

## HELSINKI METROPOLIA UNIVERSITY OF APPLIED SCIENCES

Bachelor's Degree in Industrial Management

**Bachelor's Thesis** 

## PERCEPTIONS OF POSITIVE LEADERSHIP IN GLOBAL CORPORATION

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### PREFACE

When we started this research the concept of Positive Organizational Scholarship was new to us. Therefore this thesis provided a great learning opportunity on an area not part of our studies.

We very much appreciate Merja Fischer for letting us to be part of the great team. The inspirational support from Merja drove all of us through this challenging process.

We would also like to give special thanks to the members of POS research team at Metropolia. Thanks to liro, Joni, Laura, and Tomi for the active participation and contribution in all of the meetings during the research.

Our special thanks to Marjatta Huhta, for being our guide during the entire process. With Marjatta's encouragement and help we could find the right path when facing difficult times, and graduate within time limits.

Finally, many thanks to the support received from home. Sanna and Suski, and others as well, thanks for being there for us always when needed.

Helsinki, May 14, 2010

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## ABSTRACT

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This Bachelor's Thesis was a part of a Positive Organizational Scholarship study. The study focused on positive leadership in an international company. The purpose was to find what elements of positive leadership can be identified in the sample of interviews of a major global corporation, and what essential competencies there are for a positive leader.

An inductive qualitative research method was used to analyze the semi-structured interviews, with the help of a qualitative analysis software tool. The interview questions were formulated around the concept of positive leadership. The theory consisted of a set of existing well-known leadership studies that provided knowledge and understanding of the matters encountered. To support and validate the findings, an expert discussion was held together with the research group and the experts.

The analysis showed that the elements of positive leadership – climate, communication, relationships and meaning – are seen important in terms of effective and good leadership. Also elements that did not directly relate to the concept of positive leadership were found, such as vision, charisma, and trust. Some of these elements are supported by other existing leadership theories. In addition, essential leadership competencies found in the study were listed.

As a result of the study, additional elements for the existing positive leadership model were proposed. The study suggests that the older leadership theories are still valid but not necessary comprehensive. This thesis serves as a support for positive leadership, and it makes leaders more aware of the advantages of the concept.

Key words: leadership, positive organizational scholarship



## INSINÖÖRITYÖN TIIVISTELMÄ

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Tämä insinöörityö oli osa laajempaa positiivisen organisaatiotieteen tutkimusta. Työ keskittyi positiiviseen johtamisen käsitteeseen kansainvälisessä yrityksessä. Tarkoituksena oli löytää, mitä positiivisen johtajuuden tekijöitä voidaan tunnistaa työpaikalla haastattelumateriaalin pohjalta ja mitä keskeistä osaamista vaaditaan positiiviselta johtajalta.

Tutkimus tehtiin kvalitatiivista tutkimusmenetelmää hyödyntäen. Tutkimusaineistona käytettiin kansainvälisessä yrityksessä kerättyä haastattelumateriaalia. Haastattelukysymysten pohjana toimi positiivisen johtamisen teoriamalli. Työn teoria koostui tunnetuista johtamistutkimuksista, joiden avulla luotiin tietämyspohja tutkittavan ilmiön kohtaamiseksi. Havaintojen tueksi järjestettiin tutkimuskeskustelu yhdessä tutkimusryhmän ja johtamisalan asiantuntijoiden kesken.

Analyysi osoitti, että positiivisen johtajuuden tekijät – ilmapiiri, viestintä, ihmissuhteet ja työn merkitys – nähdään tärkeinä tehokkaan ja hyvän johtajuuden kannalta. Myös tekijöitä, jotka eivät suoranaisesti liity positiiviseen johtajuuteen, oli havaittavissa kuten visio, karisma ja luottamus. Osa näistä tekijöistä on yhdistettävissä muihin olemassa oleviin johtamisteorioihin. Tämän lisäksi työssä koottiin hyvälle johtajalle keskeisiä pätevyystekijöitä.

Tutkimuksen tuloksena ehdotettiin nykyisen positiivisen johtamismallin täydentämistä. Tutkimus osoittaa, että vanhemmat johtamisteoriat ovat edelleen päteviä, mutta eivät välttämättä tarpeeksi kattavia. Insinöörityö tukee positiivista johtajuutta, ja se avartaa konseptin hyötyjä johtajille.

Avainsanat: johtaminen, positiivinen organisaatiotiede



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### **1 INTRODUCTION**

This study is about leadership. Despite being one of the most studied topics in social sciences it still remains to be one of the least understood (Bennis et al. 2005: 19). As a phenomena leadership is interdisciplinary and complex. It combines elements from psychology, sociology, business science and ethics. As a result, the study of leadership is not nearly as definite as the study of more traditional sciences, physics or chemistry for example. The greatest challenges arise from the fact that people and their behavior in different situations are anything but uniform and anything but predictable. Still, throughout the time researches have been fascinated with the topic of leadership and have produced overwhelmingly wide variety of different theories to enlighten the complexities of leadership. (Northouse 2004: 1.)

Throughout the years the approach on leadership, what it is and who exercise it, has undergone significant changes. Leadership competencies have remained relatively constant, but the understanding of what leadership is, how it works, and the ways people learn to apply it has significantly shifted. (Bennis et al. 2005: 3.) The whole perspective to the subject has transformed from being merely leader-focused to emphasize more the social nature of man. In other words the importance of social interaction between a leader and a follower has become one of the most important cornerstones of today's leadership conception. Instead of asking who leaders are and what characteristics they should posses, researchers are more interested to find answers to questions, how leaders motivate their followers, how leaders inspire them to achieve objectives and how leaders bind groups together to reach even further.

The change in the ways of viewing leadership is a direct result of one unprecedented transformation started in the beginning of twentieth century – the emergence of large structured work organization. With the divorce of ownership from capital, and capital being seen as a resource for investment, over time the point has been reached where vast majority of people are employees, regardless of their status in organizational hierarchy and their immediate responsibilities. Contemporary leadership, unlike supposed, individualistic leadership of the past, is highly influenced by the immediate and surrounding context. The contention is that organizational context provides the parameters within which leadership is contained. (Kakabadse et al. 1999: 2.)

The transformation in the working life during the twentieth century has not been limited to the emergence of large work organizations, but furthermore the nature of work, especially in industrialized countries, has been shifting from dealing with tangible goods to processing information. The global trend of growing number of information workers has been an indication of this for some time now (Strassmann 1985: 1-6). Information work has been defined by Otala et al. (2005) to be work in which symbols are processed rather than concrete matter, in which information and telecommunications technology is utilized, and in which the value-added comes from combining and analyzing existing information and producing new.

Information work is typically characterized by self-direction, self-control and the need for continuous learning. The tasks are often unique in nature and there is very little repetition in work. Leaders provide direction and support but subordinates need to use their cognitive abilities to get to the end result. Therefore quality and productivity of work is highly affected by know-how and motivation of the subordinates. (Otala et al. 2005: 58-59.) The new course of working life has made some of the traditional information sources and leadership techniques less effective or even obsolete (Bennis et al. 2005: 10). Today the need for specialized information is dire. Teams with varied experts have become the backbone of successful companies. From individuals, from leaders as well as from subordinates, social skills and emotional intelligence is required to develop all the necessary relationships at work. All the requirements of information work can place an overwhelming mental burden on individuals. (Otala et al. 2005: 58-59.)

This is an era marked by rapid pace of work and continuous change. The problems of organizations are becoming increasingly complex. (Bennis et al. 2005: 9-10.) Increasing workload and accelerating pace of work is a combination that requires a lot from employees in terms of physical and psychological health. The working life has becoming burden impossible to bear. This is clearly indicated in a recently published research (Helsingin Sanomat 20.3.2010) studying how youth in Finland view the state of the world and society in general, and their personal life as well as working life. The study revealed that majority of the respondents affiliate personal life with positive

emotions, but working life was seen as more frightening and negative. All this has to have a profound effect on our society and on how we want to lead our organizations.

Regardless, the importance of leadership to both achievement and morale in organizations has long been recognized (Gill 2006: 1). Enterprises value more and more employees with patent leadership abilities because they are believed to bring pivotal assets to improve the bottom line of the organization and help develop new visions of what the organizations could become in the future (Northouse 2004: 1). This study sets out to, in light of the above perspectives, to investigate, what is perceived to be effective leadership in to-day's organizations and how leadership can contribute in creating an environment that fosters exceptional productivity as well as well-being at work.

The focus is especially on the theory of positive leadership formulated by Cameron (2008) and it's applicability in an international organizational environment. The interest towards the theory wells from its emphasis on using positivity as a resource. The study aims to approach the research problem by answering the two-fold research question formulated as follows:

- What elements of positive leadership can be identified in an international organization setting?
- What are essential competencies for a positive leader?

In this study, there is also an additional interest to determine and clarify at least, how leadership views in real life reflect the different theories of leadership, and how the views of leaders and subordinates compare concerning leadership.

Because of the interdisciplinary nature of leadership, qualitative research was chosen as the primary research method of the study. The material for the research was gathered from two different sources: a set of interviews and a World Café discussion. To support the qualitative research material an extensive review of existing leadership theories was conducted. The literature review of the study included well-known leadership theories from the past hundred years. Knowledge and understanding of these theories was important in order to better comprehend the complexity of the subject at hand, and to be able to cover all the different aspects of leadership in the analysis. For analyzing the research material, the study utilized primarily inductive approach to qualitative analysis, although some elements of the research could be viewed to represent more deductive approach. In inductive analysis, the researcher's interaction with the data emerges findings, and it involves discovering of patterns, themes, and categories as opposed to deductive approach where the data is analyzed according to an existing framework. This study begins by examining a theoretical concept developed by Cameron (2008), but at the side strives to find undiscovered patterns and emergent understandings based on the individuals' subjective experiences and researchers' observations. (Patton 2002: 453-454.) The research design and method is illustrated in Figure 1 and described more thoroughly in section 3.

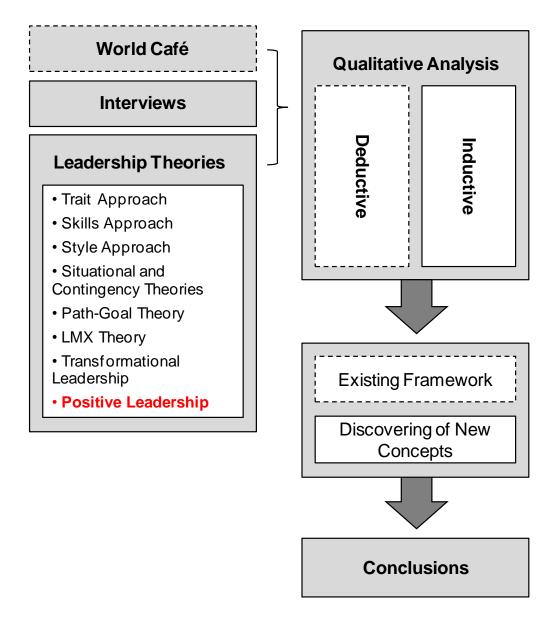


Figure 1. Illustration of the research design and method.

It is also important to mention that the research was a part of group assignment aimed at the exploration of Positive Organizational Scholarship (Cameron et al. 2003) from multiple angles. All the members of the group were industrial management students of Helsinki Metropolia University of Applied Sciences carrying out their Bachelor's thesis work. This research examined the subject from the wide perspective of leadership. The other topics concerned included motivation, happiness and work engagement. All the researchers had the same material to make use of, but the analysis was done with different viewpoints. To specify the research material more, the interviews were conducted in various business units of a major global corporation. They were semi-structured, and were held in several countries. To widen the perspective, the study also utilizes insights gathered in a World Café discussion which was held with the Positive Organizational Scholarship research group and four invited experts. The principles of a World Café discussion and more background information about the interviews will be presented in section 3 of the paper.

### 2 LEADERSHIP THEORIES

The interest in the practice and development of leadership ascends all the way back from the ancient Greek philosophers. Aristotle, Plato and Socrates were among the first who emphasized the power and impact of leadership to societies (Kakabadse et al. 1999: 2). Since then leadership has evolved to a subject with universal appeal, both in the popular press and academic research. Through the years, leadership has been defined and conceptualized in numerous different ways. Despite the varied conceptions to the topic, nearly all leadership definitions share four common components central to the phenomenon of leadership:

- leadership is an interactive process,
- leadership involves influence,
- · leadership occurs within a group, and
- leadership involves goal attainment.

This means that leadership is a transactional event that occurs between the leader and his or her followers. It involves the leader affecting the followers to accomplish a common target. (Northouse 2004: 2-11.)

In addition to the definitional issue of leadership, it is also important to distinguish between the two terms leadership and management as they are often used in the wrong context. Bennis (2003: 39), an American scholar widely recognized as one of the pioneers of modern leadership conception, has summarized the distinction between the two in the following way:

"I tend to think of the differences between leaders and managers as the differences between those who master the context and those who surrender to it".

