

Literature Review

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“Do we need any more hierarchical structures?” Combining vertical and shared leadership considering the organizational culture, structures and processes

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Abstract

In spite of decades of leadership research and numerous leadership theories no unequivocal recipe for success could be found for the leading of employees. Complex tasks, increasing competitive pressure and insecurity complicate this because innovative and flexible activities are not possible in rigid hierarchical structures. The expectations of highly qualified employees with regard to their supervisors have changed, while the wish for a stronger exhibit of their knowledge, as well as more independent decisions, have been encouraged. According to Drucker knowledge in the new reality is the most important resource of the society and knowledge workers which present the dominant group of the work force. The new reality is marked by information technology, knowledge, globalization and linked to it: competitive pressure. From the mentioned assumptions demands have changed to executives (e.g. power loss and hierarchy decrease, function as coach and mentor).

The following literature review is structured in two essential parts. The first focus of the research refers to the subject of leadership. On the one hand, the search focused on base leadership theories - also called traditional leadership theories - and on the other hand it identified the research lines which pursue the modern and newer leadership theories. As the second step, the main focus of the research is to show the link between leadership and organizational cultures, structures and processes also called indirect leadership.

After the evaluation of the literature review, a trend in the direction of shared leadership is visible. Although this approach is discussed and examined already for many years it could not be established in practice within whole organizations, within the aim of this work is to combine vertical (formal executive with a hierarchical relationship) and shared leadership. The literature review shows that the interdependency between leadership as a combination of vertical and shared leadership and team success as well the resultant adaptations of the indirect leadership have not been examined up to now.

The aim of this paper is, to show and discuss research lines in the topic leadership. The main emphases and trends of the current leadership research will be derived and possible future fields of research will be shown. This paper suggests that a combination of vertical and shared leadership would achieve a higher team performance.

Key words: vertical leadership, shared leadership, organizational culture, organizational structure

1 Introduction

The traditional leadership cognition with a formal supervisor and a hierarchical structure could not exist successfully anymore because of changing frameworks (complex tasks, increasing competitive) and changing expectations of highly qualified employees. From the mentioned assumptions a change has become necessary in the leadership understanding as a combination of vertical and shared leadership taking also into account indirect leadership.

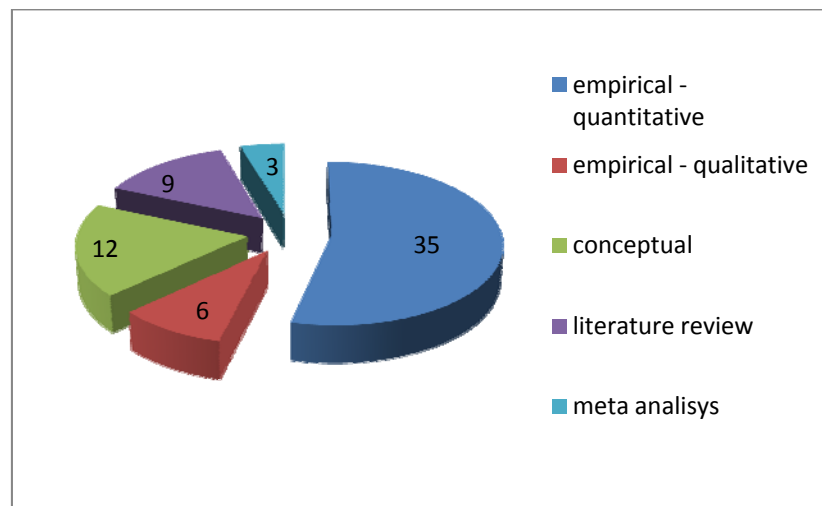
2 Literature Review

In context of this paper, the literature research can be classified in two essential parts. The first focus of this research refers to the topic leadership. On the one hand, the research for basic theories of leadership - also called traditional leadership theories - is to be mentioned; on the other hand the research for lines of research that follow modern and new leadership theories.

In a second step, the research's focus is set on the specifics of dependences between leadership and organizational cultures, structures and processes.

Altogether, more than 400 relevant papers about new leadership theories had been identified, with 65 papers being analysed. The following illustration shows, that the majority of the empiricism in leadership science has been examined with quantitative methods so far, what at the same time shall clarify a deficit for future research with a recommendation for qualitative resp. mixed methods (Walumbwa et al., 2008). Qualitative leadership science has started at the end of the 1970s. However, qualitative science could soon intersperse with the research of new managerial cognitions, like, for example with Shared Leadership, E-Leadership and Environmental Management (Bryman, 2004).

Figure 1: Evaluation Type of paper



The literature review with reference to organizational culture shows clearly, that cultural forces influence many aspects of the leadership phenomenon. These aspects contain typical requirements on leading positions, the development of modal behaviour patterns of leaders, advantages and expectations of executives and employees as well as reactions of different forms to the leader's behaviour. Several previous events to preferential behaviours of executives have been displayed, including dominating norms, religious values, modernisation, unique roles requirements and historical experiences with executives (House et al., 1997).

Because of the competition, organizations - whether local or global - are asked to find new forms and kinds of organizing. In a study by Pearce et al. (2009), 500 enterprises are scrutinised concerning management style and success; it could be confirmed that leadership by a CEO is important, but the efficient organizations were those, who were organized by teams with a shared leadership.

