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Leadership and Social Exchange Processes

Edwin P. Hollander

State University of New York at Buffalo

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Edwin P. Hollander, Principal Investigator

Department of Psychology
State University of New York at Buffalo
4230 Ridge Lea Road
Buffalo, New York 14226

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Leadership as a field of investigation is reviewed with attention to its place as an influence process. Consideration is given to elements of social exchange in leadership, three types being identified: the <u>transactional</u> , dealing most directly with leader-follower exchanges of reward in the aggregate; <u>system progress</u> , involving the input-output effectiveness of the group or organization in the task environment seen, as locomotion toward a goal; and <u>individual enhancement</u> , concerning the follower's sense of equity, justice, and personal achievement, within the broader collective goal or goals.		

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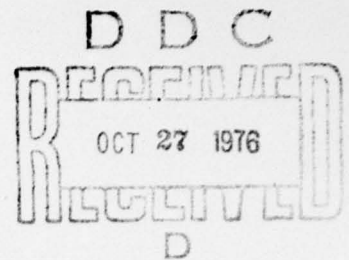
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Leadership and Social Exchange Processes^{*1}

Edwin P. Hollander

State University of New York at Buffalo



No conception of leadership is complete without attention to followers. This point is an essential element in applying a social exchange perspective to leadership. This perspective differs from older approaches in several ways, as will be pointed out shortly, but most strikingly in its emphasis on the relationship over time which links leader and followers. Clearly, the interaction which occurs between the leader and followers is important. However, elements of social exchange are only part of that interaction. Not all features of leadership are explainable in terms of rewards and costs. The social exchange concept should not be asked to do too much on its own.

I am reminded of George Homans' story about his anthropologist friend who pointed to the utility of the concept of culture by saying that if someone were to ask him why the Chinese do not like milk he could say "...because of the culture." Homans' reply was that, "...if that was all he could say, he was not saying much" (1967, p. 12).

Social exchange has a variety of features or types. In this chapter, I will be referring to three ways of construing social exchange in leadership, each stressing a particular feature. These may be characterized as types of social exchange which are not mutually exclusive, but which have distinguishing features as follows:

Type 1: Transactional--This is the most general type. It has to do most directly with leader-follower relationships in the aggregate, including the followers' perceptions and expectancies, the availability of two-way influence, and the exchange of rewards.

*This chapter is to appear in a book on "Social Exchange Theory," edited by K. Gergen, M.S. Greenberg, and R.H. Willis, to be published by Wiley in 1977.

Type 2: System Progress--The question of "how are we doing?" is the essence of this type of exchange. It involves the input-output system with the task environment, and the group's or organization's effectiveness in that exchange (Katz & Kahn, 1966). This point is analogous to Lewin's (1947) conception of "group locomotion, that is, the movement of the group toward its goal.

Type 3: Individual Enhancement--In any group or organization, there is bound to be some concern with the degree of equity and justice in the achievement of collective goals. This type of exchange is focussed especially on the individual's sense of being treated fairly at the hands of the leader.

Before applying these types of social exchange to an understanding of leadership, it is useful to have a perspective on the history of leadership as a field of study. Thereafter, I will give particular attention to the transactional approach to leadership, which emphasizes social exchange processes. Next, I intend to consider the widening awareness that leadership shares common features with other social influence phenomena, and then review some research that bears on the transactional approach to leadership.

Leadership in Retrospect

Leader-follower interactions occur in many reaches of life, even in less obvious places. Many influence relationships are found daily between people in reciprocal roles such as parent-child, teacher-student, husband-wife. These certainly show features of leadership. However, there is a special character to leadership in groups, large organizations, and nations, which has compelled attention to "the leader" as the main figure in the leadership process.

The classic approach has been to see the leader as the source of this process, and history is full of accounts of leaders and their acts. Typically the leader was seen to be someone possessed of unique traits, presumed to be inborn. Cowley (1928) captured this theme in his contention that, "The approach to the study of leadership has usually been and must always be through the study of traits" (p. 144).