Bennis's view is supported by the traditional management definition, where management is seen as a process focusing on such activities as planning, organizing, staffing and controlling. In other words management aims to administer the prevailing situation, to create order and stability in organizations, while leadership is more concerned about adaptation and creative change. (Bennis 2003: 39-40; Northouse 2004: 8-12.)

Further along in this section, the major leadership theories are reviewed and categorized roughly according to the approach they take on to the subject. All the approaches considered do not necessarily contain the four common components of leadership phenomenon introduced earlier, but are all strongly focused on leadership and not management. In addition, all the theories introduced have contributed to the development of contemporary leadership conception. The goal is to create a platform of common concepts and terms as well as illustrate the complexity and evolution of leadership thinking.

#### 2.1 Trait Approach

One of the first systematic approaches to study leadership was to define the features that made certain people good leaders. These theories focusing on identifying the innate qualities and characteristics possessed by great leaders are generally called either trait or great man theories. They assume that there are specific traits that distinctly separate leaders from followers and that people are born with these qualities. For the early part of the twentieth century, this leader-centered perspective was the dominant form of empirical and theoretical research on leadership. (Gill 2006: 37; Northouse 2004: 15.)

A good overview of the traits that in the first half of twentieth century were seen essential for a good leader is found in a literature survey conducted by Stogdill in 1948 (Northouse 2004: 16). In his survey, Stogdill reviewed and combined 124 studies concentrating on the trait approach that were conducted during the first half of twentieth century. Based on his survey, Stogdill identified the following traits in which the average individual occupying a leadership position exceeds the average member of his group: intelligence, scholarship, responsibility, sociability, and socio-economic status. Stogdill also documented other traits, which were supported by a fewer number of studies as the main five listed above. These included: persistence, self-confidence and insight. (Stogdill 1948.)

Still, Stogdill suggested that no consistent set of traits differentiate leaders from followers. This was because what might for example be perceived as intelligence in one context might not be in another. Therefore, a leader in one situation might not be a leader in another. Against the dominant perception of his time, Stogdill concluded that leadership rather than being a quality individuals possess is a relationship between people in a social situation. With his research, Stogdill paved the way to more complex approaches of leadership. (Northouse 2004: 15).

#### 2.2 Skills Approach

A second frequently applied leadership focus is the skills approach. It, like the trait approach, takes a strong leader-centered perspective on leadership. However, in the skills approach emphasis is on the capabilities learned and developed rather than on personality characteristics that are relatively fixed. Although it is not denied that personality plays an essential role in leadership, the skills approach suggest that knowledge and abilities are far more important for effective leadership. Whilst there might not always be a clear distinction between the theories representing the skills approach and the trait approach, researchers have studied leadership skills and abilities for a number of years and one influential model can be pointed out; a model drafted by Katz in 1955 that describes the essential conception of style approach. (Northouse 2004: 35-39.)

In his research, Katz proposed that for effective leadership there are three basic set of skills that can be identified. These are technical, human and conceptual skills. Katz claimed that these skills differ considerably from leadership traits as they imply what leaders can accomplish, whereas traits indicate who leaders are. (Northouse 2004: 36.) With *technical skills*, Katz refers to leader's proficiency in a specific type of work or activity. This proficiency requires know-how in a specialized area as well as analytical abilities and the talent to use all the necessary tools and techniques associated with the area. For example, in a software company, technical skills might include knowledge of different programming languages, the software products of the company, and how to apply them in client specific operating environments. The closer the leader is involved with the actual production of the products the more important role the technical skills have. (Katz 1955.)

The *human skills* are the ones that enable working with different people. They are the abilities that help leaders to work effectively and cooperatively with their subordinates as well as superiors to accomplish the goals of the organization. For Katz, human skills include such matters as the leader assisting members of his or her team, the leader being aware of their point of views and the leader being able to create an atmosphere of trust among the team. In short, to be a leader with human skills means to be receptive to the needs and perspectives of others, and to take these into account in the decision making process. Katz highlighted the human skills to be the most important set of skills from the three for any leader. (Katz 1955.)

The third and final skill set in Katz's model, *conceptual skills*, consists of the abilities to work with ideas and high-level concepts. A leader with conceptual skills is good at describing the goals of the company and he or she can formulate strategies to achieve those goals. Conceptual skills also include the understanding of economic principles that affect business. All these skills enable leaders to understand and clearly communicate the actions that need to be taken in different situations. (Katz 1955.)

Based on his observations, Katz also proposed that depending on the level of an organization a leader is working on, he or she needs to have a different emphasis on the skill sets. This is illustrated in Figure 2. The importance of each set of skills correlates with the level of an organization. As already mentioned, Katz raised the human skills above the rest as the most important for any leader regardless of their position in an organization. The emphasis a leader needs to have on the two remaining set of skills depends on the organizational level. In the top management for example, there is not much need for detailed knowledge of product specifications. In the same way a floor manager of a manufacturing plant does not have to understand all the complexities of international trade. (Katz 1955.)

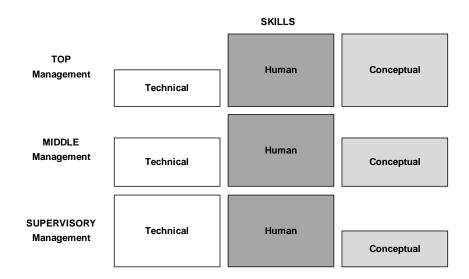


Figure 2. Leadership skills necessary at different levels of an organization (Katz 1955).

The skills approach takes into account the knowledge and abilities of leaders. In skills approach the leader's skills themselves are the most important for effective leadership and addressing organizational problems. It is suggested that leaders can improve their capabilities through training and experience. Therefore skills approach makes leadership available to everyone as opposed to the trait approach. The skills approach is mainly descriptive as it does not provide any guidelines for leaders to success, only a viewpoint for understanding the nature of effective leadership. (Northouse 2004: 38-39, 49-50.)

#### 2.3 Style Approach

The style approach, originated from the lack of consistent set of leadership traits and skills, emphasizes the behavior of the leader. This distinguishes it notably from the previously introduced leadership approaches. In shifting the study of leadership to the style and behavior of the leader, the style approach focused more on what leaders do and how they act as opposed to who they are. The different theories of the approach primarily identify two general kinds of behaviors from which leadership is essentially composed of: task behaviors and relationship behaviors. Leader's *task behavior* aims to help followers in the achievement of their objectives and *relationship behavior* to help them feel more comfortable with each of the team members. The purpose of style approach is to explain how leaders combine these two kinds of behaviors to influence followers in their efforts to reach goals. (Gill 2006: 42; Northouse 2004: 65.)

Three influential studies can be identified that have been conducted to investigate the style approach. Among the first, were studies carried out in Ohio State University in the late 1940s, based on the findings of Stogdill (1948). During the same time researches at the University of Michigan concentrated especially on leadership functions in small groups. A third and most significant line of research, focused on how leaders used task and relationship behaviors in an organizational setting, was begun in the early 1960s and produced a well-known leadership model called Leadership Grid. (Northouse 2004: 65-66.)

The researchers at Ohio State University concluded that two main clusters of behaviors had an important role in effective leadership: initiating structure and consideration. *Initiating structure* behaviors were essentially task behaviors, including such activities as organizing and scheduling of work, text. In turn, *consideration* behaviors were in essence relationship behaviors and included building friendship, mutual trust and respect between the leader and followers. The studies also viewed that the two behaviors were independent of each other. Meaning that the degree to which a leader expressed one behavior was not related to the degree which he or she expressed the other behavior. There have been many studies conducted to determine which style of leadership is most effective in a particular situation. However, the results have only indicated that it depends always on the context. (Northouse 2004: 66-67.)

At the same time as the Ohio State studies were ongoing researchers at the University of Michigan were investigating the impact of different leadership behaviors on the performance of small teams. The project also identified two types of leadership behaviors: employee orientation and production orientation. Leaders, who exhibited *employee orientation*, showed genuine interest towards their followers, and valued their individuality giving special attention to their personal needs. More *production oriented* leaders concentrated on the technical and production aspects of the work, and followers were seen as a means for getting a job done. Unlike the Ohio State studies, researchers at University of Michigan suggested that the two types of behavior styles were not independent of each other. This meant that leaders who were more oriented towards their followers were less production oriented, and vice versa. (Northouse 2004: 67-68.)

Perhaps the most famous model of leadership behavior is the Leadership Grid (see Figure 3) which has widely been used in organizational training. It, originally named Managerial Grid, was designed to explain how leaders assist organizations to achieve their objectives through two factors: concern for people and concern for production. (Northouse 2004: 68-69.) *Concern for people* refers to the leader's attitudes towards to the people within the organization. This concern includes providing good working conditions and highlighting the importance of high-quality social relationships, trust, fairness, and commitment at the workplace. *Concern for production*, on the other hand, refers to how devoted a leader is to achieve organizational goals. It involves a wide range of activities, including attention to decision making, new

product development, process issues, workload, and sales volume. (Blake et al. 1964: 5-9.)

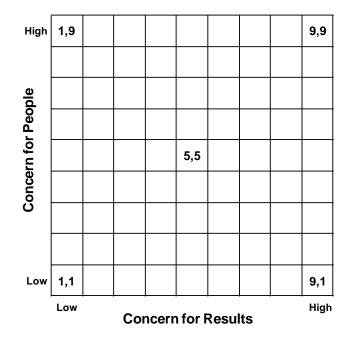


Figure 3. Leadership Grid (Blake et al. 1964: 10).

The Leadership Grid (illustrated in Figure 3) joins the two concerns in a model that has two intersecting axes to exhibit the range of all possible interactions between the two concerns. The horizontal axis indicates the leader's concern for results and the other, the vertical axis, represents the leader's concern for people. For both the axes a nine-point scale is drawn on which the degree of one indicates minimum concern and the degree of nine indicates maximum concern. By plotting the two concerns to the grid, various leadership styles can be illustrated. (Blake et al. 1964: 9-11.) The Leadership Grid characterizes five major leadership styles: (9,1) authority-compliance, (1,9) country club management, (1,1) impoverished management (Northouse 2004: 69).

The first major style, *authority-compliance*, strongly emphasizes the task and job requirements. People are regarded merely as tools for getting the job done. Communication with followers is limited to giving instructions about the tasks. Efficiency in leadership results from arranging conditions of work in a way that human elements interfere to a minimum degree. Leaders of this style are often seen as controlling, demanding, and overpowering. The

second style, *country club management*, concentrates entirely on the personal and social needs of followers. Leaders try to create an inviting climate by being agreeable, eager to help, comforting, and uncontroversial. The thoughtful attention towards followers leads to a friendly organization environment and comfortable work tempo. (Blake et al. 1964: 10-11; Northouse 2004: 69-70.)

The 1,1 style, *impoverished management*, is represented by a leader who is disinterested in both the people and organizational results. This type of a leader has minimum contact with followers and only extends his or her efforts to get required work done to sustain organization membership. The forth style, *middle-of-the-road management*, describes leaders who try to find the best compromise between the two concerns to reach adequate organization performance. They maintain the morale of followers at a satisfactory level while still emphasizing the work requirements. The last style, *team management*, emphasizes strongly both tasks and interpersonal relationships. It promotes involvement and teamwork in the organization. The 9,9 leaders stimulate participation, are determined, communicate openly, make priorities clear, and enjoys working. The interdependence created through common goals leads to relationships of trust and respect. (Blake et al. 1964: 10-11; Northouse 2004: 71.)

Unlike some other leadership theories, the style approach does not provide a neatly organized set of guidelines for effective leadership behavior. Rather, the style approach describes a framework for assessing leadership extensively, as a behavior with a task and relationship dimension. The style approach works not by telling leaders how to behave, but by describing the major components of their behavior. (Northouse 2004: 73.)

#### 2.4 Situational and Contingency Theories

There are two very similar theories that focus on leadership on different situations. The basic idea of these approaches, situational and contingency theories, is that different kind of situations need different kind of leaders, or leadership. Both of the approaches have been used extensively in organizational leadership training and development. (Northouse 2004: 87, 109.)

According to the contingency theory leadership styles are described as task motivated or relationship motivated. *Task motivated* leaders are concerned

primarily with reaching the goal, and *relationship motivated* with developing close interpersonal relations. In the contingency model, presented in Figure 4, there are three factors for situations: leader-member relations, task structure, and position power. (Northouse 2004: 109-110.)

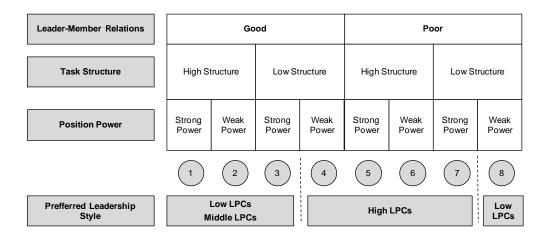


Figure 4. Contingency Model (Northouse 2004: 111).