2.1. Bases of leadership

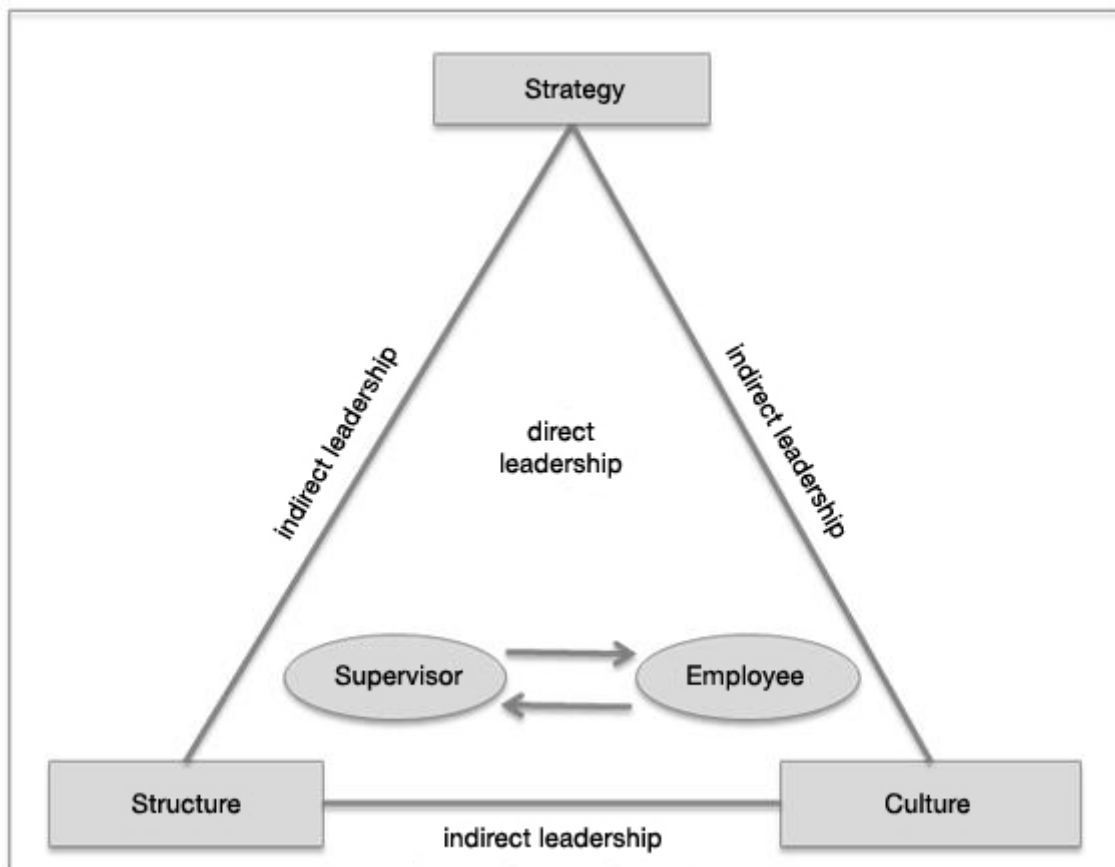
In literature, a variety of leadership definitions can be found, which often are discussed controversially (Yukl, 2010). Already at the beginning of the 90s, the registered studies in the English-speaking world have been valued of more than 10,000 (Hunt, 1991). Just when searching the term leadership in a search database (e.g. Ebsco), more than 80,000 articles are displayed.

Leadership is classified in two components. On the one hand, there is talk about the interactional, direct leadership (Leadership) that describes the "Leadership by people" and on

the other hand about the structural indirect leadership (Management) that focuses on the frameworks (Wunderer, 2009).

Without a direct leadership, the indirect, structural leadership cannot be realised. A structural leadership, however, is very important in this respect, as it provides a basis for the executive's effect on the employees. This shows interdependency between leadership and organizational cultures, structures and processes. The necessity gets clear that in the context of this paper the focus cannot only be put on the reflection of a new managerial cognition alone, but that further factors - culture, structures and processes - must also be included and adapted, since these form the framework, in which direct leadership happens.

Figure 2: Dimensions of leadership (Rado, 2002)



2.2. Leadership theories

The analysis of basic theories within the leadership research shall give a review about the course of the respective field of research in the historical reflection. The field of research's distinctive complexity to date results from the different theoretical models. Since the 1930s,

numerous laboratory and field studies tried to identify and classify the leadership behaviour and to determine the impact on the leadership success.

Generally, it can be maintained that the previous leadership research examined the executive exclusively and develops from the core statement that leadership success depends on the traits of the executive's personality to an extended reflection. In the following phase the correlation between traits and leadership success as well as the relationship between executive and employees had come to the very fore. The employee's characteristics (e.g. commitment to performance, tolerance, need for autonomy) were taken more into account of the leadership process. Bit by bit, further fields like, for example the work tasks (complexity, structure, ambiguity) and the organization (incentive systems, organization structures) had been taken into account as influences in the leadership process.

Among the variety of known leadership theories, there is not one without consistent explanations for leadership behaviour of executives according to the targets, employees and situations (Drumm, 2008).

The amount of research approaches and theories is characterised by a great variety. For this reason, this work focuses on selected leadership theories of all stages of research that are important for the examination. The choice of the following theories is orientated at the theories' relevance for the future development in leadership research as well as at the importance with respect to the influence of the organizational success (see table 1).

TABLE 1:
Overview traditional leadership theories and relevance for vertical vs. shared leadership^a

Traditional leadership theories	Representative scientists	Key elements	Relevance Vertical vs. Shared Leadership
Trait theory / Great-Man-Theory	Machiavelli (15th century) Kohs/Irle (1920) Bernard (1926) Bingham (1927) Bird (1940)	Specific leadership traits in the executive's personality influence the leadership success -> 79 relevant traits from 20 psychological studies	-> Vertical/hierarchical -> Combination with Shared Leadership not advisable
Charismatic Leadership	Weber (1924/1947)	Personal characteristics and traits required highly expressive, articulate, emotional appeal, self-assured, determined, active and energetic Charismatic leaders procure visions and therefore influence values and behaviour.	-> Vertical/hierarchical -> heavily dependent of the leadership personality
Management by objectives and participate goal setting	Drucker (1954) Locke/Latham (1990)	Employees and supervisors determine the performance expectations together	-> Vertical/hierarchical -> Connection to Shared Leadership by mutual definition of targets
Attribution Theory	Heider (1958) Kelley (1973) Calder (1977) Green/Mitchell (1979)	Explanation how people form an opinion about the reasons for their own behaviour resp. other people's behaviour	-> Vertical/hierarchical -> Observation leadership - / and follower behaviour -> no flexibility
Leadership continuum of Tannenbaum/Schmidt	Tannenbaum/Schmidt (1973)	The executive's decision behaviour Application of different management styles depending on the executive's characteristics, employees' features, situational frameworks ->Flexibility of the leadership behaviour -> leadership success In this case, participation is understood as the extent of the employee's participation in the decision-making process for which the supervisor is responsible.	-> vertical -> Approaches of Shared Leadership recognisable, as employees can be granted space in the decision process.
Managerial Grid / Managerial Grid Model by Blake & Mouton	Blake/Mouton (1954)	Two-dimensional concept ->Employee orientation / tasks, performance or target orientation	-> vertical/hierarchical
Emergent Leadership	Hollander (1961)	Executives can develop from a group without a leader	-> vertical -> The choice of the team leader is made "divided" by the team -> Connection to Shared Leadership
Path-Goal-Theory	Georgopoulos/Mahoney/Jones (1957)	Employees' behaviour; A rational decision-maker decides for the action alternative that promises to be of	-> vertical -> no participation of employees