The idea that leaders "are born, not made" exemplifies the classic view. Though there unquestionably is a degree of validity in the notion of leaders as significant agents in human events, this view produced an over-emphasis on the study of the traits of leaders at the expense of other factors, including followers and the prevailing situation which affected the leader's actions.

The so-called trait approach was particularly favored among psychological oriented investigators studying leadership. Earlier in this century, their research placed considerable stress on such factors as height, weight, appearance, intelligence, self-confidence, and any other variables which might be positively correlated with leadership. The aim was to determine what factor or factors made a person a leader. The results were summarized in an influential review by Stogdill (1948) and presented a very mixed picture to say the least. The major finding was that, on the average, leaders tended to be slightly more intelligent than nonleaders. But even this finding was not thoroughly stable.

Mann (1959) subsequently reviewed 125 studies of leadership and personality characteristics representing over seven hundred findings. He, too, found intelligence to be the quality which showed the highest number (46%) of studies yielding a positive relationship with leadership. With somewhat

lower percentages of studies, he also found general adjustment, extroversion, and dominance, to be positively related to leadership. However, he points out that most of these studies involved a group organized around an assigned discussion task. The "superiority" of the leader, therefore, has to be viewed in that kind of situation.

Gibb (1954) has summed up the matter in observing that, "Followers subordinate themselves, not to an individual whom they perceive as utterly different, but to a member of their group who has superiority at this time and whom they perceive to be fundamentally the same as they are, and who may, at other times, be prepared to follow" (p. 915). This point suggests the necessity to see leader and follower roles as complementary, and amenable to change rather than being fixed.

The impetus for moving away from primary attention to the leader came from the recognition that different kinds of functions were demanded of leaders in different situations (see Hemphill, 1949; Gibb, 1968). This view was a major basis for the so-called situational approach to leadership which took hold in the 1950s.

The largest deficiency in the trait approach was its insistence upon looking for stable features of leaders across many situations. It failed to recognize that leadership involves a network of relationships among individuals who are engaged in an activity in a particular situation. As Gouldner (1950) put it:

There is a certain degree of persistence or patterning in the activities which a group undertakes be it bowling, playing bridge, engaging in warfare, or shoplifting. These persisting or habitual group activities, among other things, set limits on

the kind of individuals who become group members and, no less so, upon the kind of individuals who come to lead the group (p. 76).

Mainly, the situational approach gave needed attention to the varying demands upon leadership imposed by the situation. These demands grow especially out of the group's task or function, its structure, and other contextual features, such as inter-group competition. This approach did not neglect the characteristics of the leader so much as it recognized their appropriateness to a group functioning in a given situation. For example, it emphasized that the leader should have an acceptable level of competence on a task of importance to the group's functioning. Not one but several group members may have such competence and serve as a group resource.

The concept of the leader as a group resource is one extension of the situational approach, and involves two kinds of considerations. One is that followers have expectations about leaders and their contributions (Type 1 above). The second consideration is that a functional group operates as a system with inputs from members to produce desired outputs (Type 2 above).

The situational approach was more than a single orientation, although it began as a necessary counterbalance to the trait approach to leadership. It had the deficiency however of leaving out a concern with process. Typically, leaders were viewed in terms of their ability to exert influence. Situational studies gave little consideration to the followers' responses to leaders over time, including sources of rising or falling status, and the problems of leaders maintaining as well as attaining their status. Most of the time, the leader was viewed as someone who occupied a position

In a relatively fixed sense.

Moreover, "naïve situationism" had largely excluded the leader's characteristics from consideration since they smacked too much of the older study of leader traits. The popular slogan of the new movement might well have been "leaders don't count."