The first factor, *leader-member relations*, refers to the group atmosphere, as well as to the degree of confidence, loyalty and attraction the followers feel for the leader. The second factor, *task structure*, describes the degree to which the requirements of a task are clear and spelled out. The third situational variable, *position power*, refers to the amount of authority a leader has over followers. These three factors determine the favorableness of different situations in organizations, of which the most favorable ones are those having good leader-follower relations, defined tasks, and strong leader position power. As opposed, situations that are rated least favorable have poor leader-follower relations, unstructured tasks, and weak leader position power. These are the two extremes, and moderately favored situations fall somewhere in between. (Northouse 2004: 110-111.)

The situational approach, suggests that different situations demand different kind of leadership, and to be effective, a leader requires adaptation skills to match a leadership style to these situations. According to the situational approach, leaders ought to evaluate their subordinates and determine how committed and competent they are at performing a given task. Then, the leader chooses the degree of directive or supportive dimension of leading, and adjusts it when necessary as subordinates' development levels alter. (Northouse 2004: 87.)

Both of the approaches address the need of different leaders in different situations. In the situational theory, leaders adapt their leading style according to their employees' development levels, whereas in contingency theory, leaders can preliminary handle situations specific to their type of leading. According to the situational approach, there are four different types of leadership; the combinations of high or low directive and supportive leadership. Contingency theory, on the other hand, supposes that task motivated leaders can handle well the extreme ends of favorable situations of the contingency model, and relationship motivated leaders handle better the situations that are moderately favorable. These theories have been recognized in many organizations as a standard of leadership training, and they are supported by empirical research. (Northouse 2004: 87, 106, 110, 121.)

#### 2.5 Path-Goal Theory

The path-goal theory of leadership effectiveness is a dyadic theory of supervision. It concerns relationships between leaders and their followers, and how leaders affect the motivation and satisfaction of followers. It is a dyadic theory in that it does not address the effect of leaders on groups, but rather the effects on individual followers. (House 1996.) Unlike situational and contingency theories introduced earlier, the path-goal theory emphasizes the relationships between leader's style and the characteristics of followers and work setting (Northouse 2004: 123).

The path-goal theory first appeared in the leadership literature in the early 1970s. According to it, leaders generate motivation by increasing personal payoffs to followers for achieving a goal. Leaders pave the way to these payoffs by clarifying a path and removing or reducing obstacles along the way (Gill 2006: 47-48.) The path-goal theory explains effective leadership through four components: *leader's behavior, subordinate characteristics, task characteristics,* and *motivation.* Figure 5 illustrates the simplified structure of the theory. It is stated that each type of leader behavior has a different impact on subordinates' motivation. The task and subordinate characteristics, (Northouse 2004: 124-125.)

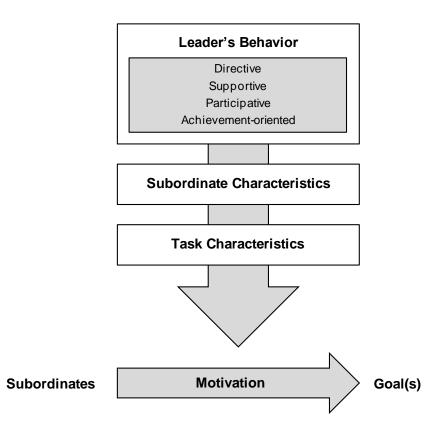


Figure 5. Major components of path-goal theory (Northouse 2004: 125).

For the first component of path-goal theory, House et al. (1974) have described four different kinds of leadership behavior in more specific terms: directive, supportive, participative, and achievement oriented. *Directive leadership* refers to providing a structure of work for subordinates. A directive leader gives clear instructions about tasks, including what is expected, and in what time line. *Supportive leadership*, on the other hand, is characterized by a leader who promotes satisfaction of subordinates needs and preferences. A supportive leader displays concern for subordinates' well-being and aims to create a friendly and supportive work environment. In addition, supportive leaders treat subordinates as equals and give them respect for their accomplishments.

The third leadership behavior introduced by House et al. (1974), *participative leadership*, refers to leaders who invite subordinates to share the decision making. A participative leader consults with subordinates and takes their opinions and suggestions into account when making decisions. The final leadership behavior, *achievement-oriented*, is characterized by a leader who encourages performance excellence. This leader sets challenging goals,

seeks continuous improvement, and shows confidence in his or her subordinates.

In addition to leader's behavior, path-goal theory encompasses two other major components: subordinate and task characteristics. In the end, these two determine what kind of a leading style a leader needs to use in order to effectively motivate his or her subordinates. For example, with a subordinate who has a strong need for affiliation a leader needs to adapt his behavior to supportive. The friendly and concerned leadership will help the subordinate to feel more a member of the group and eventually result in higher motivation. In turn, tasks that are unclear and ambiguous for the subordinates require the leader to orient towards more directive behavior. (Northouse 2004: 127-128.)

#### 2.6 Leader-Member Exchange Theory

Most of the different approaches to leadership discussed thus far emphasize the role of a leader as being pivotal in the leadership process. Leadermember exchange theory, also called LMX or Vertical Dyad Linkage theory, challenges this point of view and addresses leadership as a process that is centered on the interactions between leaders and his or her followers. Therefore leadership becomes a two-way process. Followers form relationships of varying intensity and quality with their leader, and leaders treat their followers according to these formed relationships. Preceding the leadermember exchange theory, researchers primarily treated leadership as something leaders do toward all their followers. This viewpoint assumes that leaders treat their followers always in a collective way, as a group, where every individual is just as important as the next one. (Avery et al. 2004: 75-76; Northouse 2004: 147.)

The leader-member exchange theory was first introduced roughly 35 years and it has undergone several revisions since then. In the early studies of exchange theory, the researches concentrated on the essence of the relationships formed between a leader and his or her followers. In LMX, the relationships are referred as vertical dyads illustrated in Figure 6, and the leader's relationship to the overall group of followers is viewed to consist of a series of these dyadic linkages. When investigating the relationships formed between a leader and his or her followers, researchers found two common types of linkages: those based on the expanded and negotiated role responsibilities called the *in-group*, and those that were based only on the formal employment contract called the *out-group*. (Avery et al. 2004: 75-76; Northouse 2004: 147-149.)

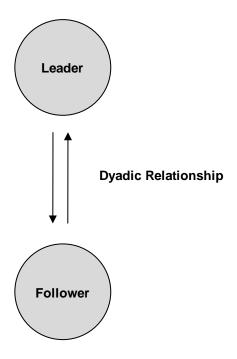


Figure 6. A vertical dyad (Northouse 2004: 149).

Within a group, followers become a part of the in-group or the out-group depending on the quality of relationship between them and the leader. Personality is an important part of this process, but in addition the involvement level of the follower has an impact on the group status. Members of the leader's in-group usually have responsibilities beyond their formal position, more decision making influence, and better access to the resources of the organization. They are also usually treated better and receive more concern from their leader. If one wants to become a member of the in-group, they have to earn it. Leaders tend to develop better relationships with followers who work hard, are committed to shared objectives and are loyal. If followers are not interested in involving themselves, they become a part of the outgroup. Members of the out-group usually just come to work, do their job, and go home as the in-group does extra things for the leader. (Avery 2004: 75-76; Northouse 2004: 148-150.)

After the first studies, the focus of leader-member exchange theory shifted to address the effects LMX had to organizational effectiveness. In particular,

the studies concentrated on how the quality of leader-follower relationships was related to positive outcomes for leaders, followers, the group and the organization in general. Researchers found that good leader-member exchanges result in followers feeling better, accomplishing more, and the organization to prosper. (Northouse 2004: 150-151.)

#### 2.7 Transformational Leadership

Transformational leadership, another relatively new approach to leadership, came into public in the 1970s and has been under a lot of research since. It was first introduced in 1973 by Downton, but became a notable leadership approach in 1978 by Burns, in his title Leadership. Burns built a connection between leaders and followers, leaders being individuals using followers' motives to better reach goals. He also differentiated transactional and transformational leadership. Transactional leaders are people who exchange positive promises or actions with followers' good results. Transformational leaders is on the other hand enhance the connection between their followers, improving motivation and morality of the both parties. Both, the leader and the followers change during the transformational process. (Northouse 2004: 169-170.)

Along with the transformational leadership, another resembling leadership theory, charismatic leadership, was being developed and released by House in 1976, which became popular with researchers ever since. House described that charismatic leaders had specific charismatic characteristics, and they had certain ways of behaviors. Charismatic leadership involves leaders being good role models and they appear competent for their followers. In addition, they also present ideological goals with moral overtone, declare confidence and communicate high expectations for followers. (Northouse 2004: 171-172.)

The transformational leadership model developed in the mid 1980s to include both, Burns' and House's works, by Bass. According to Bass, transformational and transactional leadership should not be separated, but treated as a single continuum. In the model, transformational leaders motivate their followers to exceed expectations with three methods: first by raising followers' levels of consciousness and understanding about idealized goal. Second, the leaders get followers to transcend their own self-interest towards teams and organization, and third, by moving followers to concentrate on higher-level needs. (Northouse 2004: 173.)

When it comes to performance, Bass et al. (2006: 56) declare that whether the performance of transformational leadership is measured subjectively or by more objective means, it affects group performance. Furthermore, transformational leadership, in relation to transactional, leads to performance exceeding expectations, as well as helps followers to develop to be better contributors to group effort.

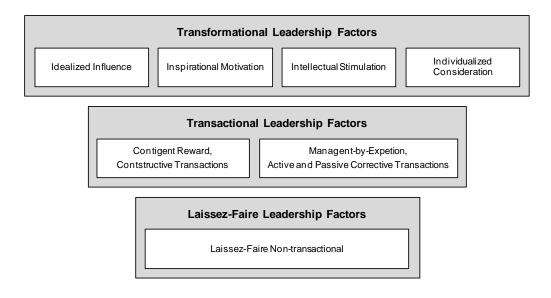


Figure 7. Transformational and transactional leadership factors (Adapted from Northouse 2004: 175).

In the model developed by Bass, there are seven factors in transformational and transactional leadership, as displayed in Figure 7. Transformational leaders are often effective at motivating followers to act in ways that support the greater good rather than the followers' self-interests. The first factor in transformational leadership is called idealized influence, or charisma, which describes leaders who act as strong role models for followers, and therefore are deeply respected and trusted. The followers are provided with a vision and a sense of mission. (Northouse 2004: 174-175.)

The second factor of transformational leadership is inspirational motivation, which describes leaders that communicate high expectations, to motivate them to be a part of the bigger vision using symbols and emotional appeals, and build emotional commitment to targets or a mission. With these tactics, the followers are focused to achieve more than they would in their own selfinterest. (Bass et al. 2006: 36; Northouse 2004: 175-177.)

Intellectual stimulation is the third factor in transformational leadership, and it describes leadership that stimulate followers to both, challenge their beliefs and values, and to be innovative and creative. The purpose of this type of leadership is to support followers when trying new approaches and developing innovative ideas for organizational issues, as well as promoting them to think things out in their own and proceed to careful problem-solving. (Bass et al. 2006: 7; Northouse 2004: 177.)

The final factor of transformational leadership is individualized consideration. Leaders practicing individualized consideration form a supportive climate where followers' needs are carefully listened. These leaders act as coaches and advisers while trying to help individuals to become fully actualized and grow through personal challenges. (Northouse 2004: 177.)

The transactional leadership factors derive from transformational leadership in that a transactional leader does not individualize the needs of followers nor focus on their personal development, but only exchange things of values with them. Contingent reward factor refers to this exchange process, where followers' effort is exchanged for specified rewards. In other words, a leader tries to obtain agreement where worked does a certain job, and gets paid for it by a defined sum. The second transactional leadership factor is management-by-exception, which has two forms: active and passive. This factor includes corrective criticism, negative feedback, and negative reinforcement, by which actively used means a leader to be closely monitoring subordinates' work for mistakes or rule violations, and if such found, takes corrective action. Passively used, management-by-exception takes corrective action only when certain standards have not been met, or the problems have already occurred. (Northouse 2004: 178-179.)

The final factor of the model is a non-leadership factor, laissez-faire, which describes an absence of leadership. These leaders delay decisions, give no feedback, will not take any action to help subordinates grow, and make little effort to satisfy followers' needs. (Northouse 2004: 179.)

Transformational leadership has several strengths such as it has been widely researched, it has an intuitive appeal, it augments other leadership theories, and it treats leadership as a process between leaders and followers, making leadership more than an action of leaders. Transformational leadership derives from transactional leadership in so that while transactional leaders achieve the expected results, transformational leaders achieve results beyond expectations, by acting as good role models and change agents whom followers are willing to trust, and who give meaning to working life. (Northouse 2004: 183-185.)