	House (1971)	greatest use An efficient leadership behaviour therefore arises if the executive identifies goals, reduces barriers on the path to achieve a goal and takes care that the employees can achieve the greatest individual success possible.	-> situation-dependent management style -> individual success of the employees -> no team process
Contingency theory by Fiedler	Fiedler (1967)	Situation theory The effectiveness of leadership is examined in dependence of different situations (contingency factors)	->vertical leadership theory -> Connecting situation dependent management styles with Shared Leadership
The Maturity Theory	Hersey/Blanchard (1969)	Situation theory The effectiveness of leadership behaviour depends on the fact, if the leader has chosen an appropriate management style Depending on the employee's degree of maturity, the supervisor must choose a management style corresponding to the situation.	->vertical leadership theory -> Employees with high degree of maturity, an approach to Shared Leadership is recognisable
Decision-oriented model Participative Leadership	Vroom/Yetton (1973)	Increased participation of employees in the decision-making process	-> vertical but with similarities to Shared Leadership -> by participation of employees in the leadership process
Vertical dyad linkage/ Leader member exchange	Graen (1976)	Relation between executive and employee In this case, it is assumed that executives have a differentiated leadership relationship to their employees, as they cannot lead a relation in the same intensity to all employees. Differentiation in-group/out-group	-> vertical -> within the in-groups connection to Shared Leadership possible, as employee / group are involved in the decision-making process
Substitutes for Leadership	Kerr/Jermier (1978)	Situation features (e.g. routine works) reduce the need for leadership	-> vertical ->Leadership is unnecessary with standard tasks -> therefore no formal executive

^a Pearce, C. L./Conger, J. A. (2003)

TABLE 2:
Overview new leadership theories and relevance for vertical vs. shared leadership^b

"New" lines of research	Representative scientists	Key elements	Relevance Vertical vs. Shared Leadership
Distributed Leadership	Gibb (1954)	Leadership as a group quality is conceived as a number of functions, which must be executed by the group.	Origin of Shared Leadership
Self-managing work teams	Manz/Sims (1987, 1993)	Team members assume roles, which formerly were assigned to executives only.	Internal control without executive in the team
Empowerment	Conger/Kanungo (1988)	Examines the authority allocation with the employees	The team is involved in the leadership process actively
Shared Leadership	Pearce (2003)	Leadership can be divided among team leaders and members, with leadership rotating to the person that has the key skills, abilities and possibilities for a certain topic.	
Transactional Leadership (derived from the Path-Goal-Theory)	Bass (1980)	A central task for the executive is the control and attainment of targets	->Exchange relationship -> no participation of employees in the leadership success
Transformational leadership	Bass (1985)	Especially in our uncertain times and complex organizations, change management should be supported and performance improved Increases the attitude, values of employees, their motivation and performance by the "transformation".	Shared Leadership can be executed transformational -> positive consequence on leadership efficiency both at vertical and divided transformational leadership
Authentic leadership	Avolio/Gardner (2005)	Effective executives are genuine and honest to themselves and their employees	-> vertical approach -> transferable to Shared Leadership, too

^b Pearce, C. L./Conger, J. A. (2003)

2.2.1. Hierarchical, vertical (traditional) leadership theories

A vertical leadership is determined by a formal executive (e.g. CEO) with a hierarchical relationship and can be defined as an influence of team processes (Ensley et al., 2006).

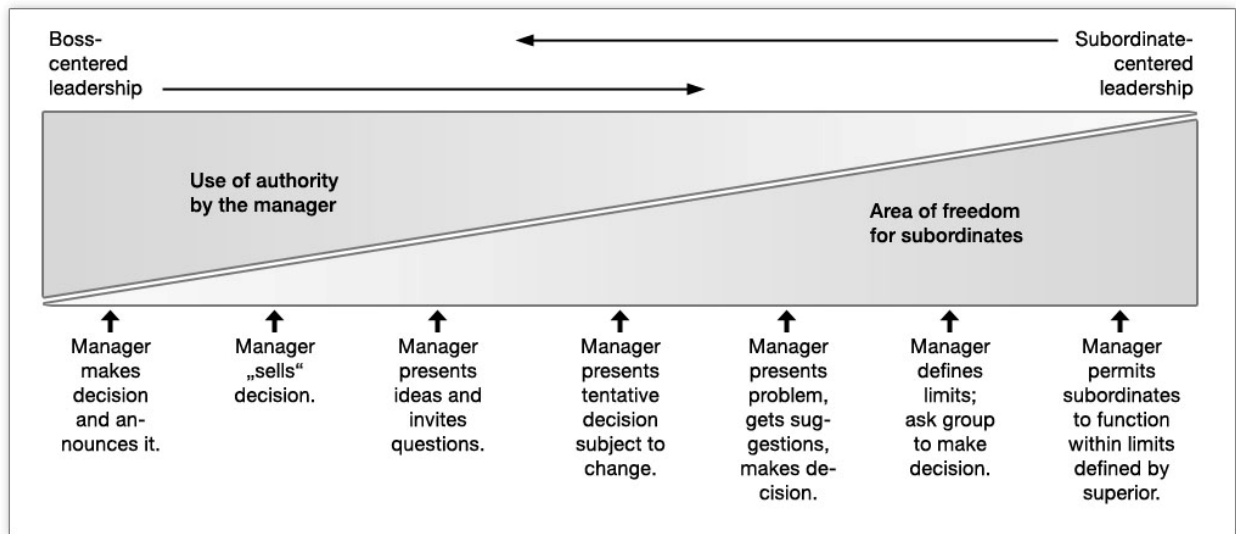
The following choice of hierarchical theories show the core elements concerning leadership success and vertical resp. shared leadership. This shall provide a survey of the connections between vertical and shared leadership.