Having escaped from a primary focus on the leader, another trap was laid through the widespread tendency to view all leadership events in situational terms, and leaders as interchangeable parts within it. In putting to rest the often rigid, trait-based conceptions of the past, the situational approach provided a notable gain. But it largely neglected interest in the characteristics of the people who fill leadership roles, especially where it is possible to relate their characteristics to the nature of task demands and successful performance. Commenting on this in their review of research on leadership processes, Hollander and Julian (1969) say:

...the two research emphases represented by the trait and situational approaches afforded a far too glib view of reality ...neither approach ever represented its own philosophical underpinning very well, and each resulted in a caricature...the situational view made it appear that the leader and the situation were quite separate...[though] the leader, from the follower's vantage point, is an element in the situation, and one who shapes it as well...In exercising influence, therefore, the leader may set the stage and create expectations about what he should do and what he will do. Rather than standing apart from the leader, the situation perceived to exist may be his creation (pp. 388-389).

Clearly, a form of faddism took many researchers from one extreme to another in little more than a decade. Since both approaches at the extreme proved of limited use, something new was needed. That something, put simply, was to recognize that leadership involves a transactional process in which both the leader and followers are active participants.

Leadership as a Transactional Influence Process

The transactional approach considers leadership as a two-way influence process. It emphasizes the more dynamic elements in leader-follower relations, including interpersonal perception and the fulfillment of expectancies. While leaders are often seen to "hold" positions of higher status and influence, in fact much depends upon how they attain and maintain their positions among followers. We now consider the matter of the leader's legitimacy not as a fixed but rather as a dynamic attribute, as seen for instance in the "credits" accorded to leaders by followers.

The word "dynamic" indicates change. Rather than be concerned with change, the more common tendency in traditional study of leadership phenomena has been to emphasize stasis, which often means accepting the "leader" and "follower" relationship as set. Yet, a reality in the day-to-day functioning of leadership is for the leader to maintain legitimacy in the face of potential challenges to authority from below, from equal status peers, and from above.

Relatedly, the followers' ties to the leader depend on how they construe the leader's actions and motives. Given the powerful consequences which flow from their perceptions, it is surprising how often these perceptions have been neglected. More than two decades ago, the late Fillmore Sanford quite presciently captured the essential point in these words:

There is some justification for regarding the follower as the most crucial factor in any leadership event and for arguing that research directed at the follower will eventually yield a handsome pay-off. Not only is it the follower who accepts or rejects leadership, but it is the follower who perceives both the leader and the situation and who reacts in terms of what he perceives (1950, p. 4).

Sanford was trying to go beyond the then dominant situational approach by arguing that the followers were also vital to the leadership process, in addition to the leader or the situation, which defines task demands.

The newer emphasis on leader-follower relations as a transaction (Type I above) gives credence to the notion that each follower holds the potential for being reacted to by the others as an influence source. What is particularly important also is to appreciate that changes may occur in the parties as a result of their interaction over time. I use the term "transaction" for this process so as to suggest a more active role by followers in an exchange relationship with the leader, including the potential for counter-influence. On this feature of leader-follower interaction, Hollander and Julian (1969) assert that,

...the person in the role of leader who fulfills expectations and achieves group goals provides rewards for others which are reciprocated in the form of status, esteem, and heightened influence. Because leadership embodies a two-way influence relationship, recipients of influence assertions may respond by asserting influence in return, that is, by making demands on the leader. The very sustenance of the relationship depends upon some yielding to influence on both sides (p. 390).

The traditional view of the leader as the influence source leaves out this essential feature of counter-influence. As Homans (1961) aptly notes, "Influence over others is purchased at the price of allowing one's self to be influenced by others" (p. 286). In this sense, the willingness of group members to accept the influence of a leader depends upon a process of exchange in which the leader gives something and gets something in return.

In a simple transactional view, the leader directs communications to followers, to which they may react in various ways. The leader attempts to take account of the perceptual-motivational states of followers and they, in turn, evaluate the leader's, with particular regard to responsiveness to their needs. Especially pertinent are the followers' perceptions of the leader's effectiveness and how they construe and evaluate the leader's actions and motives.

