Leadership for Quality and Innovation: Challenges, Theories, and a Framework for Future Research

JOHN R. LATHAM, UNIVERSITY OF NORTHERN COLORADO

This perspective paper discusses current issues facing leaders, what researchers and practitioners know about leadership theory and practice, and what they need to know to improve leadership in the future. A key issue in leadership research is that there has been no convergence toward a reasonable number of cogent leadership theories. The current knowledge about leadership consists of narrow definitions of leader effectiveness that are disconnected from their context, so the application to practice is difficult. More research is needed that develops leadership frameworks and models that integrate transformational, servant, and spiritual leadership theories and include the context and a definition of success based on creating value for multiple stakeholders. A framework for future leadership research is proposed along with a "call to action."

Key words: ambidextrous organization, diversity, innovation, leadership failures, leadership theories, quality, servant leadership, spiritual leadership, stakeholders, sustainability, transactional leadership, transformational leadership

INTRODUCTION

Leadership continues to be a popular topic for quality professionals, organizational leaders, researchers, consultants, and a variety of commentators. Unfortunately, there are numerous examples of leadership failures, ranging from ethical disasters to the workers who hate their boss and their job. Both reduce individual engagement and reduce organizational performance. However, after years of practicing and researching leadership, there is still no reasonable number of cogent and coherent theories for leaders to follow that will predict success. To make matters worse, the task of leadership at all organizational levels seems to be getting more and more difficult. Perhaps too much credit for organizational success and failure is given to leaders, but there is consensus among scholars and practitioners that it is important and it does make a difference. W. Edwards Deming understood the importance of leaders using their influence to improve quality by attending training sessions on quality principles and practices. Deming even walked out when some executives refused to attend their company's training.

LEADERSHIP IS INCREASINGLY DIFFICULT

The number and type of stakeholders exerting pressure on organizations has increased from a narrow focus on investors and customers and now includes stakeholders

such as employees, suppliers, and partners, along with the community and the natural environment. Similar to the quality crisis of the 1980s, many leaders today have proposed that creating value for multiple stakeholders requires trade-offs between the stakeholders in a "zero sum game." Alternatively, creating value for the multiple stakeholders could be done with innovation and imagination by reinventing the methods and systems so they produce more value for all stakeholders. The good news is there are many "proof of concept" examples such as those described in Esty and Winston (2009) and ASQ's Socially Responsible Organization initiative.

Modern organizations must be ambidextrous (i.e., able to execute and innovate) in order to be successful because of the multiple environmental pressures they face and because they must organize a diverse workforce to do this work. Organizations that are only good at one or the other will not survive, let alone thrive, in the coming decades. Those that are only good at execution will end up making reliable products that few will buy. Organizations that are only good at innovation and strategy will experience "boom bust" cycles, with many early sales only to experience a steep decline when they cannot deliver on their promises. Unfortunately, some quality departments are perceived as having their foot on the brake when the innovative marketing department puts its foot on the gas. The good news is, some organizations have demonstrated that it is possible to run the business *and* change the business simultaneously, by weaving these two concepts throughout the organization's strategies, systems, scorecards, and incentives (see Clarke American 2001, 30). To succeed now and in the future, leaders will have to design organizations with the ability to do both with an increasingly diverse workforce operating in a complex global environment.

Leading these boundaryless organizations requires individuals who recognize that people and communities are not just a means to an organizational outcome, but are also an end in, and of, themselves. There is no shortage of advice on how to lead, but unfortunately the validity of this advice varies widely and it is not clear how much of this advice might best be applied to address the current issues given the numerous compounding variables. The modern workforce continues to increase in diversity (on many dimensions), complicating the leadership task in an increasingly global environment. Organizations and their complex global supply chains comprise groups from around the world creating and delivering products to diverse and global customer segments while operating in a wide variety of situations, governing rules, cultures, political policies, and so forth. In addition, these human-created complex systems are increasingly unstable and thus unpredictable, raising risk and anxiety among leaders everywhere. So where does one go from here?

WHAT IS EFFECTIVE LEADERSHIP?

