

Chapter 11 Traditional X-Plot Behaviors of transaction or transformation

ABSTRACT

Transaction behavior is that script you are trained or led to repeat; it is quite robotic like a telephone script a salesperson memorizes, or the greeting by a McDonald's counter person. Transformational behaviors are about changing the script, so a new game is played. Transformational leaders have visions of new scripts that change your role. Once it is changed, you again just do a transaction script, hopefully a better one. The chapter covers the history of behavior (in-the-box) leadership and moves out of the box to theatrics of leader behavior.



Fox Island

Once upon a time...

Most of the Leader Academy left the Isle of Traits and set sail for the Fox Isle of Behaviors by the 1940s, just in time for WWII. They no longer believed in Pirate's Island, the trait formulae of Myers or Briggs, and suspected X and Y, like other trait research, was some kind of fraud. The Fox Isle military wanted to know if leaders could be trained, and if so, what behaviors made them most effective. The Academy of Leader Professors wanting to get tenure, fame in time of world crisis, and fortune decided that some new theory of leadership must be found or all their jobs would be as extinct as dinosaurs. Working with the Army and with universities, two biggest bureaucracies in the world, it was mostly about transactional behavior, being autocratic or democratic to increase the transaction rate or quality. After Stogdill's reviews killed off trait theory, we stopped studying great men and women, with their drives for power, their sense of mission, mixed with risk and adventure. We studied the behavior of Boys' Clubs, high schools and college students, and Army recruits. We created behavioral theories and contingencies that eliminated the study of the dark side of leadership.

The game of life in organizations or organizations in society was never to be transformed.

Their quest is this: to find universal leader behavior styles that correlate with effectiveness and are optimal transactions in ALL situations.

Some desperate explorers led by Squire Fleishman and Sir Katz set off for the Isle of Behavior in separate ships. There, they discovered that Scribe Lewin had already established a behavioral settlement and an Iowa University since 1938. On Fox Isle of Behaviors, leader (transactional) behaviors became observable and their study turned objective and measurable.

Battle of the Universities - Each wanted to make its mark. Each wanted to study what do leaders do, use some statistical methods, and found their own state university. Soon the Ohio State and Michigan University competed for the education of the peasants. Fleishman became King of Ohio State and Katz was made King of Michigan University. Lewin was already King at Iowa. Each mustered their armies and prepared to battle for leader behavior territory. As they became more warlike they built ships and did battle with the Motherland of Traits.

For decades the Ohio State and Michigan University kingdoms ruled the world of leadership. But the taxes collected were too much and in 1957 Merton the Magician set off for new Fox Isle of Behavior territory. Roles Territory was established, a predecessor to theatre, to scripts. Yukl led a revolution and established a new religion called "Participation" (kind of a rediscovery of what Scribe Lewin found in 1938). Sir Mintzberg, knighted by the Canadians, resettled in the Isle of Behavior. He decided to go and look, to see if leaders did any planning, organizing, controlling, or leading. He actually observed and charted what transactions that leaders do. The world was shocked to discover, that leaders had a hectic, frantic, and fragmented transaction life, and did little of the plan, organize, control, or lead behaviors Big Universities thought to take place. Some leaders were only figureheads, and Mintzberg did confirm Sir Merton's theatre view, but noting all the roles that leaders do.

While Fox Isle of Behavior was still awash with Ohio two-factor studies of behavior and observations of roles here and everywhere, that great explored, Prince Yukl decided that process was more important than some list of universal behaviors. And by 2001, Prince Howell and Knight Costley of New Mexico State joined the search for process. They still liked to isolate and measure behaviors, but wanted to do this in the study of processes. They made great maps of the world of leadership, charting each territory. Leaders were reduced from traits or greatness to just psychoalgebraic behavioral equations, to 'styles,' or just transactions.

But alas most of the Leader Behavior Academy had already set sail for the Isles of Situation: Snail Time and Bear Spectacle. It seemed obvious that Pirate Traits and Fox Behaviors to be effective depended upon the Isles of Situation. If there were universal behaviors, they are not optimal in ALL situations. Therefore a great expedition set forth to the Isles of Situation in the 1960s, with new waves of migration each decade since. This is where the arts of transformation were rekindled. Still a few die hearts remained on Fox Isle of Behaviors.