As noted earlier, the leader may be viewed as a group resource--ideally one who provides for the attainment of the group's goals (Type 2 above). In so doing, the leader derives certain benefits in status and heightened influence which serve as rewards. Therefore, in acting as a leader, an individual necessarily transacts with others in his or her environment.

This approach is in keeping with the social exchange views found in Thibaut and Kelley (1959), Homans (1958, 1961, 1974), Blau (1964), and the newer work by Jacobs (1970). In these terms, the leader's demands upon the followers are reciprocated in their demands made upon the leader. Therefore, the integrity of the relationship depends upon some yielding to influence on both sides.

Although it may seem idealistic, this view conveys a truth which bears generalizing. In resource allocation terms, when common ends are being

sought, it is expected that each person will do his or her share. But the leader provides a very special resource, which is consumed most clearly in activities directed toward the achievement of goals. The leader is also uniquely a "definer-of-reality" for the others by setting goals but also by communicating relevant information about progress, impediments, and needed redirections.

Among other important leadership functions is the "goal-setting" activity of the leader. Its importance appears to be considerable, though not many studies have given it the attention it deserves. In one of these which does, Burke (1966) found with discussion groups that the leader's failure to provide the group with goal orientations provoked antagonism, tension, and absenteeism. In one way, this effect may be interpreted as a reaction to uncertainty. It also shows a failure of the leader-follower transaction, and was found to be most acute when the group had clearly agreed who was to act as the leader. Though expectations such as these are probably widespread in groups, their fulfillment or lack of it has been relatively neglected in studies of leadership.

One consistent weakness across many group and organizational settings is the failure to share information which will define the situation. Too often, "giving orders" substitutes for "giving information." Up to a point this may still be effective in reducing uncertainty. Eventually though the vacuum created by an absence of information will be filled by other voices, often less familiar with the prevailing circumstances. In practical terms, therefore, the leader's failure to provide a realistic definition of the situation is an invitation for others to do so. Indeed, giving perspective to events is what a large part of political life is about, and its broader

significance for organizational leadership has long since been noted by Selznick (1957).

In introducing this section, I used the term "influence process." Despite the various headings under which it appears, I believe there is a fundamental regularity to influence which can be seen in the particular terms of the concrete phenomenon at hand. Whether dealing with leadership, conformity, or attitude change phenomena, the process involves a transaction in which information is transmitted from a source to a recipient in the form of a message, which may be verbal, nonverbal, or both.

The source may be called a leader, or a propagandist, but the label is not as relevant as the fundamental structural properties of the relationship shaping the recipient's response. The recipient, in any case, is usually not just a passive reactor to the influence assertions of the source. Bauer (1964) has made this point with great clarity in his summary of transactional features of the communications process.

Apart from the fact that the influencee is active in accepting or rejecting communications, Bauer says that the relationship is shaped on a psychological level by perceptual and motivational factors at work within the influencee who also perceives them within the influencer. This is associated, for example, with the element of "credibility" in propaganda research. How the source is perceived by the recipient or audience matters considerably in the effects produced.

For instance, Katz and Lazarsfeld (1955) have indicated how important an individual's group affiliations are in screening influence assertions in the "two-step flow" of communication. In other words, a person's attention and reaction to influence assertions depends upon a group-based judgment

about the source.

The leader's action and verbal assertions are in the nature of "communication" to the group. However, other qualities of the leader which are perceived, including loyalty to the group, constitute part of the leader's evident attributes. It is appropriate therefore for members to ask whether the individual seeking to exert influence over them is motivated by aspirations similar to their own. This recalls Brown's (1936) point concerning the need for leaders to show "member character" in the sense of being accepted as members of the group.

The process of making attributions is a significant one in determining influence effects, as Heider (1958) among others has contended. Two examples are the attribution of ability and trustworthiness--approximating "can" and "will" in Heider's terms. Perhaps the most important of these attributions in leadership is that of the leader's legitimacy, which is essentially the evident basis for the leader's position.