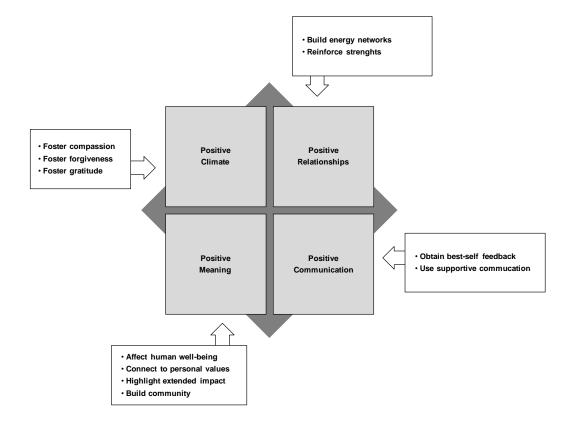
### 2.8 Positive Leadership

In the mist of emotional intelligence and the newly found interest towards the effects of positive emotions, Cameron introduced a theory of positive leadership. The idea behind the concept is to enable positively deviant performance of subordinates. This is done by applying the positive principles that arise from such fields as positive organizational scholarship (Cameron et al. 2003), positive psychology, and positive change. Positive leadership builds upon three significant nuances:

- The most important one is fostering exceptionally positive performance that is, *positively deviant performance*. This means outcomes that exceed the ordinary or expected performance.
- Positive leadership also has a strong emphasize on affirmative bias. The orientation is set towards strengths and capabilities rather than towards obstacles and impediments. This does not mean that the negative is ignored in anyway but rather used as a foundation to upon which positive outcomes are built.
- The final nuance is a focus on *virtuousness*, meaning fostering the best of human condition.

(Cameron 2008: 1-4.)

To enable positively deviant performance Cameron has introduced four key leadership strategies: climate, relationships, communication and meaning. These four strategies and the most important activities for building success upon them are illustrated in Figure 8, and described more detailed further along in the text. The four strategies are derived from empirical studies and do not necessarily represent a comprehensive list, but are among the most important enablers of positively deviant performance according to Cameron. (Cameron 2008: 14-15.)



*Figure 8. Four leadership strategies important for enabling positive deviance (Cameron 2008: 14).* 

The first leadership strategy of interest in Cameron's model for enabling positively deviant performance is *climate*. He defines positive climate as an environment in which positive emotions dominate over negative. According to Cameron a positive climate has a great impact on optimal employee and organizational performance. It is found that leaders can significantly affect the organizational climate with their actions. By inducing and displaying positive emotions, leaders can influence positively to broaden their subordinates' thought-action and coping abilities in times of difficulties. Encouraging an environment of positive emotions will therefore result in a higher level of creativity and productivity. For promoting a positive climate in an organization, Cameron introduces three particularly important activities: fostering forgiveness, compassion and gratitude. (Cameron 2008: 17-23.)

The second leadership strategy of focus in Cameron's concept is *relation-ships*. With positive relationships Cameron does not just merely refer to people getting along and avoiding confrontation, but to something that is a source of enrichment, vitality and learning for both the individuals and organizations. In addition to being satisfying and preferred by people, and thus

helping the emotional health, Cameron argues that positive relationships also impacts people's physiological health and even life expectancy. In sum the affects of close relationships at work are multitude and will have a positive impact on productivity and performance. (Cameron 2008: 35-40.)

To promote the emergence of positive relationships in an organization, Cameron highlights two important activities: building positive-energy networks and reinforcing strengths. To support the first activity, leaders should identify individuals in organizations that can be categorized as positive energizers. Positive energizers generate and maintain vitality in others. They can be described as optimistic, trustworthy, and unselfish. Leaders may, of course, radiate positive energy themselves as well. In a positive-energy network providing for others becomes more important than receiving from others. (Cameron 2008: 42-46.)

The third on element in Cameron's model is *communication*. According to him positive communication occurs in an organization when affirmative and supportive language dominates over negative and critical language. (Cameron 2008: 51.) This notion is supported in the findings of Losada et al. (2004), who in their research concluded that high performing teams have a higher ratio of positive versus negative statements than low performing teams. They also showed that high performing teams have a balance between asking questions and stating positions, whereas low performing teams are more oriented towards advocacy.

For enabling the emergence of positive communications pattern, Cameron emphasizes the importance of leaders' own communication example. Leaders should deliver negative information in a way that builds and strengthens relationships. Judgmental and evaluative communication should be avoided. Leaders should commit to descriptive communication. Meaning that they should describe the situation rather than evaluate it, identify objective consequences rather than place blame, and suggest alternatives rather than argue who is right or wrong. (Cameron 2008: 57-63.)

The final strategy for enabling positively deviant performance introduced in Cameron's concept is *meaning*. According to the researchers, pursue of happiness is a universal human need. When engaging in a work that is felt as personally important, significant positive effects are produced, including

reductions in stress, reoccurring absences and general dissatisfaction, as well as increase in commitment, effort and satisfaction. (Cameron 2008: 67-68.)

In brief, positive leadership aims to highlight the positive aspects in everything to enable things such as thriving at work and interpersonal flourishing. The concept does not only seek to be beneficial from an organizational point of view but also enhance individuals' health and drive their personal growth.

### 2.9 Leadership Theories Summarized

A review of the leadership literature indicates an evolving series of schools of thought from the early trait theories to transformational and positive leadership. Whilst the more traditional leadership approaches focus merely upon the characteristics and the behavior of successful leaders, more modern theories begun to emphasize the role of followers and the contextual nature of leadership. The contemporary approaches take also the emotional side of human interaction into account when describing the leadership process.

The first systematic approaches to study leadership, trait theory and skills approach focus merely on leaders as individuals. In trait theories it is implied that personality characteristics separate leaders from followers and that people are born with these qualities. The skills approach, on the other hand, does not take as narrow view as trait theories on leadership. It emphasizes the importance of learned and developed capabilities in effective leadership, and therefore makes leadership available for everyone.

From the need for a broader view on leadership originated style approach of leadership research. In the style approach the main emphasis is on what leaders do and how they act as opposed to who they are. The approach identifies two general kind of behaviors from which effective leadership is essentially composed of: task behaviors and relationship behaviors. Leader's task behavior relates to achievement of organizational objectives and relationship behavior to team dynamics. The style approach explains how leaders combine these two behaviors to influence followers.

Adapting much from style approach, contingency and situational theories are both build on the assumption that different situations require different kind of leadership. In the contingency theory, leaders can lead only in situations favorable to their type of leading. According to the contingency theory leadership styles are either task motivated or relationship motivated. Task motivated leaders are concerned with reaching targets, and relationship motivated with developing relations. From the nature of the leadership situation depends if a particular leadership style is effective or not.

In the situational theory, leaders adapt their leading style in contrast to their subordinates. The approach suggests that there are four different types of leadership: the combinations of high and low directive and supportive leadership. Leaders need to evaluate their subordinates to determine their ability to perform a given task, and choose the degree of directive or supportive style of leadership accordingly.

Unlike situational and contingency theories, the path-goal theory of leadership effectiveness emphasizes the relationships between leader's style and the characteristics of subordinates and work setting. According to path-goal theory, leaders motivate their subordinates by rewarding achievement of targets. Leaders should define the targets clearly to their subordinates, clarify a path to the target, remove any obstacles along that path and provide support whenever necessary. Path-goal theory states also that each type of leader behavior has a different impact on subordinates' motivation. Whether or not a particular leader behavior is motivating depends on the work setting and characteristics of subordinates.

The leader-member exchange theory describes leadership as a process that is centered on the interactions between leaders and his or her subordinates. Subordinates form relationships of varying quality with their leader, and leaders share their interest towards the subordinates according to these formed relationships. The leader-member exchange theory distinguishes two types of linkages between leaders and subordinates: those based on the expanded and negotiated role responsibilities called the in-group, and those that are based only on the formal employment contract called the out-group. Subordinates in the leader's in-group are more committed to their work and to achieve the goals of the organization. They have more responsibility and influence to decision making, and receive more attention from the leader. Members of the out-group just do the absolute necessary. It is implied by the theory that good leader-member exchanges result in followers feeling better, accomplishing more, and the organization to prosper.

Transformational leadership, a reasonably new approach to leadership, came into public in the 1970s. The concept differentiates between transactional and transformational leadership. Transactional leaders exchange positive promises or actions with subordinates' good results. Transformational leaders enhance the relationships between their subordinates, improving motivation and morality of the both parties. In transformational leadership leaders motivate their subordinates by raising their level of awareness and understanding about organizational goals, transcending subordinates to concentrate on higher-level needs. Transformational leaders are recognized as good role models, who empower followers to achieve higher standards, and give meaning to organizational life.

Positive leadership, a leadership theory built upon fostering expression of positive emotions, emphasizes the importance of climate, relationships, communication and meaning as four cornerstones of effective leadership. Positive leadership aims to enable positively deviant performance of subordinates by applying the principles that arise from such fields as positive organizational scholarship and positive psychology. The concept strongly emphasizes the importance of setting orientation towards positive rather than negative. The effects of highlighting positive aspects in everything go beyond improving organizational performance. Positive leadership seeks to enhance individual well-being as well.

#### 3 METHODOLOGY OF QUALITATIVE RESEARCH

This section presents in detail the methodology used in the research. The data collection and analysis as well as the reliability and validity of the present study are all described. When choosing the research design and methods, it is particularly important to keep in mind that they should be effective to produce the information wanted in light of the research problem and the nature of the phenomenon under study. For these purposes, qualitative research method was chosen for the study, as it is commonly used when studying social relations. Moreover, as the aim of the study was to describe, explain and explore the phenomenon in hand rather than produce exact and measurable knowledge, the use of qualitative analysis was well justified. (Flick 2002: 2-7.)

Qualitative research methods usually employ the use of exploration, discovery and inductive logic. An evaluation approach is inductive when the researcher seeks to comprehend the situation without enforcing pre-existing expectations on the research setting. Generally, inductive analysis begins with specific observations and builds in the direction of generic patterns, whereas in deductive approach main variables and specific research hypotheses are presented before collecting the data. Evaluation of qualitative data can be inductive also when unique characteristics are looked at in the content analysis. (Patton 1987: 15.)

When using qualitative inquiry in a study, it is important to do the research staying as open minded to fresh ideas as possible, and to try not let the subjective view of the researcher influence the data collection or the analysis process. The very nature of qualitative analysis is to be data driven and let the material speak for itself (Patton 2002: 58). On this basis, inductive approach to qualitative analysis was utilized and no assumptions or hypotheses were made at the beginning of this study. This made the research challenging and pushed the limits of the researchers' creativity as there was no particular insight on what should be found.

### 3.1 Research Material

The qualitative material of the study consists of interviews and a World Café discussion. The interviews were conducted in several business units of an

international company, which has its origins in Finland. The company specializes in producing lifecycle power solutions for the marine and energy industries. From a Finnish perspective, the organization is quite large with circa 20,000 employees in 70 different countries and the order of magnitude of annual turnover approximately one to two billion Euros. No further information about the company will be given as the identity of the organization was not seen to have an impact on the results.

The actual interviews were held between January and October in 2008 by a group of employees of the organization. This is to say that the researchers did not themselves commit to or even design the interviews. It should also be mentioned that the researchers themselves did not work for the company in question and therefore were not familiar with the specific organizational culture. The interviews had a semi-structured nature. A series of open questions (see Appendix 1), falling into five themes was prepared for the interviewers as an interview guide. Inspired by Cameron's (2008) theory of positive leadership, the five themes were leadership, climate, communication, meaning and relationships.

The interviewers were not advised to follow the structure given to them literally. They were given free hands to decide during the interview when and in which sequence to ask the questions. It was hoped that the questions would be answered freely by the interviewees, but in some cases the interviewers might have supported the interviewees to find their thoughts as well as prevented them from roving too far afield. In addition the interviewers were encouraged to inquire interesting matters in greater depth concerning the interview guide. The possible interviewer bias is taken into consideration when evaluating the reliability and validity of the study, but the support to the interviewees is also seen as a positive matter as almost all of them had to give their responses in a non native language. From the interviews, only four were carried out in Finnish and the rest in English. All were eventually transcribed to English.

Originally, a total of 61 interviews were held with eight different confirmed nationalities. Unfortunately, due to the changed personnel status of the company and missing metadata, several interviews had to be discarded. Eventually, 35 interviews were used. All the background information about the interviewees seen necessary in terms of the research is represented in

Table 2. The average age of the interviewees, based on confirmed available data, was 32,2 years, and they had been working for the company averagely 2,2 years. The distribution of gender among the interviewed employees was relatively even, 43% being female and 57% male. Both, leaders and subordinates were represented among the 35 interviewees, eight and 27 respectively.

Nationality	Interviewees	Leaders	Subordinates	Average years in company	Average age
Finnish	21	5	16	2,9	27,9
German	1	0	1	0,5	26,0
Hungarian	3	1	2	3,0	28,0
Italian	5	1	4	2,5	35,0
Swedish	3	1	2	3,0	46,3
Undocumented	2	0	2	1,3	30,0
Total	35	8	27	2,2	32,2

Table 1. Interviewee metadata.

To manage the interview data, NVivo 8 computer software was used. It is a tool produced by QSR International to help handle large volumes of data with rich information. NVivo 8 is designed to remove some of the manual tasks of analyzing data, such classifying, sorting and arranging of information. (QSR International 2007.) The software was used to store, manage and review the research material. The auto coding function of NVivo was utilized for a preliminary categorizing of the data. The initial structure followed the interview guide, presented in Appendix 1, and therefore changed drastically as the analysis of the data progressed. The final framework is introduced later in section 4.