As one of the oldest theories in leadership research, the Trait Theory (Great-Man-Theory) is to mention. In this spirit, it was regarded as given for a long time that the few "leaders" differ qualitatively from the masses of "followers" in their personality structure and that the leadership success is primarily ascribed to the specialty of the leadership personality (Gebert/Rosenstiehl, v. 2002). Therefore, it is assumed in the Trait Theory that certain traits of a person influence the extent of the leadership success. Those persons, that determine a certain trait or a bundle of traits, therefore are able to take up a leading position and execute it successfully. Traits are being described as personality traits that arise cross-situationally stable and universally (Neuberger, 2002). This is a classic hierarchical approach; only the one can become executive who fulfils certain features. An assignment to Shared Leadership would presuppose that everyone in a team resp. an organization has these features. The leadership success would therefore be endangered since not everyone who takes executive duties in the context of a divided leadership has leadership traits. In connection with the scientific, no reasonable connection of vertical and divided leadership is possible according to this approach.

As a further theory, the Management by Objectives (Drucker, 1954) must be mentioned, which is a helpful method, to inspire employees by align their targets to the organizational targets. The quintessence of Management by Objectives is that employees and supervisors actively deal with a process to define targets, on whose attainment employees will work at and take responsibility for. The participative goal-setting theory is an expansion of this concept, in which employees are involved in the specifications of their targets actively. The executive defines no longer the employee's targets alone; this is rather a divided task. In both approaches, employees participate actively and therefore take on a role in the assignment of the performance expectations. Therefore, an approach in the direction of the Shared Leadership can be recognised, since the executive duty of the management of objectives is carried out together with the individual team members. This is no team process but as exchange between executive and employee, though (Pearce & Conger, 2003).

Another theory is the leadership continuum of Tannenbaum/Schmidt (1973) which is one of the best-known one-dimensional concepts for decision participation. According to the degree of employee participation seven management styles are distinguished, that range from authoritarian (centralized decision-making by the executive) to part-autonomous (autonomous development of an opinion in a group). The delegative leadership in this case is characterised by a high participation level by the employee and power equality.

Figure 3: Leadership continuum of Tannenbaum/ Schmidt (1958)



The management style is reduced to the executive's decision behaviour, with the social aspect of the relational shaping between employee and executive being suppressed. Therefore, the leadership continuum supports the assumption, that the flexibility between different management styles is the key to success. At least in the right part of the illustration, the approach of the Shared leadership in which the employee carries and accounts for leadership decisions can be recognised, too. Depending on the executive, the employees are given a certain degree of space for codetermination.

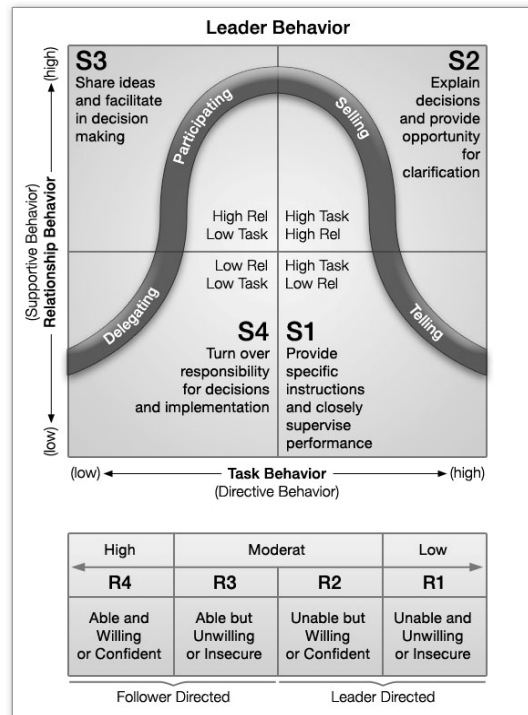
Hollander (1961) had shown that "emergent" executives are both innovative to stand out from the group - the employees- and flexible to be compliant to the group's general social norms. The leadership theory of "Emergent Leadership" is concentrating on the phenomenon of executive choice by the members of a team without a leader. In contrary to Shared Leadership, the Emergent Leadership usually deals with the definite choice of an appointed executive and not with the regular appointment as it is the case with Shared Leadership. Therefore, Emergent Leadership allocates another theoretical base for Shared Leadership. The team, however, decides about the team leader, but does not take any additional executive duties.

As another traditional theory follows the Path-Goal-Theory and is one of the first theories, which has dealt with the behaviour of employees as followers, after the focus of former leadership research had been exclusively on the executive. The Path-Goal-Theory assumes, that a rational decision-maker decides in favour of the action alternative that promises the greatest benefit. An efficient leadership behaviour therefore arises if the executive identifies

goals, reduces barriers on the path to achieve a goal and takes care that the employees can achieve the greatest individual success possible (Mumford et al., 2000).

Another situational theory of leadership is the Life Cycle Theory which had been introduced by Paul Hersey and Ken Blanchard in 1969 (Hersey & Blanchard, 1996). The effectiveness of leadership behaviour depends on the fact, if the leader has chosen an appropriate management style. Success or failure, however, is only depending on one single situation variable, the employee's degree of maturity. Degree of maturity means the ability and willingness to take responsibility (individual-related aspect) as well as the necessary education and experience for the independent fulfilment of predefined tasks (task-related aspect). Depending on the employee's degree of maturity, the supervisor must choose a management style corresponding to the situation.

Figure 4: The Situational Leadership Model (Hersey et al., 2001)



This is a classical vertical approach, too, but because of the high independence level and assumption of responsibility, a transition to Shared Leadership can occur as soon as employees with a high degree of maturity are led. On the other hand, employees with a low maturity cannot take on executive duties. Vertical and divided leadership are transferred as extreme positions to the employee's degree of maturity.

Based on the model of Vroom & Yetton (1973), the management style is chosen according to situation dependent factors (Bass, 2008). This model stipulates, whether and how executives involve their employees into the decision-making process. Altogether, executives can choose between five management styles: authoritarian sole decision, authoritarian decision on information from employees, consultative decision on individual consultation with employees, consultative decision on group conference as well as problem solution, decision by the group (Yukl, 2010). A clear approach to Shared Leadership is recognisable with the last mentioned management styles, as the group decides actively and duties are therefore divided.