Leader Legitimacy and Social Exchange

Among the more substantial features of the leader's role is perceived legitimacy--how it is attained and maintained. As Read (1974) has recently put it: "...leader legitimacy cannot be considered a general disposition but involves a complex interaction of attitudes toward the leader and his source of authority, with the leader's actual behavior contributing substantially to his task influence and continuing legitimacy" (p. 203).

A social exchange conception provides one vehicle for understanding how the leader's role is legitimated. Such a conception fundamentally stresses rewards from others, in the conventional reinforcement paradigm. In particular, the process is one of gaining a response from others indicating the differentiation of status linked to influence. The effect of reinforcement is to

signal the granting of legitimacy which in turn opens the way for leader activity. This process has been demonstrated in various research settings.

In an early experiment by Papinsky, Hemphill, and Shevitz (1958), students who were found to be low on leader activity were led to behave far more actively in that role by having the group show agreement with their suggestions. Other students, who were found to be high on leader activity were affected in the reverse way by having the group show disagreement with their suggestions. Broadly interpreted, an exchange process occurred in which the group raised the reward and lowered the cost of leader activity for the first set of students and did the opposite for the second.

In a related vein, Rudraswamy (1964) conducted an experiment where some members of a group were made conscious of their own higher status. They were found to attempt significantly more leader acts than others in their group, and even out-distanced subjects who had been given more relevant information about the task itself.

More recent work has shown that even the use of signal lights as reinforcers can have a significant effect on the target person's proportion of talking time and perceived leader status (Bavelas, Hastorf, Gross, and Kite, 1965; Zdep and Oakes, 1967). These lights not only produced a heightening of leader acts, but may have also created the impression of greater legitimacy and influence, as well.

In short, when a reward is provided for exerting influence legitimately, individuals are inclined to behave as leaders. There may, however,

still be individual differences in the disposition for acting, even when the right conditions prevail. A study by Gordon and Medland (1965) with soldiers found that positive peer ratings on leadership in Army squads was consistently related to a measure of "aspiration to lead."

In discussion groups, too, there are members who show a greater willingness to make contributions. Talking, especially regarding quantity of output, appears to place a person in a leader role, largely independent of quality (Regula and Julian, 1973). A recent experiment by Sorrentino and Boutillier (1975) indicated that the most vocal group members were usually seen as leaders without much regard to the merit of their suggestions. These investigators conclude that the quantity of a person's output indicates motivation, and quality indicates ability. Evidently quantity is what pays off, at least in making initial impressions in discussion groups.

The possibility of acting as a leader, and being perceived as one, depends upon corroboration by other group members. This is the key element in the "idiosyncrasy credit" model (Hollander, 1958, 1961a, b, 1964), which deals with the impressions individuals have of one another that allow for innovative action in groups.

Continuity and stability of leadership behaviors are of undeniable importance. However, they may lead to an imbalance in the way leadership is viewed. The leader is not only influential but is ^{also} the one from whom initiatives for change are expected. The leader's role accordingly embodies the potential for taking innovative action in coping with new or altered demands.

The Idiosyncrasy credit model deals with Type I issues. Its point of departure is the apparent paradox that leaders are said to conform more to the group's norms, or standards of conduct, and yet are also likely to be most influential in bringing about innovations. In fact, these two elements may be dealt with easily if seen as a matter of sequence. In the early contact between the leader, or would-be leader, and relevant others, credits are gained by signs of a contribution to the group's primary task and loyalty to the group's norms. These two factors are called simply "competence" and "conformity."

Credits exist only in the shared perceptions which group members gain of the others over time. But credits have significance in allowing later deviations which would otherwise be viewed negatively, if a person did not have a sufficient balance to draw upon. A newcomer to the group is therefore poorly positioned to assert influence or take innovative action because the credits usually are not yet available. However, a particular individual may bring derivative credit from another group, under the general heading of a "favorable reputation."

Broadly speaking, when there have been sufficient demonstrations of competence and conformity, the individual earns enough credits to arrive at a level of status sufficient to be a leader. At that point his or her assertions of influence become more acceptable. Moreover, there is the expectation that, once accumulated, credits will be used to take actions which are in the direction of needed innovation. A failure to do so may result in the loss of credits.