To support the findings from the interviews, the research group arranged a World Café discussion, which was held on January the 20<sup>th</sup> 2010 in Helsinki. The World Café is a conversational process to enable the recognition of deeper living patterns of connections at the communities through the collec-

tive capacity of the participants. A successful discussion is based on seven design principles: (1) setting the context, (2) creating hospitable environment, (3) exploring questions that matter, (4) encouraging everyone to contribute, (5) connecting diverse perspectives, (6) listening together for insights, and (7) sharing the collective discoveries. (Brown et al. 2005: 3-4.)

Setting the context is crucial to ensure that everyone is aware of the purpose and boundaries within the dialogue should take place. Ensuring a welcoming space enables all the participants to feel comfortable, and express their opinions freely to allow fruitful discussion. Exploring the right questions is important to attract collaborative engagement. Encouraging everyone's participation and mutual giving enlivens the conversation and helps the formation of diverse outcomes. Connecting all the diverse perspectives and listening of one another both emphasize the importance of divergent opinions and the increase in coherence of thought. Finally sharing collective discoveries enables all the participants to benefit from the mutual knowledge and insights. (Brown et al. 2005: 40.)

A total of 11 people attended the World Café session organized by the research group. Before starting the discussion, the topics to be discussed were introduced and the participants were divided into three smaller groups. The topics of the session were:

- how can effective leadership and interaction lead to better results, and
- how can an employee contribute to better results?

The discussion on each subject matter was limited to one hour. During the hour, the participants switched groups three times. Each of the groups had one member designated as the conversational leader to take notes and to stay behind for presenting briefly the previous discussion to the new group members. After the discussions on the first topic were concluded, the leaders summarized the conversations of their group to all the participants. The same cycle was then repeated for the second topic. The results of the World Café are presented later in section 4.

### 3.2 Reliability and Validity

In this study a qualitative research method was applied. As quantitative research generally follows certain rules and guidelines, qualitative analysis is more a creative process, depending on the insights and conceptual capabilities of the analyst. For this reason there is well-grounded controversy and doubts about qualitative findings and the nature of the analysis. (Patton 1999.) Therefore the assessment of reliability and validity of the study are necessary to bring confidence into the goodness of the research.

The reliability of a study refers to reproducibility of the research as well as the results. To ensure this, thorough and explicit documentations is needed. There should also be a clear distinction between statements of the subjects' and researcher's interpretations throughout the paper. In comparison, validity can be summarized as a question of whether the researcher has drawn the right conclusions in right places. There are three types of errors that may occur in the analytical thought process and thus weaken the validity of a study: (1) a researcher sees a relation, a pattern et cetera where there is not one, (2) a researcher rejects a relation where there indeed is one, and (3) a researcher asks the wrong questions. (Flick 2002: 219-222.)

To examine the reliability of this study, assessment of accuracy and intelligibility of the documentation is most applicable. All the different steps in the research process are explicitly explained throughout the paper, and all the information about the interviewees and the organizational setting has been given without violating anybody's right to privacy. Furthermore, researchers' bias was avoided to the extent humanly possible. Nonetheless, the fact of the matter is that true objectivity is impossible to achieve as researchers' personal views will always be, to a certain degree, reflected on the results. To evade this problem, no assumptions about the outcome of the study were made in the beginning and the research was done with an open mind to enable the emergence of new concepts. In turn, the use of interviews that were not self-administered and self-designed can be seen as negative aspects for the reliability.

As mentioned, the validity of the study refers to the ability to measure what was set out to be measured. In other words, does the study answer the set research questions? To ensure validity all the limitations of the study and possible misinterpretations have been discussed to the best extent of the researchers. In addition the thought path to the conclusions has been introduced as extensively as possible with quotations from the interviewees, as

well as arguments for the conclusions included. This should enable the reader to see how the researchers reached their conclusions.

In the end, the multiple sources of material as well as the use of two analysts to review the data together add credibility to the study by strengthening confidence in whatever conclusions were drawn. In qualitative research the combination of multiple data sources, observers and theories is referred as triangulation, and it is used to verification and validation of the analysis (Patton 2002: 556). As a conclusion, major actions were taken to ensure sufficient reliability and validity of the study.

# 4 FINDINGS OF POSITIVE LEADERSHIP ELEMENTS AND COMPETENCIES

This section examines the findings of the 35 interviews held in the case company. The observed elements of the leadership and leader competencies are presented and mapped in order to determine the congruence with the existing leadership theories reviewed earlier in this study. In addition, the views of leaders and subordinates concerning leadership were compared with each other. This section describes the findings according to these two aspects. Citations shown in the text are underlined by the researchers, highlighting the important factors of each excerpt.

## 4.1 Positive Leadership

One of the main approaches of the Pos research group was positive organizational scholarship and its influence on employees. In the field of positive organizational scholarship, this thesis follows the approach of positive leadership. Therefore it was a natural choice to determine how the interviewees understood the term positive leadership itself. As described, there are four strategies in positive leadership to enable positive deviance; climate, communication, relationships, and meaning. These strategies help leaders to reach beyond ordinary success to achieve spectacular results and extraordinary effectiveness. The findings are organized according to the four strategies.

### Climate

According to the positive leadership theory, studies show that leaders have strong impact on the organizational climate. For building a positive climate in the workplace Cameron pointed out three important activities for the leaders: fostering compassion, forgiveness and gratitude. Within the interviews, climate was one of the main elements of positive leadership as it is in the positive leadership model. One interviewee described how positive climate is built in the following way:

Well I quite strongly believe in it [positive leadership] because it means that you have to, create positive climate, in many ways for example <u>by</u> what you talk, by how you look or how you express yourself and it's very much about actually, we were talking about excitement and that kind of thing, so you have to be, <u>have a positive approach also to is-</u>

<u>sues that maybe don't look that positive</u>. It's, because <u>it really matters</u> whether you're smiling or, looking angry, it creates a huge effect on <u>people</u>. (Interview 101: 2)

As the interviewee points out, the way of expressing oneself has a great influence on other colleagues. Positive climate is built by showing positive emotions, and even the smaller things can make a difference, such as facial expressions.

In addition to emphasizing the importance of positive climate, one interviewee described the impact of the physical environment.

I think I understand positive leadership as being able to try to keep a positive working environment, instead of having a negative as the opposite. But, try to encourage people to come, not always of course, but most of the time happy to work, and able to enjoy the working environment also. Not feeling sad about going to work and, because you will be sitting in your own small cubicle and, workspace and, doing little interaction with other people. It's also about – positive leadership I would say is also about creating more interactions between people. Sort of getting something out of working for company, and not just being the, summer worker who's working there and nobody remembers him or her after summer has gone by. (Interview 407: 6)

The physical environment can be seen as a factor of communication, happiness, and meaning. As an element of communication, the environment can support the interactions between colleagues. When the physical environment is set properly, an employee working there can feel happier. Inspiring workplace also enables the employee to get more out of the work itself, increasing meaning. Physical environment also affects the climate. The physical factors can be for example the lay-out of the environment, that is cubicles, open office, or separate rooms, but with positive leadership the solving of these issues can be helped. When the environmental factors are maintained supportive, the employees get more out of their work. Additionally, the physical location was seen crucial for the development of the climate.

Leaders' direct input in creating the climate can be seen in the following interviewee's response. Positivity... I don't know, maybe it is so that <u>a leader can bring positivity</u> to the climate by showing an example. I cannot define it any detailed. (Interview 902: 1)

Even though the answer above reveals a slight ignorance of the subject, the definition of the leader's influence is descriptive; by being a role model, and positively expressing oneself, a leader can positively affect the climate. The importance of being a role model was emphasized in the other answers as well.

The leader's way of interaction with employees has an effect on building the climate, as one respondent explained.

I think one feature is that you <u>don't control too much your subordinates</u>. Like keep them in a leash that you have to know everything that they do. And then, what else. Have the energy to motivate other people, because <u>sometimes people just need some push or a little bit of speed in</u> <u>their work</u>. They're like, well Monday, it's not my day, but then if someone else, somebody comes and says OK, this is good, we're doing fine, so you might just get motivated by that. So just <u>foster the good atmosphere</u>. (Interview 601: 3)

The answer of the interviewee focuses on the leading style of a leader. Instead of having a total control of the subordinates' doings, a leader should be more of a guide, and have the energy to show the employees the right direction. Encouraging and commending is seen as a booster for motivation, and fostering of the climate. Another interviewee described the way of leading as can be seen below:

I think that positive leadership is way of leading a group of people in a way that takes focus on going forward and <u>going forward in a construc-</u><u>tive and structured way</u>. And also so that the atmosphere within the group or the <u>atmosphere that the leader is supporting is open, dynamic</u><u>and friendly as well</u>. (Interview 1002: 1)

The leader should have a clear understanding of the direction he or she is leading the team. This direction should be clear to the members of the team as well. The interviewee also introduced characteristics of a good atmosphere, such as openness, dynamic, and friendliness. Employees' experiences give valuable information about leaders' actions. The motivation skills of leaders can determine the effectiveness of a working group, and expressing the negative emotions or pointing out the issues does matter, negatively. One interviewee explains the expression of negative emotions.

... I feel that at least a leader should express less negative feelings and negative emotions because they are the ones who really [de-]motivate. And it's leader's biggest task that he or she <u>takes care of the subordinates</u> and how the things are done. So really in that case you are not really... You need to <u>hide all the most negative emotions</u>. Of course you need to be a human but still a leader has to realize that he or she <u>is in charge of a larger group</u>. And really <u>if the leader shows his or her frustration or other negative issues</u>, that really has some <u>negative impact</u> on the team or the group. So it's <u>never a good sign in any situations</u>. Speaking in sports or the business environment or wherever. But if the leader starts to shout and really being angry, that is the point where he or she loses the game. (Interview 1001: 2)

This interviewee points out that leaders are responsible of all of their subordinates, not just some individuals, and have to act accordingly. Additionally, leaders should treat their subordinates equally. Negative emotions, such as frustration, can de-motivate and impact the whole group. In opposite, expressing the right feelings at the right time is considered motivating. This can be seen also in the answer of another interviewee, as seen below:

I think if you're happy with something that has been going okay within your team, <u>expression of feelings</u>, of positive feelings is of course <u>moti-vating</u>, yes. And when it comes to <u>negative</u> things, I think it's best to <u>control a bit the feelings</u> and, try to find the <u>right way of saying things</u>. (Interview 502: 2)

The answer describes how negative matters should not be forgotten, but treated in a proper manner. That is, controlling them and rephrasing the feedback in an appropriate way. But as can be seen, the expression of positive feelings is considered motivating, which was emphasized by many respondents.

#### Communication

Feedback was one of the most commented matters when asked about positive leadership. As explained, positive communication and its fostering play a major part when creating positive deviance. In addition to being a positive communication method, positive and constructive feedback is important for employees themselves, as can be seen in the following examples.

... always when you are giving <u>feedback</u> for example, <u>try to give it in a</u> <u>constructive manner</u>. It's like <u>in all the aspects try to get the positive out</u> <u>of the situation</u>, whatever it is. (Interview 303: 2)

Positive leadership... Probably if the leader is excited about this work and it shows, and if <u>he/she encourages people to do things better</u> and <u>give feedback, positive feedback, at least.</u> (Interview 103: 2)

The interviewees' answers show that giving positive feedback is closely related to fostering the positive, and encouraging people to achieve better results. Leaders should be able to find at least some positivity out of all situations, encouraging employees to achieve better results. Another respondent described the social skills related to feedback.

... Positive leadership is the one that you could... He or she could be open to you and you could be open to them, give you feedbacks, and, positive, negative, both. And, maybe a person that could <u>really understand you</u> and really <u>knows you</u>, <u>why you are there</u> and what you are doing. That's important. (Interview 406: 2)

As the example shows, the importance of feedback is imminent. Both negative and positive feedback is desired, and negative feedback should be given in a constructive manner. Feedback is also a social process of communication, in which people can be open to each other, fostering the trust. Human skills, such as understanding, were brought up in the other interviews as well.

Comparison of positive versus negative feedback can be seen in the next example.

As I said in the beginning that showing a good example, that's something that's already a positive sample. <u>The positive feedback is also</u> <u>very important</u> so when someone does something well, you should always say 'yes, you did it right, I appreciate that you do it that way and next time I would like to see it in the same way', <u>not only and always</u> <u>only negative things because then it's de-motivating.</u> (Interview 803: 2)

Again, concentrating on the positive feedback is felt important. But on the other hand, if solely negative feedback is given, or one focuses on entirely on the negative, it is felt de-motivating. The interviews showed that in working life it is sometimes easy just to focus on improving the negative side, trying to fix things, and unfortunately it often seems to be normal activity. The alternative is to foster the positive side, and make the good things even better. This can lead to a treadmill, in which positive actions create positive feedback, which would again strive for better results.