This next section is a summary of the traditional behavior schools of leadership. It is not about directions or energies, just about observable patterns of behavior, and behaviors measured in survey instruments (which ironically, are often not behaviors at all certainly not observable ones; more like attitudes than behaviors).

Bass (1985) spends the first two thirds of his book developing his theory of transformation and transaction leadership.

Bass (1997) has argued that transformational leadership is universally applicable. He proposed, that regardless of culture, transformational leaders inspire followers to transcend their own self-interests for the good of the group or organization, followers become motivated to expend greater effort than would usually be expected ([Source](#)).

At one point, Bass (1985) contends that "*most leaders do both (transformation and transaction) in different amounts*" (p. 22, italics in original, addition mine) or "transformational and transactional leadership are likely to be displayed by the same individual in different amounts and intensities" (p. 26). Then in the next paragraph on p. 22, T and T become a continuum. The transactional leader, for example, could "contribute confidence and desire by clarifying what performance was required and how needs would be satisfied as a result. The transformational leader induces additional effort by further sharply increasing subordinate confidence and by elevating the value of outcomes for the subordinate" (p. 22). If we [deconstruct](#) this logic, Bass seems to be assuming that transformational leaders have a lack. Transformational leadership is hierarchically superior to transactional leadership, able to expand the subordinate's needs with a focus on more transcendental interests. If we deconstruct the duality of transformational and transactional leadership further, at its base is Maslow's hierarchy of needs. The transactional leader appeals to lower order needs, while the transformational appeals to higher order ones. In figure 2 (p. 22 in Bass) Bass presents one of several complex diagrams of transactional and transformational leadership. Figure 1 (transactional leadership told in 7 boxes) is subsumed as one of a dozen boxes of the transformational leadership model. I will not reproduce those figures here. The point is that transactional leadership is a minor subset of the transformational model. Elsewhere, Bass says what the transactional leader accomplishes, the transformational leader is able to "heighten" and "elevate" in the value of outcomes by "expanding the follower's portfolio of needs, influencing the follower to transcend his own self-interest for higher goals and/or by altering the follower's needs on Maslow's hierarchy" (p. 24). "The transactional leaders works within the organizational culture as it exists; the transformational leader changes the organizational culture" (p. 24). The transformational leader even "changes the social warp and woof of reality" (p. 24). In sum, transformational is hierarchically superior to transactional leadership valuation.











Bass further concludes that "the leadership of the great men (and great women) of history has usually been transformational, not transactional" (p. 26). Yet, when we look at the combinations, they are arrayed in a hierarchy (see Table Two), with de Gaulle being the extreme transformationalist with no transactional ability, Roosevelt able to do both, and Johnson the extreme transactionalist even when doing transformation leadership.

[Multifactor Leadership Questionnaire](#) (1996 by Bernard M. Bass and Bruce J. Avolio).

- [Transformational Leadership](#) guide.
- [Transactional Leadership](#) guide.
- [Non-transactional \(laissez-faire\)](#) guide.
- [You are now ready to fill out the MLQ](#) - follow the steps to get your scores.

History of authors in the Behavior School of Leadership:

Lewin et al -1938 3 STYLES MODEL of Iowa University - This is the observational study they say started the quest for Behavioral Leader Styles. The Autocratic Leaders is the autocratic one who Tells and Sells, and the result is a submissive group of employees. The Democratic style is to Share and Consult, and the result is the cohesive team. The Laissez-faire style is to give no direction at all, and the result can be frustration, disorganization, and low quality.

