFK to Bush* II (2007), and several other books—has been instrumental in developing and sustaining the field. His theory of "transforming leadership" set the stage for subsequent work on "transformational leadership" by Bass, Avolio, Tichy and DeVanna, and others, and for rethinking leadership studies and the practice of leadership.

Dr. Burns is Woodrow Wilson Professor (emeritus) at Williams College. In addition, he is Senior Scholar at the James MacGregor Burns Academy of Leadership at the University of Maryland, a former president of the American Political Science Association, a former president of the International Society of Political Psychology, and co-founder of the International Leadership Association. Additional information about Dr. Burns can be accessed at http://www.academy.umd.edu/People/facultyStaffindividual.asp?DBID=89.

WH: Some people have suggested that you are the "father" of leadership studies in this country. How do you react to such a suggestion? And if you are *the* "father" or *a* "father," what do you think of your offspring at this point?

JMB: Well, that pleases me for about one second. I'm not taking it too seriously. There are of course a host of great thinkers whose ideas lie behind the field of leadership studies.

WH: Your humility seems to coincide with some aspects of transforming leadership. And speaking of transforming leadership, in your 1978 book *Leadership* you set forth your perspectives on *transforming* and *transactional* leadership. Much has happened in the past 31 years in terms of those initial perspectives. Can you tell us a little about the place of those perspectives in leadership studies as a field; that is, what impact do you think they have had?

JMB: I think many people have picked up on those concepts, though I'm not sure whether I was the first person to write about them. Maybe I was. They really constitute a very graphic indicator of two different types of leadership which are implicit in the names. *Transforming leadership* is obviously leadership that results in change, and this is quite relevant today because the Democrats especially are talking about significant changes and, in effect, are saying that they are going to transform the economy and perhaps even transform the whole society. One can look back, of course, and say that the Founding Fathers did give us transforming change by establishing a new constitution. And we could talk about Franklin D. Roosevelt's "Four Freedoms" or Jefferson's "life, liberty, and the pursuit of happiness"—those are all the great ideals and tests of transforming leadership. The *transactional leadership* alternative may be even more relevant today, I think, because we don't seem to have great transforming leaders, but transactional leaders are everywhere. You and I in just determining how we were going to conduct this interview were engaging in transactional leadership. Most leadership, at least in America, is transactional. As an alternative to transforming leadership, it involves exchanging, making arrangements, paying for things, dealing with one another, and compromising with one another. So I think the two concepts are very useful in the study of leadership.

WH: You wrote about *transforming leadership* in 1978. Bernard Bass and others later wrote about *transformational leadership*, a slightly different term. Clearly, you have been a political scientist who was coming at leadership from one direction, and Bass was an organizational psychologist who was coming at leadership from a somewhat different direction. Furthermore, you were articulating a broad theoretical perspective without grounding it in empirical data, and Bass was expressing a much more systematic theoretical perspective that he attempted over many years to study empirically. Can you describe the relationship between your initial formulation of *transforming leadership* and the later formulation by others of *transformational leadership*?

JMB: I've been interested in watching those words develop over time. I find myself at times saying *transformational* rather than *transforming*. I like to use the word *transforming* because it's a strong verb, whereas *transformational* is just an adjective. In general, however, I don't think there is much difference or significance between the two in terms of how they've been used and how they've evolved.

WH: Do you think that Bass and others have done well in taking your original concepts and running with them?

JMB: Yes, they're very good people and scholars. They have demonstrated strong leadership in the field of leadership studies. Clearly, we've been fortunate to have been able to draw from so many other fields. At Williams College, for example, we have been very lucky to have voices from many departments contributing to leadership studies, and the Academy of Leadership at the University of Maryland was formed from several different departments. In fact, the Academy has taken leading scholars from different departments, and this is very appropriate and desirable because leadership does cut across these barriers and disciplines established by history, political science, economics, sociology, and psychology. It cuts across those and tries to unite them in a unique way.

WH: Where do you think your ideas of *transforming leadership* and subsequent transformations, if you will, of that concept will go in the future?

JMB: I think that leadership now is taking many different forms, of course, and operating in many different areas and disciplines, as I suggested. So why don't we try taking your question and applying it to some specific fields. Could you re-state the question and then I'll try to take it in terms of different fields.

WH: Ok. Where do you think your idea of *transforming leadership* will go in terms of a specific discipline like political science in the future?