While there is no shortage of concepts comprising the many leadership theories, there is little consensus on what constitutes effective leadership (Gordon and Yukl 2004). The current leadership body of knowledge is a fragmented and "messy landscape" comprising inputs from a variety of contributors including academics, practitioners, and consultants, with numerous self-proclaimed experts and commentators thrown in for good measure. Academics propose competing leadership theories and research, and continue to research only their favorite theory, without integrating the findings of these different theories. On the other end of the spectrum, there are thousands of books on leadership and even more articles and blog posts. Unfortunately, some of the advice is nonsense made up to "fill" blog posts so the authors can increase their authority on the topic in the eyes of their online followers. Typically, theories eventually go through a convergent phase where the models, constructs, and relationships are tested, eliminated, refined, and so forth in a process of narrowing down the number of competing theories. However, once created, leadership theories are seldom discarded (Glynn and Raffaelli 2010). This "academic amnesia" (Sayles and Stewart 1995) has resulted in a situation where, according to Hunt and Dodge (2000), one can leave the field of leadership research for an extended period of time and return to find that it is as if he or she had never left. In addition, none of the

current theories seem to be a complete answer to the leadership challenges of the 21st century.

Possibly the most researched leadership theories over the past 30 years have been the complementary transformational and transactional leadership theories (e.g., Bass 1999). The positive effects of both of these theories on quality improvement and firm performance were confirmed by Laohavichien, Fredendall, and Cantrell (2009). However, while transformational leadership has been widely successful, it appears to be incomplete for the challenges facing current leaders and does not prevent abuses of power and allows for the ends to justify the means. Servant leadership has emerged as an alternative, and much of the work to synthesize the competing servant leadership concepts and validate this theory has been accomplished over the past decade by van Dierendonck (2011) and van Dierendonck and Nuijten (2011). In addition, a related research thread is the recent interest in spiritual aspects of leadership to better understand the internal dimensions of leaders and followers (Fry and Kriger 2009). There is quite a bit of overlap among these theories (and others), yet they continue to be treated by researchers as separate and distinct.

# WHAT IS NEEDED TO FURTHER DEVELOP LEADERSHIP THEORY?

Is it possible that the quest of the last 50-plus years to find the universal definition of effective leadership has been misguided and unattainable? The inability for researchers to converge on a universal answer may be an indication that there is not a universal answer to leadership. Part of the problem is researchers may have the ontological and epistemological assumptions wrong. In order to find and test a universal answer, the phenomenon needs to be one that operates free of context and includes measurable variables and predictable relationships. However, organizations are human-created constructs occupied by humans who appear to have free will and thus do not always obey the immutable natural laws of science. Humans also seem to come in a wide variety of

personalities, capabilities, motivations, and so forth, and when combined into groups, the permutations appear infinite. Yet, 88 percent of leadership studies in the past have been quantitative (Glynn and Raffaelli 2010). In one's desire to be credible to other physical (read "real") scientists, many social science problems including leadership have been investigated using positivist and post-positivist methods with quantitative measurement and probability samples to ensure generalizability. For more on the evolution of research traditions in American business schools, see Khurana (2007). Unfortunately, going through the motions of "good" science has not resulted in knowledge that is widely generalizable. Good qualitative and mixed methods research is difficult to do well. There is an inherent risk of drawing conclusions from investigations into social phenomena that are simply wrong (Feynman 1974). Maybe what is needed is a "consilience" of knowledge in the leadership field that combines multiple sources of evidence into a more comprehensive and deeper understanding of the leadership phenomenon (see Wilson 1999).

Also needed is a common and comprehensive definition of success in order to assess leadership effectiveness. All too often people evaluate and "hold up" leaders as highly successful examples based on a single measure of success such as economic profit. When they peel back the "veil" they often find that the leader created the economic success at the expense of one or more other stakeholders such as the workforce, suppliers and partners, society, or the environment. This is problematic for both practitioners seeking to emulate successful leaders and researchers attempting to evaluate the existing leadership theories. It does not take great leadership to reallocate resources and value from one stakeholder group to another. What is needed is a more comprehensive understanding of how the key aspects of leadership (the individual, behaviors, and activities) can create the environment for the systems thinking and design thinking required to create value for multiple stakeholders (see Figure 1).