Lewin, Lippitt, & White	
AUTOCRATIC, DEMOCRATIC & LAISSEZ-FAIRE	
AUTOCRATIC (Directive):	
	Centralize authority
	Dictate work methods
	Make unilateral decisions
	Limit employee participation
DEMOCRATIC (Participative):	
	Involves employees in decision making
	Delegates authority (now its called 'empowerment')
	Encourages participation in deciding work methods and goals
	Uses feedback as opportunity to coach employees
	Participation sometimes results in higher satisfaction
	Greater decision acceptance sometimes
COMES IN 2 VERSIONS:	
DEMOCRATIC-CONSULTATIVE STYLE	
	Seeks input and hears concerns and issues of employees but makes final decision.
DEMOCRATIC-PARTICIPATIVE STYLE	
	Allows employees to have a "say" in what is decided; operates in group mode with

leader as one more member giving input

LAISSEZ-FAIRE:

- Gives employees complete freedom to make decisions and complete their work as they see fit.
- Provides materials and answers questions

RESULTS:

- Lewin, Lippitt, & White studies of Boys Clubs found quantity of work in groups led by democratic and autocratic leaders equal, but quality and group-satisfaction higher in democratic groups.
- Subsequent studies (Bass, 1981; Miller & Monge; Wagner & Gooding, 1987; Yukl, 1989) have had mixed results
 - Democratic leader styles sometimes had higher quantity & quality results than autocratic styles, and other times lower or equal to.
 - Studies using surveys found positive effects of democratic participation with effectiveness, whereas lab/field experiments and studies using independent raters had weak results.

CHALLENGES:

1. Results depended upon method used
2. Democratic participation sometimes leads to effectiveness, but often does not
3. Impossible for correlation studies to determine the direction of causality (Yukl, 1989: 86)
4. Research not specific about what the leader is doing with regards to participation (mostly perceptual measures of members feeling sense of influence)
5. Field studies were confounded by "Hawthorne effect" the special attention of a participation program and special treatment, and not the leader behavior explained the results
6. Too many studies focused on "satisfaction" of members as the outcome measure, rather than looking at performance criteria
7. Few studies looked at situation variables

Flanagan 1951 CRITICAL INCIDENTS (A Storyteller's Method)

Flanagan 1951

METHOD

- Critical incident methods used by Trait researchers are also applied to leader behavior research. Subordinates, peers, and boss are asked to describe effective and ineffective leader behavior in a story they tell.
- Incidents are categorized by similar behavior profiles (by researchers, panel, or participants).

COMMON CATEGORIES FOUND ACROSS STUDIES ARE TRANSACTIONAL

- Planning, coordinating, & organizing operations
- Supervising subordinates (directing, instructing, monitoring performance)
- Establishing and maintaining good relations with subordinates
- Establishing and maintaining good relations with superiors, peers, and outsiders
- Assuming responsibility for observing organizational policies, carrying out required duties, and making necessary decisions

CHALLENGES:

1. Categories of behaviors found, differ from one study to the next; no consistent replicability
2. Categories appear arbitrary and classification method is subjective
3. Assumes that people (followers, peers, boss) know what behaviors are relevant to leader effectiveness in each event
4. Collective memory can be biased toward reporting incidents consistent with stereotypes or implicit theory of what is an effective leader (instead of reporting eye witness narratives of what was observed)
5. Incident reports recount behaviors for very specific job requirements and types of leader studied, making comparison to different leaders and contexts difficult

Adapted from Yukl (1989: 88)

From here, we look now at the survey studies, the sets of questions purported to measure behaviors (which often do not measure them)

Fleishman et al 1945 OHIO STATE 2 Factor Model

To determine the leadership styles, the Leader Behavior Description Questionnaire (LBDQ-XII) was administered to the world (Fleishman, 1953; Hemhill & Coons, 1957; Halpin & Winer, 1957; Fleishman & Harris, 1962). There is also a Leader Opinion Questionnaire (LOQ) completed by the manager. According to Starbuck (1996)

"Initiating structure embodied the essential properties of the leadership concepts of 1910, and consideration embodied the concepts of the 1930s."