JMB: Well, I think *transforming leadership* is applicable to several different disciplines, though it may be particularly relevant to political science and history, but I am convinced that it has implications for many different disciplines, including military leadership.

WH: Yes, and you indicated already that we don't have much *transforming leadership* today because most of our leadership is *transactional* in nature. How might we better develop transforming leaders today?

JMB: Good question. Obviously it's very difficult to develop transforming leaders. It's a good question because this is a real challenge for the United States. The problem is that here in America we have a political system that encourages *transactional leadership* and constantly spurns *transforming leadership*. This is particularly relevant today because Obama, whether he uses the term or not, would like to be a transforming leader. Indeed, one would have to be a transforming leader to pull us out of the morass that we're presently in.

WH: Leadership studies, as you know, has truly burgeoned on college and university campuses in recent decades. Why do you think there is such an interest in leadership studies?

JMB: Well I think it's partly because of the glorification of American leaders and well as the denunciation in recent years of many leaders. We have had great examples of transforming leaders in people like Franklin D. Roosevelt, Abraham Lincoln, and others we could mention, as well as great thinkers whom I would also see as transforming leaders. So I think the growth of leadership in higher education is perfectly understandable. Everyone knows about leadership, and education is a splendid way to be introduced to the kind of leadership and followership we need today.

WH: Leadership studies is a young concern. Some people call it a field, a discipline, or an area of study. What would you call it?

JMB: Another interesting question. I would call it an area of study that is trying to become a discipline. And I think it's succeeding with the amazing work being done today in many aspects of the field. I believe we are making the field of leadership and the teaching of leadership into a discipline.

WH: If it's an interdisciplinary concern, however (and I am playing devil's advocate with that idea), can it ever truly become a discipline of its own, or should it?

JMB: Well I think it should. But this depends so much on how it's treated. Clearly, on most colleges and university campuses today you have the standard old disciplines: History, Political Science, Sociology, Psychology, and so on. To become a discipline in itself, leadership studies will have to draw from the best in those other disciplines and perhaps develop a much more systematic approach to the study of leadership today. It's still rather fragmented, but I think that if we can get the best of various disciplines as they apply to leadership and draw from that as a base, and also bring the field back to some basic theories of leadership, then I think it can become in many schools a recognized discipline that is equivalent to Political Science, History, and others.

WH: Let's return for a moment to your 1978 book, *Leadership.* Do you think subsequent scholars have truly understoond what you were saying there and have interpreted the book as you intended it, or is it possible that scholars have missed the point in some ways—that is, perhaps they have taken some element of your perspective and emphasized that at the expense of other elements that were equally important or even more important for you.

JMB: Well I never thought the book would have the kind of impact it has had. I'm not even sure why I undertook such a work. I had been doing biography and history and political science. Perhaps it began to occur to me that many of us were writing about leadership without any substantive theory. So I set out to explore a theory of leadership. Now to get back to your question, I think anyone who tries to undertake a systematic treatment of a complex subject such as leadership will inevitably find that people will appreciate some of the ideas and not appreciate others. Some people will use ideas that are advantageous to them and to their teaching and maybe to their fields. In short, I think there could have been some fragmentation of ideas, but on the whole I must say that I have been both surprised and gratified at the extent to which the book has been picked up and used, and I simply assume that some don't agree with everything in the book and may want to criticize some of the book's ideas. But I just gave it my best effort and did the best I could.

WH: With that last question in mind, let me follow by asking you who you think have been your best readers or interpreters, and who do you think may have misinterpreted you?

JMB: Well that's rather difficult to answer unless you're talking about actual leaders rather than scholars. Are you talking about scholars, leaders, or both?

WH: Take it whichever way you want. I was referring to scholars, but you can respond in whatever way you wish.

JMB: I think scholars have in general interpreted the book correctly and have criticized it effectively and carefully. I can't at this moment think of individual scholars; there are so many in the field of leadership studies who have made use of the book. So I just have to say that I did my best, and they're doing their best, and I think that together we're going to develop an even more systematic theory of leadership.

WH: In your 2003 book, *Transforming Leadership,* you still obviously make use of the word transforming, but did your concept of *transforming* change at all between 1978 and 2003?

