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The serendipity of leadership effectiveness in management and business practices

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Abstract

Purpose – The objective of this paper is to conceptualize the serendipity of leadership effectiveness in management and business practices. The term “serendipity” is defined as the mix of leadership effectiveness by accident and sagacity in management and business practices.

Design/methodology/approach – The paper provides a conceptual discussion of the serendipity of leadership effectiveness in management and business practices.

Findings – This paper contributes a number of models and a matrix that are introduced to address the underlying criteria of the cause-effect relationship between leadership effectiveness and organizational achievements.

Research limitations/implications – This paper challenges the idealistic picture that flourishes in the management literature and in management practice of the direct, positive impact of leadership on prosperous management and business practices. In fact, it reinforces and underpins the critical or sceptical views of leadership effectiveness raised in the literature.

Practical implications – Normally, views of organizational achievements are based on the assumption that contextual, timely and skilful precisions in leadership effectiveness are high. Shareholders and stakeholders may benefit from a thorough examination of these issues in organizational achievements. It would not be surprising to find that leadership effectiveness in management and business practices to a minor or major extent is derived from pure luck and coincidence in contextual and timely precisions: right place, right time. This means that such leadership effectiveness may be based on serendipity rather than skilfulness in terms of organizational achievements.

Originality/value – The authors contend that the term “serendipity” contributes to enhance the ongoing discussion in the literature of the link between leadership effectiveness and
organizational achievements. It also provides a fundament of understanding, explanation and prediction of leadership effectiveness in management and business practices.

Introduction

Organizational achievements are often explained by the suggestion that there is a direct relationship and correlation with the effectiveness of the leadership of the organization. The actual effectiveness of this leadership itself may be regarded to be the outcome of timely precision in management and business practices, as well as the outcome of contextual precision. In addition, leadership effectiveness in organizational achievements is often regarded as being the outcome of skill rather than serendipity[1] in management and business practices.

The *New Shorter Oxford English Dictionary* (1993) defines serendipity as:

[...] the making of happy and unexpected discoveries by accident or when looking for something else [...] .

Random’s House (1997) *Webster’s Unabridged Dictionary* defines it as:

[...] an aptitude for making desirable discoveries by accident [...].

Hodges (1965, Notes) explains the meaning of the term “serendipity” as:

[...] making discoveries, by accidents and sagacity, of things which they were not in quest of[...].

Merton (1957, p. 103) applies the term in social theory and social structure and states:

[...] Under certain conditions, a research finding gives rise to social theory [...] Fruitful empirical research not only tests theoretically derived hypotheses; it also generates new hypotheses. This might be termed the “serendipity” component of research, i.e. the discovery, by chance or sagacity, of valid results which were not sought for[...].

There have also been arranged symposiums on serendipity (e.g. Woodward, 1970).

This paper challenges the idealistic picture that flourishes in the management literature and in management practice of the direct impact of leadership on favourable results (e.g. Fayol, 1937; Blake and Mouton, 1964; Fiedler, 1967; Mott, 1972; Bennis and Nanus, 1985; Bass, 1985, 1990; Alchian, 1986; Rost, 1991; Hogan et al., 1994; Yukl, 1998).

In fact, it reinforces and underpins the critical or sceptical views of leadership effectiveness raised in the literature (e.g. Grusky, 1963; Gamson and Scotch, 1964; Lieberson and O’Connor, 1972; Eitzen and Yetman, 1972; Allen et al., 1979; House and Baetz, 1979; Brown, 1982; Thomas, 1993; Fizel and D'Itri, 1999; Jaffee, 2001; Andersen, 2000, 2002).

A number of models are introduced to address the underlying criteria of the cause-effect relationship between leadership effectiveness and organizational achievements. In
consequence, the objective is to conceptualize the serendipity of leadership effectiveness. The authors contend that the term “serendipity” contributes to the ongoing discussion in the literature of the link between leadership effectiveness and organizational achievements. It also provides a fundament of understanding, explanation and prediction of leadership effectiveness in management and business practices.

Frame of reference

There are many definitions of leadership. Bass (1990) provides a classification of leadership definitions into 12 categories:

1. the focus of group processes; 
2. a matter of personality; 
3. a matter of inducing compliance; 
4. the exercise of influence; 
5. limited to discretionary influence; 
6. an act or behavior; 
7. a form of persuasion; 
8. a power relationship; 
9. an instrument of goal achievement; 
10. an emerging effect of interaction; 
11. the initiation of structure; and 
12. a combination of elements.

All of these issues may become of interest in the discussion of leadership effectiveness depending on the timely and contextual issues at hand in the marketplace and society.

Managers and management researchers tend to view leadership as a major contributor or direct cause of organizational achievements. Andersen (2002, p. 3) states that:

A widely held view amongst managers and management researchers alike is that management has a major impact on organizational effectiveness. The leadership literature in general is implicitly based upon the assumption that leadership is the cause of effectiveness in organizations. Many theories are founded on the contention of the crucial role of management.

Actually, there appears to be not only discrepancies, but confusion in the literature when it comes to the supposed link or association between leadership effectiveness and organizational achievements.