Some of the earliest experimentation with the ^{Idiosyncrasy} credit model is reported by Hollander (1960, 1961 a, b, 1964). In brief, this work indicated that: early nonconformity by an otherwise competent group member blocks the acceptance of his influence, while later nonconformity is taken as the basis for alterations in the group's norms; and nonconformity to group norms is more readily accepted

from someone already granted high accorded status than from someone who is low.

There are a number of experiments whose results do not entirely confirm the model, but suggest needed refinements in it. Among these is the experiment by Wiggins, Dill, and Schwartz (1965) which indicates that high status group members have less latitude to deviate from particular role obligations. However, these members may deviate with less cost from norms applying to members in general. One good inference is that leaders and other high status members are given more latitude to deviate from general norms in exchange for adhering to the more crucial requirements of their roles. The basis for the exchange may be to compensate the incumbent for the extra costs levied by specific role requirements.

Wahrman and Pugh (1972) have found that subjects in all-male groups disliked and resented procedural norm violations from a member who had not first contributed competent behaviors and conformity. But in contrast to previous findings (Hollander, 1960), this pattern did not lead to an apparent loss of influence; early nonconformity was found to be associated with greater influence.

This result is not necessarily at odds with the idiosyncrasy credit model. Nonconformity from a competent group member can in fact serve to call attention to the performer. As I have noted, "Actions which call attention to a person may lead him to a position of influence because of favorable outcomes. Then, since his activity now becomes more crucial to the group's attainment of goals, his visibility is even further increased" (1964, p. 227). Here we have a parallel to the influence evidently generated by the sheer quantity of talking in discussion groups. However, both these effects are probably

non-linear, and a point of dysfunctionality may be reached where rejection results.

In another experiment, Wahrman and Pugh (1974) found that if the deviating member is not of the same sex as the other group members, credits are not earned for competence as in the all-male groups studied earlier, and early nonconformity does not yield influence. These results with a female nonconformer among males, suggest that a member may not as readily deviate if a demarcation has been made that sets the individual apart, which is in keeping with a basic concept in "labeling theory" (see Lemert, 1972).

An experiment by Alvarez (1968) found that in "successful" organizations the higher status person lost credits at a slower rate than did one of lower status, for the same infractions of work rules. In "unsuccessful" organizations, the opposite was true; there the higher status person lost credits faster as a consequence of greater blame for the unfavorable outcome. Jacobs (1970) has suggested that the apparently inappropriate behavior of the leader is likely to be disregarded when the group is successful, but that failure creates the sense of an unfair exchange and the group's withdrawal of support for the leader (p. 109).

Another concept dealing primarily with a Type I concern is Jones' (1964, 1965) ingratiation model. He too is interested in the effect of conformity or nonconformity in ongoing interaction. Ingratiation is a tactic which may be applied especially where a person of lower status seeks to gain rewards from one of higher status in a relationship. In that case, the person may use flattery and show signs of compliance so as to increase his or her value to the other.

Basic to both the idiosyncrasy credit and ingratiation concepts is the

Idea that conformity may be used as a reward in interaction. In his treatment of conformity as a feature of social exchange, Nord (1969) has indicated that "...conformity appears to be supplied for rewards in much the same way as other responses...a large number of studies have demonstrated that people conform to avoid a loss of status or approval" (pp. 192-193).

It is important to recognize, however, that both of these models are non-normative and describe a process rather than indicating what should be the case. Indeed, conceptions of conformity and nonconformity indicate a place for independence as a basis for achieving a favorable response from others in ongoing interaction (Willis, 1963, 1965; Hollander and Willis, 1964; Willis and Hollander, 1965a, b). Hollander and Marcia (1970), for instance, found with pre-adolescents that children chosen as leaders by their peers were among those most independent from both peer and adult pressures. There is still more to be said in behalf of independence as a source of influence, as I have indicated elsewhere (Hollander, 1975).