JMB: I suppose it has changed somewhat as I've applied it to a particular system. But the American system of government, for example, compared to the British system, so aptly illustrates both *transforming* and *transactional* leadership that I still find the two concepts quite useful. I'm glad you came back to this because I wanted to say more about our political system. I like to think of our current President as a man of the twenty-first century trying to lead a government set up in the eighteenth century and still very close to what was set up then. So we have this amazing spectacle in which we want new leadership but have a system with some elements that come right out of the eighteenth century and even out of the Middle Ages. So in general I feel that we have great difficulty finding transforming solutions to problems that are embedded in our ancient governmental system.

WH: Jim, Ron Riggio at Claremont has suggested that Bernard Bass came much closer in his later years to appreciating your perspectives on transforming and transactional leadership than he—Bass—had been previously. That is, he came to a greater understanding of and appreciation for the importance of ethics, values, and authenticity, which have always been important to you. Why do you think that might have been so for Bass, if it was?

JMB: Well, he and I were great friends. I liked him very much as a person. I don't think I was much aware of any shift in his thinking. I remember once when he and I spoke together and we had a friendly difference, but in general I think we shared much in common and had a wonderful friendship.

WH: Already in the twenty-first century, which our mutual friend Joe Rost often likened to a "post-industrial paradigm," we have witnessed powerful events and social phenomena. We have seen blatant ethical scandals, for example, and at present we're experiencing a severe financial crisis. How do you think *transforming leadership* is especially relevant to the kinds of events and phenomena we have experienced thus far this century?

JMB: I think *transforming leadership* is highly relevant. The theory is above all a moral theory. It involves the great values such as life, liberty, and the pursuit of happiness, and the Four Freedoms. This means that we can test leaders by outcomes. At the same time, with the theory of *transactional leadership* we can understand why so many leaders have to compromise their basic values. But I do think that in general we have a decent approach, testing *transforming leadership* by great moral values and testing *transactional leadership* through practical, ethical values like honesty and responsibility.

WH: You've written much about the leadership of Franklin D. Roosevelt as well as about other presidents such as Washington and Clinton. What can we learn from Roosevelt and from some of the others that may be especially relevant to the leadership challenges we face today?

JMB: First of all, we live in the American system with its checks and balances and with its dispersed power structure. It's simply a heck of a system to lead. Our leaders must be aware of the challenges of leading our system. It's one of the most inefficient political structures in the world. Our new presidents, it seems, are running into problems within the first few weeks of their administrations. In the old days we at least had a "honeymoon" period in which we were willing to give new presidents a chance. I was predicting that President Obama would get perhaps a three-month honeymoon, but he had about a three-day honeymoon before the challenges were upon him. So I think that's something future leaders have to bear in mind. It is now quite different from the days of Washington, FDR, and even Clinton.

WH: So you're clearly suggesting in all of your remarks here, I take it, that our system, because it's rather cumbersome and inefficient, promotes *transactional leadership* rather than *transforming leadership*?

JMB: Absolutely.

WH: But at the same time, I assume you see some things of value in our system.

JMB: Well, many people love our system as it is. I don't. Take for example judicial review. Aside from everything else (aside from a non-representative setup), we have a Supreme Court that can kill legislation created by the Congress and signed by the President. Other countries don't have that kind of system. They look at out system and wonder what goes on: How can you give this power to an unelected body?

WH: Are there any highlights you see in the field of leadership studies today and, on the other hand, are there any shortcomings you see in the field?

JMB: Well I'm pleased with the kind of progress that's being made today. I'm particularly pleased that leadership by women is getting much more attention. Barbara Kellerman's work is a good example of that, and Georgia Sorenson is writing some wonderful things. Also, many younger people are coming along. So I'm reasonably happy about where the field is going.

WH: Leadership survey courses often move from considerations of leadership traits to leadership styles and behaviors to more current perspectives that focus on transformational leadership, charismatic leadership, and so on. Do you think we still need to teach some of the older trait and style perspectives, or should we move beyond those at this point?

JMB: Another good question. I think we should move beyond them. You know, this gets at the field of biography, which we haven't touched on. As a biographer, I love talking about specific leaders; that's more fun than doing leadership theory. The trouble is that after you've done that work and have looked at hundreds of leaders, you have such a variety of thoughts and information that it's difficult to sort it all out. So I think we have to move from *leaders* to *leadership*. But I have to tell you it's much more fun to do *leaders* than *leadership*.