For a long time, leadership effectiveness in management and business practices has been addressed in the literature. In the 1930s, pioneers raised the link between leadership effectiveness and organizational achievements. For example, Fayol (1937, p. 102) stated that:

The manner in which the subordinates do their work has incontestably a great effect upon the ultimate result, but the operation of management has much greater effect.
This view is based on the belief that a top-down approach of leadership effectiveness is superior to the bottom-up approach. It proffers the worth of strategic management issues, but neglects the knowledge and awareness inherent among staff at tactical and operational levels of business practices. It also proffers a mechanical view of staff performance and ignores the worth of the generation of ideas from subordinates on management and business practices that may contribute to organizational effectiveness.

The literature shows considerable ambiguity between leadership effectiveness and organizational achievements. For example, Grusky (1963) concludes that the change frequency of leadership tends to have a minor impact on organizational achievements. Gamson and Scotch (1964), Eitzen and Yetman (1972) and Allen et al. (1979) also conclude that the change in leadership has little or no impact. Others have pinpointed that there is weak evidence that changes in leadership directly influence organizational achievements (e.g. Brown, 1982; Fizel and D’Ittri, 1999; Lieberson and O’Connor, 1972). House and Baetz (1979) conclude that the association between leadership and organizational achievements in management and business practices is weak, non-existent and even contradictory.

Fiedler (1967) argues that leadership effectiveness in management and business practices is often seen as crucial to explain and predict organizational achievements. Mott (1972) argues that leadership is important to group or team achievements. Bennis and Nanus (1985) write that the success of organizational achievements is due to leadership. Yukl (1998) also argues that leadership impacts positively on organizational achievements. Research and practice in the field rest to some extent on the assumption that leadership and its decisions and behavior influence the outcome of organizational achievements (Alchian, 1986). Hogan et al. (1994) also argue that leadership matters. Thomas (1993) writes that the belief in leadership may be one of the most deeply rooted in human assumptions, but at the same time argues that it has been difficult to confirm the link between leadership and organizational achievements, and that empirical support is doubtful. Andersen (2002) also concludes that there is no association between leadership and leadership achievements. Jaffee (2001) provides a normative conclusion and states that the theories about the effects of leadership on organizational achievements are simply false.

Reflection

The disparity between the findings of leadership effectiveness and organizational achievements may be explained by the differences in the approach undertaken to conduct the research (e.g. quantitative, qualitative or triangulation). The authors do not believe that the lack of empirical evidence for statistically significant support is enough to dismiss the association or link between management and business practices and/or between leadership effectiveness and organizational achievements.

The authors merely contend that the reality is more dynamic and complex than some of the previous literature would suggest. The impact of leadership on organizational achievements may be seen as one side of the reality, while the other side refers to the notion that the leadership has at best limited, or no impact at all. The truth is probably somewhere in between them. The reality is seldom that simple that it permits idealistic and normative
conclusions of the association between leadership effectiveness and organizational achievements.

So far, the literature and research that has been conducted has, to a large extent, neglected the serendipity involved in leadership effectiveness. Serendipity may be seen as the crucial parameter that may explain the impact of leadership or the lack of impact, on organizational achievements. Serendipity relates to timely and contextual parameters of leadership effectiveness and organizational achievements.

**Leadership effectiveness**

In this section, leadership effectiveness is discussed from a contingency approach, including contingency models and a matrix. Principal parameters in the Figures 1 and 2, and the matrix in Table I, are timely, contextual, skilful and serendipitous precisions.

**Contingency models**

Leadership effectiveness in management and business practices is dynamic in many different ways. It is also continuous. The dynamics and continuity of leadership effectiveness are dependent on contextual parameters in the marketplace and society, as well as those areas that are driven by time. Leadership effectiveness is dependent on the precision of these parameters. Therefore, a contingency model of leadership effectiveness may be derived from two generic parameters, namely contextual precision and timely precision (see Figure 1).

Contextual and timely precisions reflect the dynamics and continuity of leadership effectiveness in management and business practices. Contextual precision refers to the leadership's contextual perception (i.e. right/correct or wrong/incorrect) in the marketplace and society. Timely precision refers to the leadership's timely perception (i.e. right/correct or wrong/incorrect) in these business and societal environments at a given point in time. Accordingly, they are closely linked. A change in one of them may cause a change in the other, and vice versa.

The contingency model may be used as an overall framework to examine and evaluate leadership effectiveness over time. It may be used to identify specific events that have led to successful and/or unsuccessful organizational achievements. The examination needs to take place longitudinally and the evaluation is derived thereof. Therefore, it should be seen as a contingency continuum model, without a beginning or an end. Leadership effectiveness in management and business practices is not an on-the-spot-account, but an evolutionary process of interconnected events and responses to those events.