Communication is understood as more than just feedback. One interviewee gave an organizational aspect.

Positive leadership, I think it goes more into this, in my opinion, it goes more to people management, not that like task management, <u>that you</u> really get people involved, and share the success and failures with the people. (Interview 503: 2)

Communication seems to be related to information exchange. In the interviews, some saw the new technology, such as communication software as a fostering of communication. But, communication can also be sharing situations, ideas, and thoughts. When leaders share the bigger picture, employees feel they are part of the whole organization. The next interview response ponders more the meaning of communication between the organization and employees.

... I think our company is really open in a way that the, for example, if you look only our Internet sites, or then intranet sites and also the way how our top <u>management shares the vision and strategy</u> and what are the <u>results</u> and things like that, they're <u>not hidden</u> or, they are very open in my opinion, and that's a really good thing. And I think that that's the, perhaps positive leadership in a way that <u>the employees are trusted</u>, and that they see that it's of value to share that kind of important information. It's not that obvious everywhere. (Interview 1003: 2)

Top-to-bottom communication was described as an important way of informing the employees. This includes sharing the values, vision, strategy, and results, for example. Through open communication and sharing of information, a company shows trust towards its employees. The teams, their individuals formulate the culture, but the superior has a strong influence, either in good or bad. In building the culture, honest information exchange and openness are key factors of a good leader.

Another interviewee pointed out that customs still play an important role as well.

... So, I'm sure there is seminars offered about effective communications, but, in general, the company should put a lot more focus on that. Maybe this is also related to the internationalization of Company itself that starting as a more Finnish company, then last years the internationalization has been huge, and this also means that, actually, the amount of people which are not of <u>Finnish culture</u> is raising a lot within the company. And this requires a different level of communication, or different qualities. And I think that this is, also a cultural change which is occurring at the moment within the company. But still, it would be good to facilitate the communication so that people are more aware of how they deal with each other. For example, I often receive, an email of my supervisor, and sometimes he doesn't even say hi or anything, it's just one sentence, and then the kind regards is automatic. So things like this, in other cultures you would not do this, it is rude, whereas here it is considered as being normal. But people should be aware of this, or they should be made aware of this. (Interview 301: 3)

The interviewee describes the problems of communication in corporations today. A lot of the communication takes place via email or by other similar electronic methods. When a company has employees from many different cultures, the customs should be revised. The customs of formal, informal, written and spoken text considered normal vary from one country to another, and leaders are not in the privileged position to ignore the habits.

### Relationships

In Cameron's model, positive relationships mean more than merely being friends with the colleagues. It is more important to provide support for others than to receive from others. In the positive leadership concept there are two main strategies for building positive relationships at workplace: building on people's strengths and supporting the generation of positive energynetworks.

The interviews showed that the need of deep relationships at the workplace differs from person to person, but the overall conception was that at least some deep relationships are needed in order to maintain motivation and high productivity. One interviewee described the matter in the following way:

> Actually I think it could be better. It's because, I don't know if it's because of me or because of other people or because of, just that we in the team are very different, I think as individuals. <u>Some</u> of us like to keep our <u>own things to our own</u> and some of us are from totally <u>different cultures</u> and they <u>interpret things differently</u> than the others do and... Of course I, some people are easy to talk to, some people are not easy in the same way, and might be because of language issues, it might be because of personality differences, but mainly I think actually personality differences. And to be honest, within the team, I have more difficulties to talk to people than outside the team. (Interview 402: 1)

The physical environment of the workspace can support the building of relationships by promoting communication. On the other hand, the location and the cultures could become an obstacle in creating deep relationships for example due to language barriers or different customs. As said, some individuals can easily form deep relationships with fellow colleagues, while others might not even want to do so. Some interviewees felt that too deep relationships at workplace can negatively affect the performance as maintaining the relationships become more important than the work itself.

Quite a few interviewees emphasized the need of good relationships considering motivation, as can be seen in the following excerpt:

Yes, absolutely, I think that, that's a really important thing because with the good relationships you're <u>more willing to do things for each other</u> and support each other even though you might be in a real hurry and, that really is an important thing. That's the same thing in sports also; if you have a bad atmosphere in the team or bad relationships, I don't think we can hardly ever have a real success there. And then it's much more fun to work if you work with friends, not with enemies or people that you don't like to work with. (Interview 1003: 4-5)

When the relationships are good within the teams, the employees are more eager to help and support each other. Additionally, in such occasions the employees feel more committed in returning better results. Many also felt happier and more motivated waking up in the morning and going to work when there were good relationships amongst the team members. In opposite, when the relationships are bad, the motivation and climate is hindered.

One interviewee described the advantages of high quality relationships in the following sample:

I'd say this is really important, that people have high quality relationships between different individuals, hopefully these relationships, <u>the</u> <u>more diverse they are, the more opportunities are seen</u>, as in the more <u>cross-divisional high quality relationships</u> exist, the more possibilities there are for <u>opportunities and innovations</u>. (Interview 501: 4)

As shown, the quality of the relationships also makes a difference. Having versatile relationships, opportunities and innovations are enabled. Even though not directly comparable with high quality relationships, more generally speaking, at least some deeper relationships at workplace are desired.

### Meaning

One major aspect of positive leadership is to show employees the importance of their work. This might come up for example through concretizing the impacts of their work for the organization, but usually normal interaction with appreciation and positivity between leaders and subordinates is enough. One interviewee described the meaning of positive leadership as follows:

Positive leadership is a kind of leadership that creates motivation in the organization, and <u>makes people feel good about their work</u>, makes them to strive for better results. (Interview 102: 2)

When there is meaning to work, it is easier to enjoy the work, and enjoy life. And when work is felt important, people tend to improve their contribution through increased motivation. As can be seen below, one interviewee focused on the feelings that the work arises:

Positive leadership, that's what I've done, for me that someone has spread good spirit to among workers. Without positive leadership, I think, because <u>it creates some kind of nice feeling about the work itself</u>.

Of course you can be content that you have a job, but <u>to do an excel-</u> <u>lent job, then you need to have a positive leader showing you the way</u>. Because, then you enjoy waking up in the morning, going to work. For me at least, that's very important. (Interview 202: 1)

The interviewee describes the notion of many; positive leadership creates good feelings about the work. The leaders, acting as positive leadership suggests, become motivating themselves through energy, positivity, and guidance.

One interviewee described the motivational factors that bring meaning to work.

Positive leadership, I think, is about <u>encouraging the employees</u>, and making the employees <u>part of the team</u>, <u>part of the culture</u>, <u>part of the company</u>, and making them understand that sort of, <u>nothing good comes out if you're just giving up and feeling sad</u>, and just doing your job day after day. Positive leadership is about motivating the people, in my opinion motivating people to really understand better, do things better and wanting to do them better, and <u>being excited about their work</u>. And basically when they come to work in the morning they think OK this is, this is good. I want to come to work, and this is a problem we want to solve. And creating an atmosphere with that sort of positivity. I think that comes to me, to mind about positive leadership. (Interview 401: 7)

By having such factors as positive climate, the employee can feel being part of the team, feel that there is a reason for the work. And as the interviewee explains, it is possible for employees to wish to do their work better, and be excited about it. When there is meaning, it is easier for the employee to be motivated about it. Leader's task is to try to maintain or build the conditions allowing the employees feel the work important. It includes encouragement, and showing that the employees are needed and being part of the bigger entity.

The possibility of personal development and the ability to improve the working methods are considered to increase the meaning of work.

Well, I think it's the development of the processes and the current daily work that we do. Because every day we see these things that could be improved, and just grabbing those things and making the development and making the improvement makes also the work, usually those are

the very boring and time consuming tasks, and <u>it makes it more mea-</u><u>ningful</u> when you find out that this <u>can be done better</u>, in, with <u>better</u> <u>quality</u>, and, <u>in less time</u>, and so on. And, that way you have more time for perhaps, more important tasks or something that is not completely a routine, or, basically you have time to think when you don't have to do these sort of mechanical tasks. And I think that's one of the most important things in that sense. (Interview 401: 3)

This interviewee describes how by improving the process one can increase the meaning of work. If not given any possibilities to affect on how the work is done, or what the task structure for oneself is, the employee might feel too controlled. In addition, by giving the possibility of self development, for example through training, the employee's motivation to work can be increased. The interviewees also stated that the company naturally benefits from the developments described above.

The challenging and diverse tasks are seen important, when considering the meaningfulness of the work. One interviewee pondered the importance of deeper understanding of others' tasks, as seen below:

I guess, not more freedom in any case, I think we do get to have a lot of personal freedoms in working style and working preferences. I'm not sure if I'm in the best team, the team that I'm maybe best suitable for, I'm not sure about that, but on the other hand I don't have anything against working for this, responsibilities that come with the team. Of course it would be nice to try working in other teams, who work maybe more with development for example, more actively than we do, but at the same time I know that development per, in itself is outsourced, so we don't do that much development, we do mostly, gathering information about the situation, or what should be nice to rotate between the different teams to sort of get a taste of what it is to work there. I wouldn't say I have that, enough work experience to say what I'm really good at either, or what I, where I fit in the most, so... (Interview 407: 2)

The interviewee describes how it would be beneficial to vary the working tasks, in order to find the most suitable area of work for oneself. Furthermore, the team rotation would clarify with whom the work is most effective. As can been seen, the meaning of work is a positive deviance factor which

leaders can greatly affect and is considered as a great motivational factor by the employees.

# Positivity and Energy

The underlying force of Cameron's model, positivity and energy were emphasized many times when looking for the factors of positive leadership in the samples. A couple of the interviewees defined a good leader as presented below:

So somebody who by hearing or getting inspiration or working with that people just <u>gives you the energy to do things</u>, instead of consuming your good vibrations or something like that. (Interview 502: 1)

OK, I think it's a <u>leader who can positively influence people without giv-ing orders</u>... (Interview 701: 4)

Good leaders are thought of being motivating and energizing, without much significant input – that is, as the interviewee describes, without giving orders. On the contrary, as can be seen in the next interview sample, everyone does not believe in the ways of positive leadership:

... Usually <u>feelings and emotions are in the way of rationale</u>, so usually when there are feelings involved, that means that the rationale is hidden and therefore for example if your boss gets mad at you, it's harder to communicate the problem, which of course needs to be communicated but the emotions stand in the way of clear communication. So basically <u>I consider emotions presented negative</u>, that they even <u>positive emotions can be somewhat negative</u> if they are used, if they are <u>not used carefully</u>. (Interview 501: 3)

The answer of the interviewee is one of the few that directly speaks against positive leadership; expression of emotions, even positive, can be hindering the rational thinking and decision making.

Even though a number of interviewees were able to give an extensive answer when asking about positive leadership, everyone did not have previous contact to the term before, as can be seen in the following citation: I consider positive everything <u>that promotes the leadership</u>, and what is good about it. So that, I don't recognize, <u>I actually don't know, what this</u> <u>term, if it is a term, is really about</u>. (Interview 903: 2)

There were only few interviewees that said they had had no contact to the concept before – almost all of the interviewees had something to say about the concept, and in most cases the tone was positive. The summary of the findings will be presented in section 4.3.

# 4.2 Competencies for Positive Leader

The second focus in this study was to list the competencies for a positive leader. With using the theories presented earlier, it is possible to analyse the answers to find equivalence. The theories are somewhat overlapping in several areas, but there are some distinguishable characteristics that can be identified typical for certain models – for example, positive leadership involves great deal of positivity. In the following section, the competencies for a positive leader and leadership are listed, and the answers of leaders and subordinates are compared.

## Positive Leader's Competencies

Leader's competencies were collected mainly from the questions concerning a definition of a good leader, and an example of a good leader. Positivity is obviously one major factor of positive leadership and leadership that is perceived good; in the interviews, there were several mentions of a good leader's positivity, as can be seen in the following answer:

> A good leader <u>shows own example</u> when situation makes it possible. He gives support, <u>positive support</u>, but also gives so called <u>constructive</u> <u>feedback</u>. Of course he <u>aims to notice individuals</u>, <u>every one of them</u>. (Interview 302: 1)

The interviewee suggests that the leader should act in a positive way, as a role model, in order to influence others and even support creativity. One can give constructive feedback in a positive fashion even if the content of the feedback would be negative. Usually the leaders are responsible of groups formed by several employees, and a good leader tries to pay attention to every one of them.

Working life is nowadays team play, and a leader that cannot be part of a team has to have some other significant qualities. The role of communication in team work is self-explanatory, and it was recognized as an important factor of a good leader. One interviewee responded:

... First of all you must know that, what your target is. That you have a clear goal, and then you must also communicate this goal to all the persons. That we all know that where we are aiming, and whenever we have changes in the target, then we must, is possible, together to say that, how to do things. (Interview 408: 1)

As the response shows, communication is regarded as more than just exchanging information; it is also about sharing the bigger picture, for example targets, values, and vision. It is also about communicating emotions and feelings, to understand the people around, to recognize the bad signals, as well as the good ones.