Finally, through a process of synthesis, elimination, and refinement, researchers need to converge on a smaller set of theories that explains effective leadership. The good news is there appears to be a high degree of

Figure 1 Framework for future leadership research
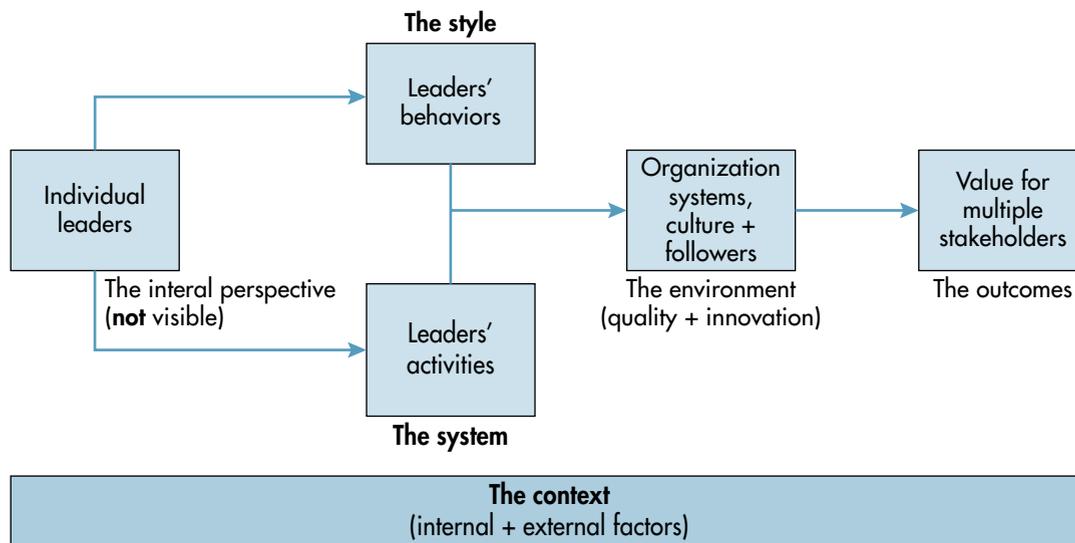
overlap between some leadership theories, providing opportunities for synthesis. For example, many aspects of transformational, servant, and spiritual leadership theories were identified as consistent with the components of the framework for leading the transformation to performance excellence, including the individual leader characteristics, leadership behaviors and activities, and organizational culture (Latham 2013a; 2013b). In addition, there needs to be more research and analysis on how the existing theories are influenced by context; what works, what doesn't work, and under what conditions. For example, recent findings by Zimmerer (2013) indicate that servant leadership is considered to be an effective leadership style by the multiple generations in organizations today, thus relieving leaders of the need to adjust their style for each generation of followers. Finally, future research and analysis needs to include a comprehensive definition of success, such as the results category of the Baldrige Award Criteria for Performance Excellence, and avoid adopting leadership theories that result in value for only a few stakeholders.

CONCLUSION

Only the brave need apply! One might begin by working on a meta-analysis of the existing leadership theories, beginning with the four leadership theories that were identified in Latham (2013a; 2013b) as closely linked to performance excellence. The main limitations of transformational and transactional leadership theories could be, at least partially, remedied by integrating key constructs and concepts from values-based leadership theories such as servant leadership and spiritual leadership. Once this initial step, along with the integration of key concepts from other relevant leadership theories, is complete, researchers can begin conducting research studies that are comprehensive and address the key aspects depicted in the framework for future leadership research (see Figure 1). This "call to action" is for leadership scholars and scholar-practitioners to rise to the challenge, collaborate with practitioners, and conduct grand (comprehensive) research studies that include both the actual contexts, along with a comprehensive definition of success from a multistakeholder perspective in order to synthesize what works and eliminate what does not work from the existing field of leadership theory. In short, there need to be theories that explain how leaders can create value for multiple stakeholders, and researchers need to have the courage to throw out the theories that do not. This will require a departure from the established narrow, typically quantitative, approaches to leadership research and theory. Those who take up this challenge may want to study Emerson's 1837 address to the Phi Beta Kappa Society at Cambridge titled "The American Scholar" and take to heart his notion, "free should the scholar be, free and brave."