The dynamics and continuity of leadership effectiveness in organizational achievements are also dependent on the skilfulness of management and on serendipity. Therefore, another contingency model of leadership effectiveness in organizational achievements may be derived from these two generic parameters, namely skilful precision and serendipitous precision (see Figure 2).
Skilful precision refers to the leadership's right or correct far-sighted perception of management and business practices in the marketplace and society. In particular, it refers to the sagacity of leadership effectiveness in organizational achievements. Serendipitous precision refers to the wrong or incorrect insight perception of management and business practices in these societal and business environments. In particular, it refers to the leadership effectiveness by accident in organizational achievements. Accordingly, they are closely associated. A change in one of them will cause a change in the other, and vice versa.

Contextual and timely precisions – as well as skilful and serendipitous precisions – may be divided into a set of sub-categories. On the one hand, they may be addressed atomistically on a corporate micro level such as: within the industry, with suppliers and customers, towards competitors or the like. On the other hand, they may be addressed holistically on a corporate macro level such as: domestically, internationally or globally. On a corporate level, they may also be addressed either internally or externally, that is, referring to either internal or external business operations.

Archetypes of leadership effectiveness

By combining the two contingency models that were introduced in the previous section, a matrix of leadership effectiveness can be created (see Table I). The matrix may be used to identify archetypes of leadership effectiveness in organizational achievements.

A selection of distinctive archetypes may be distinguished and illustrated based on the described matrix of leadership effectiveness in management and business practices as set out in Table I:

- The beneficial archetype occurs when leadership effectiveness in management and business practices is characterized by a high degree of skilfulness, and a low degree of serendipity. It is also characterized by leadership effectiveness derived from high degrees of contextual and timely precisions in organizational achievements. It is an idealistic archetype of leadership effectiveness.
- The harmful archetype occurs when leadership effectiveness in management and business practices is characterized by a low degree of skilfulness, and a high degree of serendipity. It is also characterized by leadership effectiveness derived from low degrees of contextual and timely precisions in organizational achievements. It is a nightmare archetype of leadership effectiveness.
- The realistic archetype occurs when leadership effectiveness in management and business practices is characterized by neither high nor low degrees of skilfulness and neither high nor low degrees of serendipity. It is also characterized by leadership effectiveness derived from neither high nor low degrees of contextual and timely precisions in organizational achievements. Consequently, the realistic archetype highlights ambiguities in leadership effectiveness in organizational achievements. One could speculate that probably this is the common archetype of leadership effectiveness in practice.

Concluding thoughts and suggestion for further research
Corporations need not only to be successful in the marketplace, but they also need to be successful in the society that surrounds them. The precisions of quality control and quality assurance are no longer enough for most corporations. They need to build precision into every process of their management and business practices (i.e. both internal and external ones) in order to be judged as successful in their organizational achievements.

Contemporary leadership effectiveness is usually evaluated by using parameters such as balance sheets, bottom lines, market shares, revenues and shareholder values. The dilemma is that the time-span normally used to evaluate these parameters is often short (e.g. quarterly or yearly reports). In addition, the inherent quality of leadership effectiveness in organizational achievements per se is rarely examined. Do the short-term expectations of leadership effectiveness in the marketplace rule over the long-term ones? What are the actual outcomes of leadership effectiveness in organizational achievements, and what are not? The key issues raised are:

1. What is the outcome of contextual precision and timely precision of corporate leadership effectiveness in management and business practices?
2. What is the outcome of skilful precision and serendipitous precision of corporate leadership effectiveness in management and business practices?

This paper provides a number of contributions to conceptualise the two key issues raised about leadership effectiveness. The principal contributions are: two linked contingency models, and an archetype matrix, of leadership effectiveness in management and business practices. These contributions provide theoretical and managerial ideas and insights to anticipate and avoid false or erroneous grounds of leadership effectiveness evaluation in organizational achievements.

An important area of further research is to examine the genuine precision of leadership effectiveness across contexts and over time, as well as skilful versus serendipity precisions of leadership effectiveness, in management and business practices. Such research may reveal a less flattering picture of leadership effectiveness in organizational achievements and its precision than reluctantly is acknowledged in practice and in the literature.

Consequently, shareholders and stakeholders may benefit from a thorough examination of these issues in organizational achievements. It would not be surprising to find that leadership effectiveness in management and business practices to a minor or major extent is derived from pure luck and coincidence in contextual and timely precisions: right place, right time. This notion means that leadership effectiveness in management and business practices as related to organizational achievements may in actuality be based more on serendipity rather than skilfulness.
Figure 1A: A contingency model – contextual precision versus timely precision
**Figure 2A** contingency model – skilful versus serendipitous

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Beneficial</th>
<th>Harmful</th>
<th>Realistic</th>
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<tbody>
<tr>
<td>Contextual</td>
<td>High</td>
<td>Low</td>
<td>Neither high or low</td>
</tr>
<tr>
<td>Timely</td>
<td>High</td>
<td>Low</td>
<td>Neither high or low</td>
</tr>
<tr>
<td>Skilful</td>
<td>High</td>
<td>Low</td>
<td>Neither high or low</td>
</tr>
<tr>
<td>Serendipitous</td>
<td>Low</td>
<td>High</td>
<td>Neither high or low</td>
</tr>
</tbody>
</table>

**Table 1** Archetypes of leadership effectiveness

**References**


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