The Leader-Member-Exchange theory deals with the relationship between employee and executive. In this case it is assumed that executives have a differentiated leadership relationship as they cannot lead a relation in the same intensity to all employees. During the leadership relation, a so-called "in-group" and an "out-group" are distinguished. The "in-group" is formed by employees that can work together with the executive without problems. Loyalty, sympathy and commitment are the basis for the easy co-operation (Neuberger, 2002). Employees with a rather problematic relationship to their executive work in the "out-group". In the "in-group", the relationship between executive and employee is informal relaxed, trusting and marked by a high mutual influence, while the relationship to the "out-group" is marked by formality, distrust and distance. This differentiated leadership relationship is the reason that employees of the "in-group" have the possibility to influence and shape their own tasks, functions and roles fundamentally. Graen (1976) refers to it as so-called "role-making" while employees of the "out-group" succumb a higher influence by the executive, the so-called "role-taking". Compared to Shared Leadership, employees take on a role in the leadership process, but not to the extent to say, that employees carry out the leadership basis (Pearce & Conger, 2003). In this case, it is a pre-stage to Shared Leadership, but only within the "in-group".

The Theory of Substitutes of Leadership is based on House's "Path-Goal-Theory" and is also part of the vertical leadership theories. Assuming that goal as well as path is known and clear to the employees, the executive's function for explaining the way is redundant. With this concept, it is pointed out in literature, that certain conditions, like routine work or professional standards can lead to eliminate leadership. In this context, Shared Leadership can be a substitute for the more formal proclaimed leadership. Until now, Shared Leadership was implemented in highly specialised teams; this approach rather veers toward the fact that leadership is replaceable, as it is no longer necessary in some situations resp. tasks. The connection to Shared Leadership is found in the fact that the leadership is no longer officially available in both concepts. The categorisation of Substitutes of Leadership with vertical

leadership theories is carried out based on the assumptions that an executive leads a team in a hierarchic structure, except for certain tasks, where leadership is "dissolved".

All theories mentioned had the aim to show that leadership has an influence on success. Every approach had a clear differentiation between leader and followers. Whether it had been traits that made an executive or certain behaviours and courses of action, until now the focus in research had always been on the person of the leader in a team or organization itself and therefore a hierarchical relationship was presupposed - based on the traits of an executive, situations, and the employee's behaviours. Leadership had only seldom been considered as an interaction shared amongst team members. This mindset has characterised the leadership research strongly within the last few years. All theories introduced are built up on vertical management structures, but, as mentioned before, approaches can be found within the theories that are also found in Shared Leadership.

2.2.2. Paradigm change in leadership cognition - modern leadership theories

In the following, a review shall be given about the approaches currently discussed in leadership literature. The most important resource in a company are the people. The right and good use of these people is decisive. Management must provide it; this is what it must be able to (Stadelmann, 2004). This quotation contains the essential frame of the new managerial cognition, which must create frameworks in which highly qualified employees can work on their own authority and independently.

The executive's role has to change into the role of a coach, partner and qualified service provider (Doppler & Lauterburg, 2008). In the future, leadership competences will be described with features like credibility, social competences, and enthusiasm, charisma and confidence bounds (Pinnow, 2008).

The aim of the new managerial cognition will be to fully exploit the available resources and potentials among employees and executives by concentration on the strengths of the particular Family-Groups (a team incl. its executive). In this respect, an orientation on common targets as well as a distribution of tasks is carried out according to professional qualifications and a personal inclination of persons available in Family-Groups (Froehlich, 2002).

Leadership is more than a role; it is a social process that requires team leadership by team members as well as by a team leader (Pearce et al., 2009). This statement already expresses a connection between vertical and divided leadership.

The first theory which is mentioned is Shared Leadership. The origins of the Distributed Leadership go back to Gibb (1954), where leadership is seen as a group quality with a collection of functions the group has to deal with. If there are managerial functions that have to be carried out in every group, and if these functions can be distributed, executives will be identifiable regarding to the frequency as well as the diversity or the model of executed functions. Employees are transferred functions from their supervisors, which they normally have executed excellently or best. In the context of this paper, Shared and Distributed leadership are treated synonymously.

It could be proved that "shared" management structures render better service in teams than in traditional leader-focussed structures (Mehra et al., 2006). Shared Leadership requires a change of organizational tasks, structures and labour relations. Traditional leadership research has focussed on the leader as an individual by expansion of the vertical and hierarchical approach to organize work tasks (Fletcher & Kaeufer, 2003). In contrast, Shared Leadership is a radical change of traditional management view (Hiller et al., 2006). No longer not only one person is accounted while the rest just follows, but leadership can be divided into team leader and members by leadership rotation to the person who has the key skills, abilities and possibilities for a certain topic (Pearce, 2004). Pearce and Conger (2003) have defined Shared Leadership as a dynamic interactive influence process between individuals in groups with the effort of a mutual leadership to meet the group and organization targets eventually. According to this, Shared Leadership is a team process, with leadership being executed by the complete team and not by a selected person (Ensley et al., 2006).

The origin of this theory has to perspectives - top-down on the one hand - caused by the competitive and global surroundings, caused by the search for better possibilities to strengthen the competitiveness by use of more flexible workers, reduction of organizational response times and by using the complete organizational knowledge. On the other hand bottom-up, however, by of the "changing nature", the wish resp. the claim of employees for more responsibility also due to their higher qualification (Pearce et al., 2003).

Katz and Kahn (1978) have also recommended that the shared targets are promoted, if team members offer their influence on others independently and spontaneously; by increase of the bond - the commitment - divided leadership can create a competitive edge on the employees by more complex topics and open, mutual influence as well as dividing of information.

According to Locke (2003), in case of Shared Leadership is should be critically asked, what happens to the top executives in these cases. Furthermore, it is questioned, whether a successful company has managed to implement Shared Leadership in practice beyond

single teams and to be led by teams at all. It is recommended to combine vertical with divided leadership in the future.

The Self Managing Work Teams belong also to the category of modern leadership theory. A Chinese quotation of Lao Tzu says that the best of all leaders is the one who helps the employees, so that they do not need him any longer (Manz & Sims, 1987). To withstand nowadays tasks like decreasing sales volumes, product quality, employee dissatisfaction and drops in turnover, the use of autonomous and self-directed teams is recommended. Actually, the change to a self-directed team can be a reassuring process for the manager of a self-managing team, as a change in organization and new perspectives are necessary (Manz et al., 1990).

Despite the knowledge that team members can take on roles, which were designed for the management beforehand, the literature concentrates on the appointed executive's role and less on the team members' roles in the leadership process. Although these theories have accepted the team members' role in the leadership process, it is not shown, in which way an approach for dividing the leadership process in a team is possible (Pearce & Conger, 2003).