Leader Legitimacy and System Progress

Legitimacy is the base on which leaders can operate to exert influence in the direction of helping the group deal with the need for change. This is a concern which involves all three types of exchange, but especially Type 2 dealing with system progress.

Credits contribute to legitimacy in the sense of followers validating the leader's status. In appointive leadership, the leader is validated less by followers than by superordinate authority, although followers' perceptions matter nevertheless. As was previously noted, the elements in the validation process include the impressions of the leader's competence and conformity. However, legitimacy can also be seen to depend on a cluster of

impressions which followers gain of the leader, including his or her source of authority, what the leader is perceived to be doing in line with desired group ends, and not least the success or failure of those actions.

In a program of research extending over several years, these processes have been studied through experiments on decision-making discussion groups with leaders who were either elected or appointed (Hollander and Julian, 1970). The leader's sense of legitimacy in taking innovative actions, especially in adopting an independent stand from the group's, has been one focus of attention. In one of these experiments, elected leaders were initially found to be more assertive than appointed leaders and more willing to expend their "credits" by deviating from group judgments.

The other side of this process is the group's reaction to these assertions by the leader. In that respect, elected leaders serving as group spokesmen have been found to be more vulnerable to rejection by the group for failure (Julian, Hollander, and Regula, 1969).

This set of findings suggests an intriguing balance: the feeling of investment in the elected leader was translated into a sense of having credit to deviate from the group's position, but that same factor could lead to the leader being deposed. A major inference therefore is that election or appointment create differing bases of perceived legitimacy and thereby affect the reality within which the leader and followers operate (see Hollander, 1974; Read, 1974).

Returning to an earlier point for a moment, the leader is a resource who provides an input to the group's activity. The leader also organizes the effort to apply other human and physical resources as inputs to achieve desired ends, or outputs. However, this process has variable psychological implications, depending upon whether the leader is appointed or elected, because of the differing character of the followers' investment.

Although much depends on the circumstances of appointment, election offers a contrast by evidently inducing a greater vested interest in the leader. It also seems to create higher expectations among followers. The leader who is "put in charge" by appointment from above is much less the responsibility of followers. In social exchange terms, their cost or investment is lower. Therefore, while the appointed leader may "underperform" with greater impunity, he or she also operates with less sense of group support.

There are some other noteworthy correlates of electing leaders which bear directly on the matter of influence. In a recent experiment by Hollander, Fallon, and Edwards (1974), it was found that under comparable conditions elected leaders were initially less influential than appointed leaders. But after the groups experienced apparent failure in their decision-making task, the result was reversed. For at least a time, elected leaders became more influential. This was construed to be due to a "rallying around" effect, at least in part.

Particularly noteworthy is the finding that before the groups knew how they were performing, there was one group member who was more influential than the elected leader. Subsequently, that member usually emerged as the group's choice for leader when a new election was held. The replacement therefore was "standing in the wings" awaiting a cue, after the crisis had run its course.

Leadership Effectiveness and Leader Style

An entire system of relationships is involved in effective leadership. The typical conception of one person directing others is grossly misleading in describing leadership because it neglects the interpersonal and task systems at work. As noted previously, regarding a Type 2 exchange, a group or organization operates with a set of resources as "inputs" aimed at producing desired "outputs" (Katz and Kahn, 1966). Gaining such outputs is obviously facilitated by the directive functions centered in the leader, but the resources are not the leader's alone.

One point which should be clear then is that effectiveness is not gauged by the leader's ability to be influential, without asking further to what ends this process is turned. Furthermore, the leader's actual contribution to effectiveness may vary considerably, as a function of other conditions. The evidence indicates that the leader's perceived competence in facilitating the group's productive activities is one crucial element in affecting the followers' responsiveness, and leadership effectiveness. Another element is the leader's perceived motivation to be loyal to the group, its members and goals. But there is a need for further amplification of these elements and their impact.