WH: Well, we all like to focus on individual leaders—what you called the "cult of personality" back in 1978. That fascinates us… But on to a final question: Jim, you're going to be a centenarian in a few years, and yet you're vigorous enough to go cross-country skiing there by your home there in the Berkshire Hills of Massachusetts. Does this vigorousness mean we'll be seeing more work from you, and if so, what might the focus of that work be?

JMB: I find that keeping active is the way to keep working. I have a book coming out now on the Supreme Court, which is a rather heavy critique of the Court despite the fact that we have some absolutely fabulous Chief Justices. But I'd also like to get back to a book that I put aside in order to write the book on the Supreme Court. I wanted to get the Court book out soon because I think we're headed for a Supreme Court crisis in the coming years. But what I'm really interested in is the Western enlightenment, and this comes back to the questions you've raised about *transforming leadership*. Transforming leaders were not necessarily generals or presidents; they were business people and thinkers who were making changes. These were the great people like Kant and Spinoza and Mill. So I want to get back to this book about leaders of the West. I may call it *Fire and Light*, an expression that comes from one of the great thinkers. In any case, the expression seems to sum up for me much of the Western enlightenment, particularly through the word *light*.

WH: We'll look forward to that book, Jim. For now, however, thanks for your thoughts here, and for your ongoing impact upon all of us in the field of leadership studies.

BOOK REVIEWS

***Doing What Matters: How to Get Results that Make a Difference—The Revolutionary Old School Approach,* by James M. Kilts, John F. Manfredi, and Robert Lorber. (2007).**

Published by: New York: Crown Business Publishing Group.

Cost: $27.50, Pages 336

Reviewed by Sandra R. Bryant, PhD, Professor of Business and Leadership, Regent University, Virginia Beach, VA

An old adage states that through hard work and perseverance, good things will come. This book explores just how much perseverance, coupled with keen decision-making skills, were necessary to transform the Gillette Company. Jim Kilts shows us, through a case study lens, how he utilized the skills of turnaround management and transformational and charismatic leadership to get Gillette back on track as a company. Kilts, leading by example, through hard work and basic human values and principles, balanced with the impact of his character and integrity, took this struggling company back to the profitability that it once enjoyed. Through it all, he gained the respect of his board, bankers, employees, and vendors through his ethical character and integrity.

Doing What Matters is intriguing. The reader can discern that the subject is the Gillette Company and that Warren Buffett and Jack Welch are quoted on the front cover, but one might ask: Why open it? I can say without reservation or hesitation that this text offers lesson after lesson in business fundamentals, leadership, and strategic foresight, while offering a model of total brand value.

The text is organized into four sections with several chapters in each section. At the end of each chapter, Kilts offers some action steps to get the reader moving in the right direction.

The first section is about fundamentals, attitudes, and people. Section 2 concerns leadership. Section 3 is all about the future. Section 4 is about how doing the right thing really matters.

The first section deals with the fundamentals of managing a business and personal attributes needed for leading one. He challenges the readers' perceptions about management, leadership, and your leadership capacity. In this section, Kilts sets forth a strategy of how to conduct business. Kilts offers four attributes that are predictive of successful leaders:

1. Intellectual Integrity: Having the capacity, knowledge, and information to face the truth about the company, organization, or business and using this as a basis for action.
2. Enthusiasm (or emotional engagement): Using personality and charisma to infuse people and the organization to be a part of something bigger than themselves.
3. Action : Being decisive, backed with data for decision making.
4. Understanding the Right Thing (or reasoning through the right frame and filtering the issues: Facing the truth about product and organizational expansion based upon facts and details.

A separate chapter addresses each attribute. As you read on, these attributes are referenced as through the remainder of the text. In addition, each choice or decision is reviewed and discussed in light of these attributes. The attributes become the lens through which validation of decision making and discussion is launched.

Another key concept introduced in the text is "total brand value." This is not a new business concept, but it "provided the all important point of connection for creating plans and programs" (101). It is an "old-school" concept used to frame a big picture issue, and works principally in the consumer products field (102).

The second section addresses the process and procedures of hiring the right team as well as of gaining an understanding of the differences between leading and managing. According to Collins (2001), "if you have the wrong people, it doesn't matter whether you discover the right direction; you still won't have a great company" (42).

The third section addresses a difficult areas in business, especially in today's economic setting. It involves the vision and long-term planning of an organization. Kilts reminds us that a leader has the absolute imperative to get it right.

The final section addresses two areas: politicians and the media. This is the "lessons learned" section where Kilts shares situations and scenarios from his life linked by the belief in only doing what’s right, all the time.