The following modern theory is the Empowerment-Theory, which base is power. While traditional management models accent power which comes from the top of an organization, this concept emphasizes the decentralisation of power. In this case, the basic concept is that those, who deal with situations in routine work, are especially qualified, to make the decisions relating to those situations (Yukl, 2010). A Shared Leadership only consists in the extent that obliges the team into the leadership process actively. Authorisation as such is a necessary but not sufficient condition for divided leadership, which is to develop and to show by teams (Pearce & Conger, 2003).

Since the 1980s, approaches of charismatic and transformational leadership are increasingly represented in leadership literature and analysed in more detail. In a literature analyses, more than 190 articles could be found in scientific journals from 1986 to 2006, with headlines containing "transformational" or "charismatic leadership" (Felfe, 2006).

Burns' (1978) work has been the base for the development of transformational leadership. The knowledge that there is a dynamic interaction between employees and executive must be spotlighted. This altering relationship between employee and executive leads to a higher satisfaction of intrinsic motives, like e.g. the ambition for self-fulfilment (Judge & Piccolo, 2004). Bass' concept from 1985 displays transformational and transactional leadership. The transactional leadership models fair exchange processes (Contingent Reward). The central task for the executive is the control and attainment of targets (Management by Exception).

The transformational leadership's task on the other hand is to increase the attitude, values, motivation and performance of employees by the "transformation".

"Idealized Influence", "Inspirational Motivation", "Intellectual Stimulation" and "Individualized Consideration" are defined as central dimensions of transformational leadership (Bass, 1985). "Idealized Influence" is defined as the executives' example regarding technical and ethical aspects. This example should result in a higher degree of respect and trust with the employees. "Inspirational Motivation" describes the executives's task to inspire employees with attractive and persuasive visions. "Intellectual Stimulation" displays the executives' task, to inspire employees to think innovatively. Thereby, previous work patterns should be questioned and new ideas and solutions found. "Individualized Consideration" describes the executive's function as an employee's coach. Here, the focus is on their systematic development.

Avolio, Jung, Murry and Sivasubramaniam (1996) have described Shared Leadership as an essential part of transformational leadership that can primarily be found in highly qualified teams. In another study, transformational leadership had been implemented vertically as well as divided. In this case, it also emerged, that transformational leadership - whether vertical or divided - is positively related to the leadership efficiency (Pearce & Sims, 2002).

The last theory which will be presented in this paper is the Authentic Leadership. Authentic Leadership has developed from the theories to the transformative management style and offers another perspective to ethic leadership (Yukl, 2010). Depending on the scientist, the definitions of Authentic Leadership vary strongly, but all of them emphasise the importance of consistency of statements, action and values. Luthans and Avolio (2003) define authentic leadership as a process that consist both of positive psychological capacities and a highly developed organizational context and that result in a better self-perception and self-regulating positive behaviours of the leadership personalities and important others (Luthans & Avolio, 2003). According to Avolio, Luthans and Walumbwa (2004) authentic leaders are characterised as people who are aware of their mindset and behaviour as well as about the way who they are noticed by others, are aware of perspectives of values and morals, the knowledge and strengths.

In the future, it should be explored, how Authentic Leadership is perceived in different situations and cultures as well as the connection between authentic leadership and other theories in leadership literature (Avolio et al., 2009).

After representing the new leadership theories, it becomes clear, that the idea of leadership has already changed. "New" leadership is seen as a common task in teams, either that is split up according to abilities or that the employees are being motivated to the extent that they identify with the organizational unit and the business objectives and provide more effort and commitment. Based on this leadership cognition, organizations can react faster and more flexible than in traditional leadership concepts. However, these approaches should be explored in more detail.

The practice shows, that the necessity for a change in the leadership cognition is known, but none of the new leadership approaches could be established in whole companies. Only in specialisation teams, risk, spread project teams and Start-Ups, the approaches had been implemented, as examined for example by Hoegl & Muethl (2007) and Ensley et al. (2006). In the context of this paper, the transition to a flexible leadership should be followed, to create an optimal leadership concept by connecting vertical and shared leadership within an entire organization.

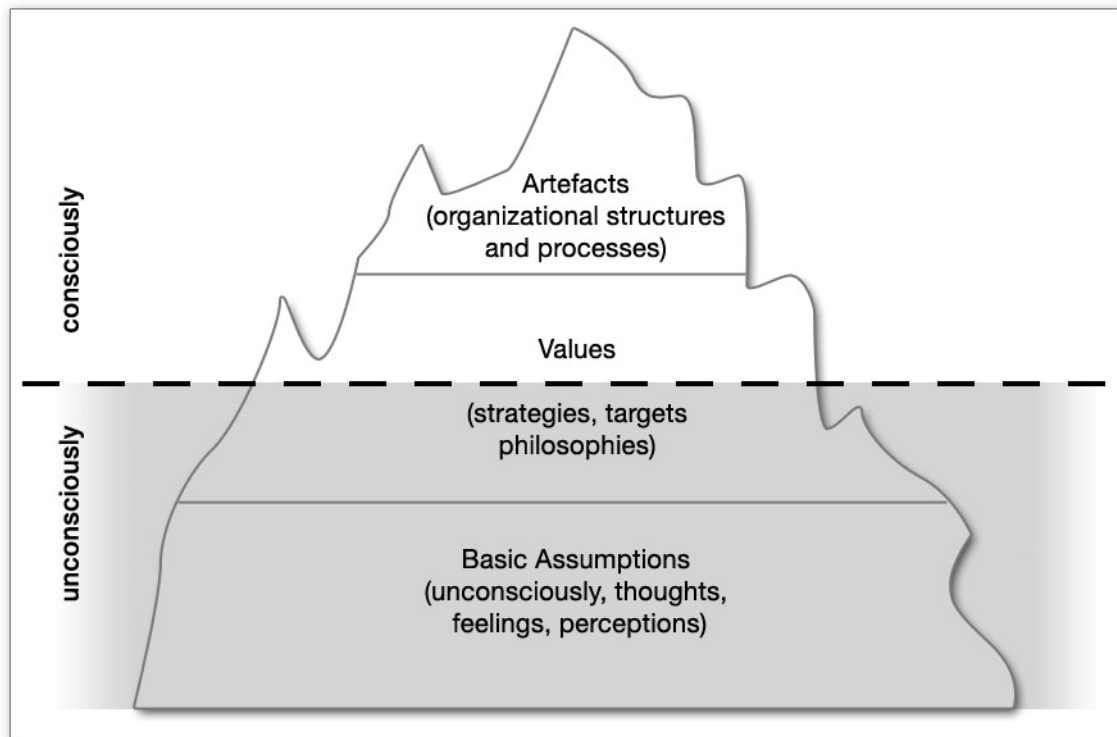
2.3. Indirect Leadership

After the different aspects of direct leadership are discussed, this chapter focuses on the indirect leadership (organizational culture, structure, processes). These will be explained and connected with leadership and leadership success.