For instance, one likely source for the divergent findings concerning qualities of the leader is the existence of differential expectations concerning the functions the leader is to perform. Clearly, there are various leadership roles, or components of them, and while the leader is one who often "initiates structure,"

as Hemphill (1961) put it, the leader also may be a "decision maker" or "advocate." And that by no means exhausts the roster, or the combinations of activity within it.

An example of the effects of distinguishing elements of a leader's role is shown by an experiment conducted with four-man groups by Anderson and Fiedler (1964). The leaders in half the groups were told to serve as a "chairman," in a participatory way, and in the others to serve as an "officer in charge," in a supervisory way. The results indicated that the participatory leaders were significantly more influential and made more of a contribution to the group's performance. Furthermore, leader attributes, such as intelligence, related significantly to group performance for some tasks under the participatory condition, but not for any under the supervisory condition. The conclusion is inescapable that the characteristics of a leader, including intelligence, are made more salient and are more highly related to group achievement where the leader participates more, rather than standing in a formal position to the group.

One important illustration of the system demands^{and} constraints on the leader is found in Fiedler's "contingency model" (1965, 1967, 1974). He predicts differing levels of effectiveness for different combinations of leader and situational characteristics. There are three of the latter, i.e., the quality of leader-member liking, the degree of task structure, and the power of the leader. Depending upon the leader's orientation to co-workers, Fiedler finds distinct variations in leader effectiveness.

The^{leader's} orientation is tapped^{by} the LPC measure, for "Least Preferred Co-worker." It is said to measure a relationship vs. a task orientation. Leaders who are high on one or the other end do better in various circumstances. Basically, Fiedler (1974) indicates that the High LPC (relationship-oriented) leaders

perform best in a relatively uncertain situation, that is one where these situational factors are mixed or intermediate. By contrast, the Low LPC (task-oriented) leaders do best in the more certain extremes of either favorability or unfavorability.

Effectiveness in this case is largely seen as a matter of productivity, without reference to followers' perceptions. However, a second way to look at effectiveness is with respect to individual member satisfaction with the return on the investment he or she feels has been made. This is a Type 3 concern. The leader's behavior has a great deal to do with this sense of gratification and equity. How this is accomplished depends upon that much abused term "style."

Style is a set of qualities which affects others in a particular way in a particular situation. In the case of trustworthiness, for example, much is still not known about how it is transmitted and sustained, although it clearly is important in maintaining an equitable relationship.

The nature of the role is such that the leader is likely to have many relationships with others in the group. Furthermore, the quality of these relationships matters to the other individuals involved, particularly with regard to equity and justice concerns, distinguished earlier as a Type 3 exchange. Within the group the leader determines the distribution of rewards and the leader's actions give signs of the "goodness" or "badness" of the performance of group members.

An important consideration therefore is the perceived fairness of the leader's actions. By rewarding the members whose activities contribute to the group's goals, and not rewarding those whose activities do not, the leader provides a basis for effecting desired ends, among which are productive relationships among group members.

Also important to this process is the leader's dependability. In social interaction generally, regularity and predictability of behavior is rewarding. These qualities are even more significant for followers in their relationships with the leader. Where a leader's position is known, and can be counted on, uncertainty is reduced and followers have a more stable situation within which to function. On the other hand, where the leader behaves impulsively or by the whim of the moment, instability and uncertainty are created.

In sum, the essential element emphasized here is that leadership effectiveness cannot disregard how the follower fares in the group's enterprise. This is an extension of the point quoted earlier from Sanford (1950) that the study of followers can provide important returns as a key to leadership.

And now, to conclude, let me quote something I wrote at an earlier time (Hollander, 1964) which still captures the main point that leadership effectiveness

...depends upon an equity in social exchange with the leader gaining status and exercising influence while helping the group to achieve desired mutual outcomes as well as such individual social rewards as are illustrated by recognition. Goal attainment by itself therefore is not a sufficient condition for effective leadership. A significant concomitant is the process, the relationship along the way, by which group members are able to fulfill their needs for meaningful social participation (p. 238).

Footnotes

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