Kilts reminds us that after the plan to save Gillette was set forth, it was important to communicate what was to transpire with the employees and respond to their questions. He made a point of no "sugarcoating" (176). Chapter 9 reminded me a lot of what Collins stated in *Good to Great* (2001) “Good-to-great management teams consist of people who debate vigorously in search of the best answers, yet who unify behind decisions, regardless of parochial interests.” Kilts is clear that this discussion was very necessary and proved beneficial to obtain employee buy-in and get everyone on the same bus and driving in the same direction (Collins, 2001). The next lesson confirmed by Kilts was that Gillette did not need a new name, tag line, or product launch, but “a change in performance results” (Collins, 2001).

Leadership lessons shared in the text are many; leadership theories employed, few. Kilts reflects upon a few things to do right always that matter: organizational growth, relationships, loyalty, small moments, timely decisions, doing what you enjoy, having the right team, and confronting reality. But what struck me the most was those things we learned at an early age that we continue to hear expressed by the likes of Covey (1989), Maxwell (2007), Bennis (1985), Heifetz (1998), and other leadership scholars. They include: play fair, be on time, clean up your mess, tell the truth, work hard, and so on (Fulghum, 1990).

In summary, Kilts offers insight through a simplistic journey that is practical and filled with directions that can easily be followed by others who find themselves in similar circumstances. It is a must read for any student or lifelong learner of business.

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Prophet's Daughter: My Life with Elizabeth Clare Prophet Inside the Church Universal and Triumphant **by Erin Prophet. (2009)**

Published by: Lyons Press, 2009. Guilford, CT.

Cost: $24.95, Pages: 286

Reviewed by Craig Johnson, Professor of Leadership Studies, George Fox University, Newberg, OR

Elizabeth Clare Prophet was the charismatic leader of one of the most controversial new religious sects to emerge during the last century. Under the guidance of "Guru Ma," The Church Universal and Triumphant (CUT) grew to an estimated 25,000 members from North America, Africa, and Europe (Whitsel, 2003). CUT gained international notoriety in 1990 when hundreds of church members retreated to underground bunkers in Montana to await the start of a nuclear holocaust. They abandoned their shelters when the prophesied Armageddon never materialized.

In *Prophet's Daughter*, Erin Prophet uses her experience as Clare Prophet's eldest daughter and chosen successor to explain how CUT got caught up in the apocalyptic fervor that disillusioned many followers and cost them their careers, homes, and savings. Her account illustrates the dangers of allowing charismatic authority to go unchecked as well as the power of self-delusion.

Erin Prophet focuses most of her attention on events at Royal Teton Ranch near Yellowstone National Park, which became CUT's world headquarters in 1986. However, she sets the stage by introducing readers to key elements of her family's history and describing the church's core beliefs. The Church Universal and Triumphant started in 1958 as the Summit Lighthouse under the leadership of Mark Prophet. The group combined a mix of Eastern, theosophical, and New Age religious practices and conservative political ideology. Adherents believed that they could ascend to a higher spiritual plane, often through multiple reincarnations. Only special messengers could bring dictations from ascended masters like Jesus, Buddha, Saint Germain, and El Morya who influence events on earth. When Mark Prophet died in 1973, his wife Clare Prophet took his place as the Messenger or intermediary between the ascended masters and humankind. Followers believed she could speed them along the path to spiritual perfection.

Clare Prophet, or "Guru Ma," placed a number of restrictions on adherents, particularly the most committed followers who signed over their assets to the church and worked as staff for $150 a month. Those closest to the Messenger (including daughter Erin and other family members) followed a strict moral code that prohibited drugs, alcohol, tobacco, extramarital or premarital sex, and certain forms of sexual activity within marriage.

The Prophet's message became increasing apocalyptic when the church moved its operations to Montana from California. She warned that the Soviet Union would launch a nuclear strike on the United States as punishment for the nation's wickedness. Construction on the underground shelters began. Those chosen to occupy the underground bunkers armed themselves for the chaos to follow the beginning of a nuclear war. The author, selected as apprentice seer by her mother, played a key role in these preparations, taking spiritual dictations about how many shelters to build, how much food to store, and when the nuclear attack would occur.