According to Schein (1992) organizational culture is defined as a scheme of divided common assumptions, which were learned by the team from problems of external adjustment and internal integration, who have therefore worked positively and well, to regard these as a valid and therefore are taught new members as the right way to be aware of these problems, to think and to feel.

For organizational culture, Calori and Sarnin (1991) have divided the value's dimensions in economic (e.g. organization performance, expertise) and ethnic oriented (team orientation, integrity, stability, authority and willingness to change). In doing so, it shows that values and the assumptions resulting from it cannot be changed actively and temporarily. In addition to the values, Schein (1992) differentiates two other dimensions - artefacts (organizational structures, processes) and assumptions, which the Iceberg-model displays. Furthermore, a distinction between conscious and unconscious elements of organizational culture is carried out. Among the unconscious factors are values and norms as well as management styles and behaviour patterns. The conscious elements contain the organizational structures and processes (cp. Figure 5) (Berthold, 2004).

Figure 5: Schein's Cultural Iceberg (1992)



Referring to Chandler (1962), with "Structure follows Strategy", it has also to be questioned: „Does strategy drive culture or culture drive strategy?“ According to Speculand (2009), the strategy is not directly influenced by the organizational culture, but this is always to keep in mind when implementing the strategy.

Most organization researchers have recognized that organizational culture has a strong effect on the performance and long-term effectiveness of organizations (Masood et al., 2006). The organizational culture mainly develops from the dominating leadership, while the culture of an organization can also influence the development of its leadership (Bass & Avolio, 1993).

Meeraal & Kanungo (1988) and Kotter (1988) emphasise particularly, that executives must understand, that management refers to planning processes, of organization and controlling, while leadership itself is the process, to inspire employees to change. The culture of an organization reflects all that, what the dominating management style, the terms and symbols, the processes and approaches are as well as definitions of success that make an organization one of a kind (Cameron & Quinn, 2006). The behaviour and values of an executive influence the development of organizational culture (Schein, 2004).

When culture and leadership are examined, it gets clear, that these are two coherent factors. On the one hand, cultural norms pretend the definition of leadership - who is promoted and

who shall get the employees' attention. On the other hand it can be claimed, that creating and leading of culture are the most important functions of executives; that the ability to understand and work with culture is the leaders' unique talent (Schein, 2004). There is an alternating influence process between leadership and culture. An organizational culture's change demands recognisable leadership, which appeals to the employees' feelings as well as their intellect.

Although executives can implement the new leadership cognition and change the culture accordingly, they need, however, a cultural base, which allows such changes. Due to the long development of an organizational culture, this will be examined superior to leadership cognition. According to the Iceberg-Model, structures and processes also belong to the organizational culture. This interdependency must also be further investigated. Rosenberger (2007) describes leadership as the essential leverage for organizational culture and success.

As a second element of indirect leadership, the organizational structure has to be mentioned. According to Drucker (2009), organization is transferred as an instrumental frame, in which people can work together efficiently. Organizational structure means the total of tasks based on the division of labour and their co-ordination (Mintzberg, 1989).

Shared Leadership requires a structural frame that allows certain spaces without rigid hierarchies. Drucker (2009) cannot approve the end of hierarchy since in his opinion every institution needs an authority, which makes the decisions. It is important, that employees know the organizational structures and have the flexibility to finish work in terms of teamwork but also to implement instructions.

Chandler (2001) examined and confirmed that the strategy of an organization determines the organizational structure. According to this, he made the know case: "structure follows strategy" and pointed out, that there must be a connection between strategy and business structure in any case. It can be derived, that with implementing the new leadership cognition, a structural adjustment is necessary in the end.

New technologies, operational change and the resulting changed requirements demand a reorientation of organization and hierarchy (Froehlich, 2001). It turned out that organizational structures must be reconsidered and most of all put into practice. A formation of dependent divisions is developed into a connection of independent units with decentralised communication and coordination facilities and own executive boards. Organizations need flexible structures that promote cooperation and trans-sectional communication and action.

A study of Mehra et al. (2006) could confirm, that management structures with a distributed team leadership structure (6b) render a higher performance than leader-centered team structures (6c).

Fig. 6a: Traditional leader-centered team structure (Mehra et al., 2006)

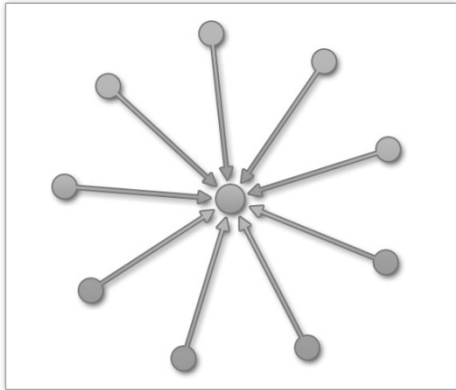
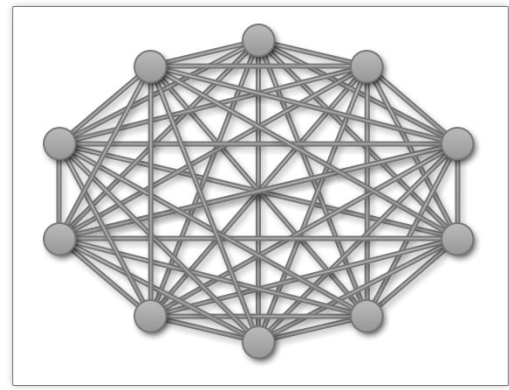
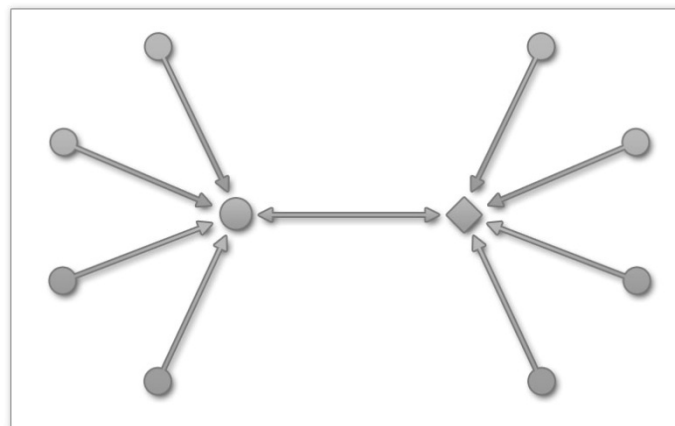