Positive leaders are role models in a way that they are seen as good examples. One interviewee described how good leaders can gain followers:

I will have always perceived a good leader as, really, <u>they have this</u> <u>natural, glow inside them</u> that they are, they get the people to listen to them, they can speak real freely and motivate people. (Interview 403: 1)

Positivity needs energy, and a good leader is energetic, and has a natural way of showing it. This enthusiasm eventually reflects to people getting them to strive for better results.

One new factor many respondents referred to was trust, as the sample below shows:

A good leader, I think, needs to <u>build up the trust</u>, because that's the <u>essential thing</u>. If there's no trust, for example in a team, if there's no trust in a team towards the team leader or the superior, then I don't think the team can really function, or at least the team leader can't function. (Interview 401: 6)

Trust is seen important for both of the parties, leaders and subordinates. Leaders need to trust their subordinates to do their tasks, and subordinates need to trust their leader to make the right decisions. As seen before, trust is also a communication factor, providing meaning for work. Both, trust and honesty were referred to within the interviews several times.

In the positive leadership model, there are four factors enabling positive meaning. The factors consider work's 1) impact on well-being, 2) personal values, 3) long-term values, and 4) ability to build supportive relationships. To some, obviously, work is just a way of getting money to live, which was found out with the question about defining whether the job is seen as a career, a calling, or a job. Still, workers seem to appreciate when their voices are being heard, as the following citation from the interviews show:

And somehow a good leader needs to make you <u>feel</u> that you're <u>impor-</u> <u>tant</u>. <u>Your opinions are important</u>. That you're allowed to speak up and just in generally be interested and good listener. (Interview 303: 1)

Again, the interviewee describes how it is good leaders that can make an employee feel important, through listening and openness. These social skills are emphasized in other interviews as well, as seen in an example below.

> Of course one thing is also to, <u>value other people's work</u> and <u>under-</u> <u>stand other people's good qualities</u>, or good features, and not so good <u>features</u>. And we all have good and not so good sides, features. So to understand those, and live with them. (Interview 601: 3)

Valuing fosters the job to feel important, which on the other hand gives meaning to work. Many of the interviewees pointed out that people are different, and good leaders can recognize the skills and potential of individuals.

### Leadership Competencies

On scrutinizing the findings for leader competencies represented within the interviews, familiar elements of existing theories could be identified. Positive leadership is one of the widest theories covering a lot of issues, but still, many distinguishable characteristics of common theories could be found.

The first clearly recognizable feature of the described good leader is the ability to set clear targets. Setting clear targets is perhaps the most noticeable characteristic of the path-goal theory, whereas in positive leadership, contribution goals are emphasized. Mentions about motivation through targets, or leaders being objective-oriented, just strengthen this view point. Still, there are bonds to positive leadership as well. For example, the targets should be communicated to all of the employees, as can be seen in the below response.

A good leader is a person who's <u>taking responsibility of others</u>, at the same time he/she <u>helps to set clear goals and objectives</u>. And also makes sure what he expects of the person, and if necessary <u>give some</u> <u>help to get to this goal</u>, to reach the objective, basically. (Interview 301: 1)

A set of different kind of characteristics was found in the interviews. The trait approach is still eligible in a way that when asked for a definition of a good leader, people easily tend to list a few characteristics rather than ponder deeper for example leader's actions.

An interviewee explained below the importance of leader having a strong vision.

I see that <u>a good leader should have strong view</u> on where the organization should be <u>commanded or navigated</u>. I think the leader should have <u>a good vision, very clear views</u> on what are the <u>targets</u> to be reached, and <u>how these objectives will be reached</u>. (Interview 602: 1)

As can be seen, another strongly present theory was transformational leadership – its qualities such as charisma and vision were often referred to. Especially the understanding of a bigger picture seems a truly important aspect of a good leader. The big picture can exist on various levels, for example seeing the importance of individual goals, or even the organizational targets.

The interviews show that to be able to motivate is seen important in good leadership. The ways of motivation are many, and many were brought up in the interviews, an example presented below.

Well of course it depends of the situation and tasks and organization in which you are working. But I think that <u>in general a good leader is</u> <u>someone who listens and is interested in you</u>. Or at least fakes that he or she is. And somehow a good leader needs to make you feel that you're important. Your opinions are important. That you're allowed to speak up and just in generally be interested and good listener. (Interview 303: 1)

One behavioral example of motivation through the leader's action is the interest the leader is showing to his or her followers. Interest toward employees, genuine or faked, is felt important, accompanied with the leader listening to them. Respect and equal justice are both thoughts that are difficult to directly link to theories. These matters might have an impact on wellbeing, and therefore could be listed under positive leadership.

## Comparison of the Views of Subordinates and Leaders

The comparison of leaders' and subordinates' views is difficult. Leaders did not provide as broad answers as the subordinates did. In addition leaders' answers were widely extensive, covering both, leaders' actions and understanding of organizational-level matters, and the personal interaction with employees. One answer of a leader is presented below:

> As a good leader, you, there is no perfect person or perfect leader anywhere. ... But so, I think a good leader is which keeps the business as business, outside as outside, and when it comes to you and him or her, the... How can I say it...? How could I put this in words...? That you're both open minded to each other, you can tell each other what you think and they can tell you what you think. <u>But as I said, in a big area, big division, big department, it's not possible</u>. (Interview 406: 10)

In the leaders' responses, the size of the company was also taken into consideration; it was recognized that leaders with many subordinates in a large company simply might not be able to manage personal relations in the level that might be favourable. Another leader described how a good leader should act, as follows:

> A good leader, he or she, in my opinion the ability to motivate the subordinates is the biggest thing. As I see a leader, a good leader and <u>a</u> <u>great leader is like a coach for the team</u>. He's not in that sense playing the game itself but more or less make the place to play the game the best possible way. (Interview 1001: 1)

The interviewee described how the leader is not in the field playing the game, but still is responsible in how the game is played, descriptively.

Subordinates seemed to favor mostly the type of leaders that make an effort in paying attention to employees. Such attention could be for example personal communication matters, such as the ability to freely make conversation about working or personal life. Leaders that attain the personal aspect tend also to respect, appreciate, and treat employees equally. They are mentally present supporting the employee. One subordinate described the matter in below:

I've had, two bosses that I would say are good leaders. In the way, that they trusted the subordinates and gave them responsibility. At the same time they were always there and willing to help, willing to give support. ... And you knew you would always be able to knock on their door. (Interview 102: 2)

According to the interviewee, a good leader is the one that gives support when needed, even with the smaller issues. A good leader also trusts the employees and shares responsibilities. Additionally, it seems that the feeling of being noticed is important for employees, also in situations that the employees cannot themselves affect such as the ones that go beyond their authority. With a leader taking the actions presented above, employees can feel safer.

The fostering of communication skills was also noticed on the leaders' side, as one leader presented.

My own superior is a good leader in many situations, because he doesn't, he seldom loses his mind and <u>can always maintain a dialogical</u> <u>connection</u>. So, in that way, there is one good leader. (Interview 901: 1)

As can be seen, the open communication and maintaining the connection with the employees is considered important feature of a leader. Both of the parties brought the subject up in the interviews.

There are strong images about ideal leaders, existing good leaders are admired or respected, and the information about them is put forward. Some of the interviewees described leaders of their relatives as being good ones, even if they had no contact to them earlier. Clearly the good leaders stand out the crowd, and are noticed by the subordinates.

Still, perfect leaders are hard to find. Nobody is perfect, which was heard over from the both, leaders' and subordinates' answers. One subordinate explained the question of an ideal leader, as seen below: I would say that, I can't say, nobody who is an ideal leader. Let's say, in taking all the aspects into account. ... And, I would say that the <u>more</u> <u>important to have a good leader in one area</u> is to have, or let's say to have one <u>perfect leader for all areas</u>, is to have a combination of leaders. So that you can, one leader is good at this and then you have another leader who is good at in some other thing, the areas. And then you have a team of leaders. (Interview 408: 2)

As seen in the interviewee's response, it is better to have a set of leaders completing each other's qualities, than have one perfect leader. Leaders as well as subordinates complete their and their colleagues' skills and characteristics, and when in harmony allow a better working performance.

Certain values are often idealized, and a leader with favorable values was felt as a good one. Anyhow, one leader described how values are not necessary thought during a day, but the unconscious values are the ones that make the difference. The answer is presented below:

> I don't know, <u>sure it helps that you understand values</u> and you can use those while working. But, whether they are constantly directing the functions consciously – at least <u>I personally don't think them every day</u>, that what the company values are and how I consider them in my work. Moreover, <u>they are unconsciously taking part in the action</u>. Of course you have to think them every now and then, but you really aren't continuously pondering if you are doing things according to them and so on. (Interview 901: 1)

According to the interviewee, it helps to understand the meaning of the values, and it is needed to think them every once in a while. But, the values are not consciously in the mind when making decisions.

Both parties did appreciate the leaders that have good skills in difficult situations. One subordinate described a good leader in difficult situations as follows:

I have seen some examples of these matters about provoking, and by that I mean I have one extremely good example about a person, who was <u>definitely irritated</u>, where the situations had the chance to go bad. But this individual leader <u>did not go into it</u>, but <u>expressed things seemly</u> - and the situation ended up positively. (Interview 903: 1)

As seen above, the leaders that can manage their temper and are good with handling difficult situations are not easily provoked, and can rationale when people around them are not perhaps acting accordingly. Strong leadership such as explained above was recognized as a favorable characteristic.

In addition, when dealing with different, occasionally very difficult situations, sometimes experience is the key. One interviewee representing the subordinates explained as follows:

And one good characteristic is also, I think <u>the more experience you</u> <u>have</u> from leadership, the more, and the <u>better you usually are</u>. Because if you're just a, very, very new, so you might not always know how to deal with different kinds of situations. (Interview 601: 2)

There were no references to the leader's age, stating that an old or a young leader is inferior or superior, or even preferred or not. But experience was felt as a welcoming feature of a good leader, as can be seen in the answer above.

Also performance-related factors were brought up by subordinates, such as decision making ability and problem solving. One respondent described the matter as follows:

Let me think that a while. Well yes, if you think about army, there were persons, how do you say, who <u>weren't nervous</u> and <u>were relaxed</u> if you had business with them, but they also <u>had the sturdiness on the back-ground</u>. Therefore they could make decisions, good decisions either in-<u>dividually, or with the group.</u> But they did not have to exaggeratedly bring out their leadership, act out as an order giving person etc. (Interview 302: 1)

Within the subordinates' answers, the factors concerning decision making and organizational issues were still left to a noticeably smaller emphasis compared to matters specifically concerning the employees themselves.

## 4.3 Findings Summarized

This section summarizes the findings reported in this section. Both topics representing the research questions will be viewed separately. In addition, the World Café findings will be treated as their own entity. Researchers' own conclusions are presented more detailed later, in section 5.

## Elements of Positive Leadership

The analysis of the interviews showed that elements of positive leadership found were recognizably following Cameron's model. Leadership theories cover such a large area, that most of the findings, if not all, can be linked at least to one existing theory. Fostering of positive climate, communication, relationships, and meaning were all referred to in the interviews. Findings on climate showed that positive climate is built by a leader being a role model who chooses the positive way of expressing oneself. The physical restrictions of a positive climate is also the way of not controlling the employees too much, but guiding them, and keeping the climate open, dynamic, and friendly. Leaders should avoid expressing the negative feelings, and instead try to control them and find a positive way of saying the negative matters.

One of the most referred elements of leadership was feedback. In Cameron's model, it belongs under communication, and therefore it is reasonable to categorize it there in this study as well. Feedback is hoped for, and positive feedback was considered as a motivational factor. Negative feedback should be given in constructive ways – solely negative feedback is seen as a de-motivator. What comes to communication overall, positive communication creates even more positivity, which can lead to better results. Sharing of information such as visions, strategies and goals, and spreading the good and the bad news, is considered important feature of leadership.

There were opposing opinions considering the quality of relationships. While others knew a lot about their colleagues, others did not even know what the person next to them was doing. The individual's needs of deep relationships alter, and the balance of deep enough relationships seems to be important – both, too shallow and too deep relationships at workplace might affect the performance.

When work is felt important, it has a meaning, and having a meaning drives people for better results. When the employee feels belonging to the team, part of the company, and part of the culture, it gives meaning to work. Once again, the connection between the factors of positive leadership, enabling positive deviance, exists.

### Competencies

The interview data was set with a specific positive leadership lens, but the question structure of the interviews did support answers of a broader context. Anyhow, the interview data had similar consistency with positive leadership in many cases, but the presence of other theories was noticeable.

The found competencies of a good leader are listed as follows:

- open communication,
- constructive feedback,
- organizational goals, values and vision clearly communicated,
- energetic, inspiring and positive,
- trustworthy and honest,
- appreciation towards employees and their work,
- clear targets and tasks,
- recognition of potential,
- · responsibility, and
- interest on employees.