Events came to a head in March 1990. As reporters and neighbors gathered outside the Ranch, CUT members took to the bunkers, complete with purple bunk belts to keep them strapped in when the attack began. The next day they emerged to find the world untouched. Those who had abandoned their jobs and paid their life savings to secure their spots underground were left destitute.

Prophet's failed prediction meant a major crisis for the church and its leader. A number of members left the group, though others claimed that the prayers of the church had averted the crisis. Several splinter groups formed. The IRS repealed CUT's tax-exempt status and the state of Montana sued the group for environmental violations. Erin Prophet left the church in 1993, her faith in her mother and the church badly shaken. CUT faced another crisis when Clare

Prophet was diagnosed with Alzheimer's disease in 2000. However, despite these setbacks, CUT continues to function today with branches in South America, Europe, and Russia as well as in the United States.

Erin Prophet was the ultimate insider. She served as her mother's confidant and chosen successor, privy to information hidden to all but the group's inner circle. She also played a significant role in the events leading up to March 1990. As a result, her account provides insights not available from other sources. Based on Erin Prophet's narrative, several factors contributed to the group's apocalyptic crisis. First, the group isolated itself by moving to Montana, cutting off most of its contact with the outside world. Hostility from the local community heightened the group's paranoia. Second, few challenged Guru Ma's authority; instead, they submitted to her increasing demands. The Messenger became more controlling the longer she lived at the ranch, adding additional restrictions to the moral code and requiring written confessions for violations. Third, like her followers, Prophet overestimated her powers and believed her own visions and those of her daughter. Fourth, CUT authorities engaged in deception. They disavowed stockpiling weapons and tried to hide their construction activities from land use planners and environmentalists. Fifth, Prophet had serious character flaws. She condemned sex outside of marriage but had an extramarital affair and lied to cover it up. When a prominent church member was arrested for weapons violations, she and other church leaders quickly disavowed knowledge of his activities, even though he was acting on the orders of the CUT hierarchy. Six, the Messenger suffered from epilepsy that may have encouraged grandiose behavior. Earlier stages of Alzheimer's disease, which went undetected, may have influenced Prophet's spiritual visions and decision-making.

The story of the Church Universal and Triumphant should be of interest to both leadership scholars and practitioners. Observers will note many similarities between CUT and other religious groups of that period which also fell victim to groupthink and flawed leadership. CUT's saga ended without the loss of life, but that was not the case for the Branch Davidians, the People's Temple, and Japan's Aum Shinrikyo Supreme Truth sect. Isolation, unchecked power, paranoia, manipulation, and deception were common to all of these movements. However, it would be a mistake to treat Prophet's narrative solely as history. The patterns she describes pose a significant danger to contemporary groups as well. Unquestioning obedience to a powerful authority figure produces serious ethical abuses.

Clare Prophet also serves as an archetype of the charismatic leader described by Weber (1947) and other scholars (Bryman, 1992; Conger & Kanungo, 1987; Klein & House, 1995). She was able to establish powerful connections with followers after only a few minutes of conversation. Church members attributed to her extraordinary powers, telling newcomers of her power to heal and transform. They gave the Messenger their absolute loyalty and received spiritual connection and guidance in return. Sadly, Prophet reflected the shadow side as well as the bright side of charismatic leadership. Negative charismatic leaders are motivated by ego to benefit themselves (Conger, 1998; Kanungo & Mendonca, 1996). They rely on controlling strategies to solicit compliance and loyalty and use the knowledge and skills of followers to reach their own ends. Clare Prophet demonstrated all of these shadow qualities. Not only did she demand obedience and loyalty, she was quick to jettison those whom she no longer needed. Staff members devoted their lives to her but she quickly discarded them if they developed significant medical problems or became "stagnant" or questioned her directives. She was not particularly sympathetic to followers who lost everything when they followed her into the bunkers. When Prophet became incapacitated, CUT transitioned from a charismatic, authority-based structure to a more bureaucratic model with shared leadership (Whitsel, 2003).

In the Afterword of *Prophet's Daughter*, Erin reflects on the course of her mother's life, wishing that Guru Ma had used her spiritual talents in less destructive ways. She concludes that, while Clare Prophet helped many, her "fundamental flaw" was claiming to possess powers she did not have. Of course, this flaw is not limited to the Messenger. Overestimating one's importance, knowledge, and abilities is a constant temptation for leaders. What happened to the Church Universal and Triumphant under Prophet's leadership is a potent reminder of the damage that can result when leaders refuse to acknowledge their limitations.

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