Fig. 6b: Distributed team leadership structure (Mehra et al., 2006)



Furthermore, it was detected that teams with distributed coordinated structures (distributed leadership within two teams with a vertical leadership within the team (6c); achieve a higher team performance than traditional leader-entered (6a). It shows, that without consideration of the team structure, Shared Leadership alone is not sufficient for a higher team performance.

Figure 6c: Distributed-coordinated team leadership structure (Mehra et al., 2006)



Every organization has to integrate change management to its entire structure. Drucker (1996) wants to express, that organizations have to be flexible to be able to part from usual processes to go strike new paths if required.

Since Shared Leadership until now has merely been implemented in single teams (specialization teams, project teams) the specialties of team structures for the assignment of

an overall organization structure shall be looked at exactly as follows. Teamwork is a series of connected and flexible knowledge, behaviours and attitudes, which are used to reach favoured common tasks. To some extent, teams think, act and feel like they perform their interdependent tasks. These knowledge, behaviours and attitudes reflect the ability (knowledge, expertises, intellectual abilities and other features) the team members need to execute team functions that are more ambitious than the independent efforts of every single team member (Day et al., 2004).

Derived from organizational targets and strategies, processes are supporting at their realisation. Processes are closed, temporal and logical series of activities that are necessary for the processing of a business-relevant object (Becker & Kahn, 2008). Due to the changed frameworks, they are also changing. Processes will no longer be defined as stable and long-term, but must be flexible and adaptable to be able react fast. Building a culture of trust is important, to transport information according to the process (Löhner, 2009). Therefore, the organizational culture has to be built in a way that a culture of trust is adhered to, in which a flexible processing landscape is guaranteed by fast information transportation.

If the process perspective is examined in connection with structures, interdependency between the two factors is displayed. In traditional consideration structures are followed by processes, i.e. that processes are integrated into existing structures. A possible consequence of this new understanding can be a mindset turnaround, in which, deduced from the strategy, the processes are preceded to the structure (Krueger, 1994). Accordingly, with "structure follows process" and "process follows strategy", Chandlers quote is extended to the process view (Krueger, 1997).

The structure has to be built in a way that processes can be executed efficiently and effectively. Because of an unstable environment, the process organization is also in a flux, which is reflected in fast changing process chains, in reduction of standardisation and in work sharing. Therefore, process and structure follow the same direction.

All team members take part in the leadership process of Shared Leadership, i.e. it is a distributed process that creates possibilities for versatility and adaptability (Day et al., 2004). Subsequent to the connections of vertical and shared leadership, the processes are to be adapted accordingly.

The new leadership cognition is seen as a new strategy. At least, the organizational structure is considered jointly with the dimension of values, as these have to be lived and cannot be changed at short notice straight away. It is important to have an organizational culture already established in a company, which is characterised by a culture of trust and a „strong co-operation". If this is the case, the doors are open to introduce a new leadership cognition.

In a second step, the process flow chart is to be adapted adequately and then, in a third step, the organizational structures are under consideration.

3 Summary and discussion

First, the literature review has shown the variety of the leadership concept. Based on this, the leadership approaches have been displayed and discussed subdivided between traditional and new leadership theories. The connection and consideration of the indirect leadership factors have also been included. This review's focus had been on vertical and shared leadership theories and potentials of connecting these approaches had been pointed out.

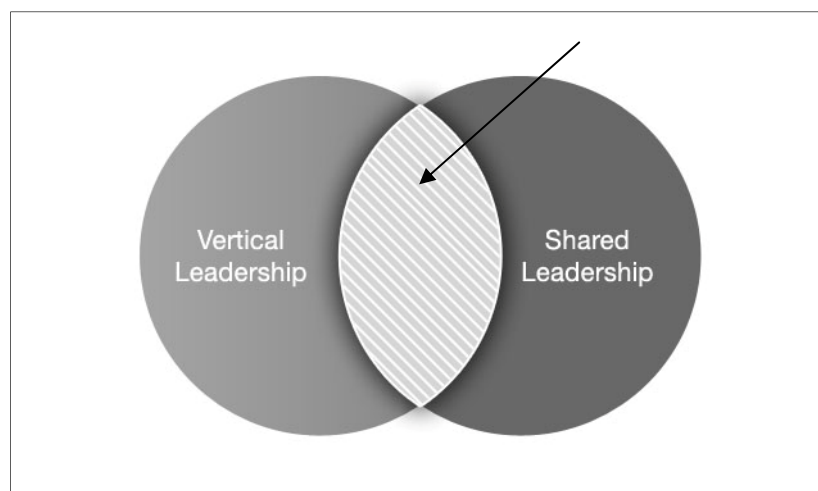
In literature, possible structural changes (decentralisation, reduction of hierarchies) are indicated, however, but not analysed sufficiently. In this context, the interdependency between organizational culture, structures and processes in connection with a vertical and shared leadership cognition is also to be considered.

Based on the literature review, the following research questions for future research arise:

In what situation / in which way can vertical and divided leadership can complete each other to increase the team and organization success? -> focus direct leadership

How has the organizational frame (structure, processes, culture) to be created, to allow this flexibilisation in the leadership cognition? -> Focus indirect leadership

Figure 7: Intersection/Connection vertical vs. shared leadership



The core of a flexible integrated leadership model is an explanation of the organizational processes, which determine the success of an organization, as well as an explanation about the possibilities of executives to influence the processes. Key elements are a flexible

leadership as answer to permanently changing situations, the need of a balance of competitive requirements and that leadership will be coordinated cross-hierarchical (Yukl & Lepsinger, 2004).

A further research is necessary to examine the distribution of leadership responsibilities among the members of the team or organization.

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