REFERENCES

Bass, B. M. 1999. Two decades of research and development in transformational leadership. *European Journal of Work & Organizational Psychology* 8, no. 1:24.

Clarke American. 2001. *Clarke American Checks, Inc. MBNQA application summary.*

Emerson, R. W. 1837. The American scholar. In *The Complete Works of Ralph Waldo Emerson*, centenary edition, ed. E. W. Emerson, 8115. Boston and New York: Houghton Mifflin.

Esty, D. C., and A. S. Winston. 2009. *Green to gold: How smart companies use environmental strategy to innovate, create value, and build competitive advantage.* Hoboken: John Wiley and Sons.

Feynman, R. P. 1974. Cargo cult science. *Engineering and Science* 4.

Fry, L., and M. Kriger. 2009. Towards a theory of being-centered leadership: Multiple levels of being as context for effective leadership. *Human Relations* 62, no. 11:30.

Glynn, M. A., and R. Raffaelli. 2010. Uncovering mechanisms of theory development in academic field: Lessons from leadership research. *The Academy of Management Annals* 4, no. 1:43.

Gordon, A., and G. Yukl. 2004. The future of leadership research: Challenges and opportunities. *German Journal of Human Resource Research* 18, no. 3:8.

Hunt, J. G. J., and G. E. Dodge. 2000. Leadership deja vu all over again. *Leadership Quarterly* 11, no. 4:24.

Khurana, R. 2007. From higher aims to hired hands: *The social transformation of American business schools and the unfulfilled promise of management as a profession.* Princeton: Princeton University Press.

Laohavichien, T., L. D. Fredendall, and R. S. Cantrell. 2009. The effects of transformational and transactional leadership on quality improvement. *Quality Management Journal* 16, no. 2:18.

Latham, J. R. 2013a. A framework for leading the transformation to performance excellence part I: CEO perspectives on forces, facilitators, and strategic leadership systems. *Quality Management Journal* 20, no. 2:22.

Latham, J. R. 2013b. A framework for leading the transformation to performance excellence part II: CEO perspectives on leadership behaviors, individual leader characteristics, and organizational culture. *Quality Management Journal* 20, no. 3:22.

Sayles, L. R., and A. Stewart. 1995. Belated recognition for workflow entrepreneurs: A case of selective perception and amnesia in management thought. *Entrepreneurship, Theory and Practice* 19, no. 3:7-24.

van Dierendonck, D. 2011. Servant leadership: A review and synthesis. *Journal of Management* 37, no. 4:1228-1261.

van Dierendonck, D., and I. Nuijten. 2011. The servant leadership survey: Development and validation of a multidimensional measure. *Journal of Business and Psychology* 26, no. 3:249-267.

Wilson, E. O. 1999. Consilience: *The unity of knowledge.* New York: Vintage Books.

Zimmerer, T. E. 2013. Generational perceptions of servant leadership: A mixed methods study. Ph.D. diss., Capella University.

BIOGRAPHY

John Latham is director of the Monfort Institute at the University of Northern Colorado. As a leadership scholar-practitioner he has more than 30 years of combined experience as a leader, leadership consultant, and leadership researcher. He has worked on a wide variety of leadership issues and topics, from researching leading organization transformation from the CEO perspective, to an international consultant to senior executives on leading change and organization design, to vice president of corporate quality and business excellence for a $1.3 billion manufacturing company with operations in 40 countries. He served nine years on the Malcolm Baldrige National Quality Award board of examiners and as a judge for the Colorado Performance Excellence, VA Carey, and Army Communities of Excellence awards. He earned a doctorate from Walden University in 1997 and an MBA from Chapman University in 1992. He has published leadership and organization design articles in *Quality Management Journal, INNOVATION, Quality Progress,* and others. He received the 2013 Gryna Award for his 2012 paper on management system design. He is a Senior member of ASQ, a Certified Quality Engineer (CQE), and a past section chair. He can be reached by email at john@johnlatham.me or through his website at www.johnlatham.me.