The main point -> Initiating Structure and Consideration are just about transaction behaviors, and not about changing the game of life at work. Two two statistically independent dimensions behavior-factors or dimensions were said to be universal. A leader could be low, medium or high on the 2 dimensions at the same time:

INITIATING STRUCTURE:	CONSIDERATION:
<p>This is the One Voice Leader who Directs with Transactional and Task oriented style. At best great for routine and repetitive task, at worst, the micro-manager.</p> <ol style="list-style-type: none"> 1. Lets work-unit members know what is expected of them 2. Schedules the work to be done 3. Encourages the use of uniform work procedures 4. Assigns work-unit members to particular tasks 5. Plans tasks for work-unit members 6. Makes his or her attitudes clear to the work unit 7. Clarifies work roles 8. Asks for results 	<p>This is the Poly Voice Leader who is people-oriented and Participative, and a bit Transformational.</p> <ol style="list-style-type: none"> 1. Treats all work-unit members as his or her equal 2. Is friendly and approachable 3. Does little things to make work pleasant 4. Puts suggestions made by the work unit into operation 5. Looks out for personal welfare of work unit members 6. Supportive socioemotional work atmosphere 7. Maintains high morale in work-unit 8. Collaborative work atmosphere

PROBLEMS

1. These are both about transactions, not much transformation behavior here.
2. There is no Will to Power/ Will to Serve assessment here. Both Initiating Structure and Consideration are but a some portion of the Leadership Box we study here.
3. The model is U.S. and culture bound; fortunately most nations have other ways of being leader.
4. After 50 years of research, the LBDQ is thought to be unreliable yet as a measure of leader behavior; yet it is still used widely.
5. The 2-factors are so widely taught in Business Schools that they have been born into managers' thinking
6. LBDQ method relies upon recall and perceptions of respondents, not on behavior study (Campbell, 1977)
7. Surveys like LBDQ have all kinds of bias to validity and reliability (e.g. recency, desirability, halo, primacy, stereotyping)

8. First tested in the US, the LBDQ does not adequately depict behaviors in non-US cultures
9. Cause vs. Effect? - "During much of the 1970's, critics claimed research on leadership had little practical use. Many studies involved groups of twenty or so college students where one group was treated kindly and the other group was treated harshly, and both groups were given some simple tasks to accomplish such as assembling component parts" (Steve Hallam).
 - researchers also jumped on the anti-leadership research bandwagon claiming that researchers were only "seeing" leadership because they expected to see it. If they observed a business turnaround and there was no other obvious cause, the turn around was attributed to leadership.
10. LBDQ was doomed to failure as a method, but the universal appeal of 2-factors keeps it alive to this very day. There must be other factors.
11. One Best Style - The universalists immediately formed a 'one-best' leadership style fits all: the leader who can exhibit high consideration and high initiating structure (some research does support this by Fleishman & Harris, 1962; House & Filey, 1971; Hoy & Brown, 1988: 27 in study of teachers).
12. The universal theory of leadership is an antihero approach, where impersonal factors and forces perform the executive function.
13. No Heroes here - It is a universal theory fit for the non-risk taker who initiates structure with consideration in a bureaucratic cage. Where else would anyone call this leadership?

MODERATORS ARE APPLIED TO 2 FACTORS

1. Look at situational factors such as time pressure, ambiguity, external threat, etc. that suggests a more imitating structure would be warranted over consideration
2. Challenging and interesting work and structured tasks may eliminate the need for imitating structure
3. With clear goals and tasks, more initiating structure leads to feeling micro-managed, lowering work-unit satisfaction
4. Workers low in growth needs, education, and knowledge may favor higher initiating structure
5. Look for other factors (See Michigan State)

University of Michigan called the Survey of Organizations (Katz, Maccoby, & Morse, 1950). This behavioral survey, like the Ohio State LBDQ, is once again reliant upon the perceptions of only one source (subordinates) completing the questionnaire (not a test of behaviors or observation of them). It began in 1947 when Rensis Likert and his group of social researchers at University of Michigan launched series of leader studies in range of settings.

Main Point: -> Once again, 2 dimensions, this time production or employee centered, and these are about managing transactions, not about changing or transforming the rules of the game.

Production Centered:	Employee Centered:
<ul style="list-style-type: none"> ● Emphasize technical or task aspects of the job ● Concerned mainly with accomplishing group's goal ● Regard group members as means to an end 	<ul style="list-style-type: none"> ● Emphasize interpersonal relations ● Take personal interest in needs of employees ● Accept individual differences among members
<p>FINDINGS</p> <ul style="list-style-type: none"> ● High producing groups were led by leaders with an employee-centered style. 	