When comparing the views of subordinates and leaders concerning the competencies of a good leader, the following findings were made. Leaders' answers covered a wider range, containing organizational issues and personal matters. Leaders told that leaders themselves ought to be openminded, and get the communication onto a personal level, if possible. Keeping the temper and maintaining a conversation connection was highlighted. It was also leaders who described the leaders themselves as coaches for the team, not being on the field but the one in charge of the play. It turned out that unconscious values usually are the ones mainly responsive for judgment.

On the subordinate's view appreciation, respect, equality, and support were valued. These qualities were considered to promote the feeling of safety. Also a leader with decent experience was understood to handle different situations better, in the subordinates' field. In addition, the good decision making and strong leadership was emphasized by the employees. The main qualities of a good leader listed, usually had to do with the actions concerning the subordinates themselves.

There were common competencies recognized by subordinates and leaders. Communications skills were emphasized, whether concerning difficult situations, information exchange or personal matters. Both parties also highlighted the ability to decision making, and the ability to make good results.

## 4.4 World Café Results

The World Café discussion was intended to give another view on the matters related to leadership, especially the interactions between leaders and subordinates. One especially interesting point was that in the World Café the element of trust was brought up as one important factor of successful leadership. Also the analysis of the interviews indicated the same. As a conversational method, a World Café discussion can be productive, and based on the experience gathered from this study, is highly recommendable to share insights and build collective thoughts.

This section presents the summarized results of the World Café discussion. The results are also illustrated in Figure 9. The discussion had two main topics. The first concerned the role of leadership in achieving better results. During the first conversational topic, positivity and positive leadership were the central matters under discussion, although no specific guidelines to this direction were set. Leading was thought to be a process, where employees are guided towards the right direction. This corresponds with the general definition of leadership, where there is always a goal attainment associated with leadership.

When the outcomes of each group were presented, two out of the three groups raised the component of trust as the most important aspect of leadership. In accordance with the leader-member exchange theory, trust should always extend from the leader to the subordinate as well as from the subordinate to the leader. Trust reaching from leader to the subordinate and vice versa enables employees to make decisions faster and work more freely without the burden of excessive bureaucracy. Additionally, the leader feels more confident, when distributing tasks that the work will be done.

Another important aspect of the discussion was the definition of interaction. The group concluded that it is important to create a common culture at the workplace. The teams, and their individuals form the organizational culture, but the management also has tremendous influence. Honesty and openness in exchanging information are key factors when building a culture of interaction, and will eventually lead to authentic communication and transparency of decision making.

Very similarly to the culture of interaction, climate was referred to as an important factor affecting everything in an organization all the way from top to bottom. As the group defined, an ideal climate should be respectful and trustful. Knowledge of human nature is a favorable characteristic of a leader, as the differences in personalities should be understood and acknowledged. In order to achieve a good team spirit, people need to accept the different personalities amongst them. Leaders can greatly influence this by creating a climate nurturing diversity of thought. In achieving a good climate, one's inner leadership and good interaction skills become a factor.

The last outcomes of the first topic concerned development possibilities of an individual. The leaders should recognize the potential, by pushing the employees to the limits. Leaders should also try to foresee the upcoming, and not only focus to the present skills. When responsibilities are being focused on by one's strengths, one can really become a productive member of a working community. When it comes to subordinates, self-respect and faith to one's abilities are vital.

The second subject of the World Café conversation concerned employees' responsibility in achievement of the organization's goals. Two of the groups noticed that courage is one of the most favorable characteristics for an employee in order to make a difference. That being said, it is the type of audacity that one can admit and face errors, courage to disagree and bring the differing opinions up. Especially the ideas of development ought to be told. One step further, an ideal organization has a culture of collective helping – everyone should help anyone when needed, and do so unconditionally.

In addition the World Café raised also the importance of employees believing in the work they do. This tends to affect the productivity and the results produced. The people around the employees greatly affect this matter, but a welcoming organizational culture helps. Another major factor is the ability of the superior to concretize the purpose of the work every now and then. To create meaning, leaders should be able to answer questions such as how my contribution affects the bottom line of the company. Finally, maybe the most important subject to surface was attitude. With attitude an employee can make a difference – with the right attitude almost everything is possible. To illustrate the findings of the World Café discussions, a model was drafted, shown in Figure 9 below.

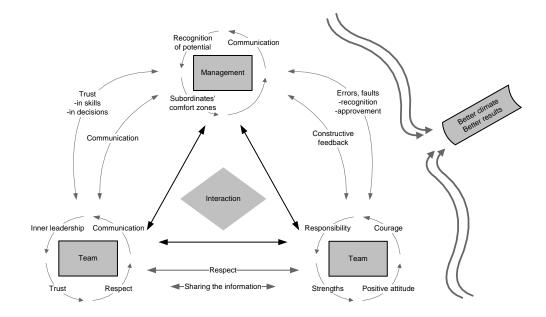


Figure 9. World Café results.

In Figure 9, management and subordinates are divided. The interaction is described as a user interface between leaders, employees, and colleagues. Factors of interaction are trust, communication, feedback, recognition of faults, and respect. Factors of interaction are also shared within the teams, on management and subordinate levels. They might vary, depending on the situation, but many are common. The whole entity then enables the better climate to be built, and therefore better results can be achieved.

### 5 ANALYSIS OF THE FINDINGS

The study set out to examine the views of 35 employees, representing a global corporation, on positive leadership. The research questions set in the beginning aimed for the identification of positive leadership elements and leadership competencies. Now that the findings have been presented, this section concentrates on the analysis of the findings and the comparison to the reviewed leadership theories.

### 5.1 Comparison with the Reviewed Leadership Theories

The leadership theories reviewed in this study mostly represents the phenomenon on high conceptual level. They rarely provide actual practical advice for leaders, but instead a wider view to understand the nature of leadership. Giving the conceptual nature of the leadership theories, the findings are in some cases difficult to connect to the existing models. In the following, findings are connected with comparable theories to the extent possible. The comparison is divided into two segments. First, the elements of positive leadership are presented in comparison to the reviewed theories following to the structure of Cameron's model (climate, communication, relationships, and meaning). Second, the leader competencies are compared against the existing theories as well. Tables 2 and 3 show the summary of the two comparisons.

### Positive Leadership Elements

First, the elements affecting the climate are compared. Theories describing leader's positive approach to various situations, or even theories connecting expression of emotions and leadership together, are sparse. Only the positive leadership model profoundly describes positive approach, as it has been built upon the very notion of fostering positive over the negative. According to the concept people tend to pay attention more to the negative in order to avoid the mistakes, but positive leaders aspire to emphasize the positive. Similarly, expression of emotions, especially positive emotions, is emphasized by the positive leadership model, and it is closely related to the positive approach. The emotional dimension of leadership has not been a part of leadership research until recently (Gill 2006: 71). In addition to positive leadership

dership, transformational leadership is the only theory reviewed that links emotions and leadership directly together.

	Results of the study	Best matching theory (alternative)	Example	
Clir	Positive approach	Positive leadership	Positive dominates over the negative.	
Climate	Expression of emotions	<b>Positive leadership</b> (transformational leadership)	By displaying emotions, leaders can influ- ence positively to increase the level of creativity and productivity.	
	Guidance vs. control- ling	Transformational leadership (positive leadership, path-goal theory, style approach)	Leaders with individualized consideration act as coaches and advisers while trying to support individuals to become fully actual- ized and grow through personal challenges.	
	Characteristics (e.g. openness, dynam- ism, and friendliness)	No equivalent empha- sis in any	Atmosphere should be open, dynamic and friendly.	
	Physical environment	No equivalent empha- sis in any	Physical environment can support the interactions between colleagues.	
Communication	Feedback	<b>Positive leadership</b> (situational approach, transformation leader- ship)	Positive and constructive feedback from leaders to subordinates and vice versa is given.	
	Fostering vs. correcting	Positive leadership	Leaders should describe the situation rather than evaluate it, identify objective con- sequences rather than place blame, and suggest alternatives rather than argue who is right or wrong.	
	Information sharing	No equivalent empha- sis in any	An honest leader shares the successes and failures with the team.	
	Customs	No equivalent empha- sis in any	In a global working environment different cultures set requirements for formalities in communication.	
Rela	Deep relationships	Positive leadership (contingency theory)	Good relationships promote willingness to help and support colleagues.	
Relationships	HQ relationships	Leader-member ex- change theory	High-quality leader-member exchanges result in subordinates feeling better, ac- complishing more, and the organization to prosper.	
	Balance	No equivalent empha- sis in any	People may start to think more about main- taining relationships than achieving the task.	
Meaning	Importance of work	Positive leadership	Recognition and appreciation of employees' contribution towards the greater good.	
	Organizational culture	Positive leadership (transformational lea- dership)	Employees part of a bigger entity, part of the organizational culture.	
	Personal development	No equivalent empha- sis in any	Possibility to learn new skills.	
	Personal freedoms	Situational approach (path-goal theory)	A possibility to affect on how the work is done, or what the task structure for oneself is.	

Table 2. Comparison of the positive leadership elements found and literature.

Guiding leadership style was felt important in creating positive climate. In transformational leadership, leaders with individualized consideration pro-

vide a supportive climate by acting as coaches for their teams. In the positive leadership model, guiding is not emphasized as a special leader behavior, but on the other hand, the whole model speaks in favor of less controlling approach to leading. In addition, guidance of subordinates is referred to in other leadership approaches as well, such as path-goal theory and style approach. In path-goal theory leaders need to adapt their behavior to match the needs of subordinates.

Characteristics found in the interviews describe the positive climate being open, dynamic, and friendly. The reviewed theories mostly refer to a climate that supports positive emotions, or productivity, but seldom describe the actual characteristics of the desirable climate. For example, in the positive leadership model, positive climate is described as one where people are supported, cared for, and encouraged to flourish. Comfortable physical environment could be read as one of the characteristics of a good climate. It is such a practical factor, that the leadership models do not concentrate on it in the conceptual level.

The second focus point of the findings was communication. In the findings, probably the most discussed factor of communication was feedback, in its various forms. The positive leadership model places a great consideration on feedback, and especially high emphasis on positive and constructive feedback. Through constructive feedback, one can focus on fostering the good compared to always just pointing out the mistakes, or trying to find them. Feedback was also referred to in the situational approach, in high supportive–low directive leadership style, and indirectly in transformational leadership, where negative feedback as laissez-faire factor. Also information sharing is seen as a major factor of open communication. In the leader-ship theories, the focus is more on the means of communicating, whereas in the interviews straight-forward information sharing was hoped for.

The globalization gives a new challenge to communication – while the boundaries of the corporations continue to cross national borders, the cultural diversity increases. The problem is that the customs used in one country might not be suitable for others, even when utilizing the modern communication technology. The theories merely describe the meaning of equality, but do not refer to differences in customs between different cultures. This is once again such a practical factor that the leadership models rarely concentrate on it.

The third element of leadership was the relationships. The findings showed that there should be at least some deep relationships at the workplace, and that high quality relationships form opportunities and support creativity. Positive leadership places a high emphasis on forming deep relationships, which affects positively on building a supportive climate. Also in the contingency model the relationship motivated leaders strive to form close relationships to gain good leader-member relations.

According to interviews, high-quality relationships create opportunities and support creativity. The importance of high-quality relationships is also described in the leader-member exchange theory, in which high-quality leader-member exchanges are seen producing less employee turnover, more positive performance, and eventually improved the bottom line of the companies. Additionally, the interviews showed that a balance in the amount of deep relationships should be found, so that maintaining the relationships themselves would not consume the performance. Finding the balance was not emphasized in any of the theories reviewed.

The last positive leadership element was meaning. According to the findings, the leader should show appreciation towards both, the employees and their work. Leaders should also promote a sense of unity throughout the teams and the whole organization. The positive leadership model supports the two concepts above. Leaders who enable meaning, highlight the importance of employees' input to the whole organization, and build a sense of community among the employees. Other leadership theories do not place emphasis on individual employees' contribution being important from the organizational perspective to the extent positive leadership does. In transformational leadership, inspirational motivation is descriptive for leaders who clearly communicate the integral role the employees play in future of the company.

For increasing the meaning of work, personal development and personal freedoms were seen important in the interviews. Learning opportunities were desired in order to maintain motivation towards work. In leadership theories the individual's possibility to personal development is rarely discussed as a factor a leader can, or should, influence in order to increase meaning of

work. Personal freedoms, on the other hand, are described in situational approach and path-goal theory. Delegating leaders of the situational theory lessens their involvement in day-to-day operations and let the subordinates take responsibility for getting the job done the way they see suitable.

As can be seen, the findings relate to a wide variety of different leadership theories. Still, the positive leadership model was the one mostly consistent with the views of the respondents. One reason for positive leadership to obtain such a high number of references is undoubtedly due to the structure of the interviews. Nevertheless, the occurrence could be stemmed from more practical approach the model has to leadership.

# Leader Competencies

The leader competencies were also compared to the existing leadership theories. Table 3 presents the comparison. The first listed competency was the leader's ability or tendency to set clear targets or goals. In skills approach, a leader with conceptual skills is good at understanding and describing company-level goals. Style leadership, on the other hand, focuses primarily on setting clear tasks and achieving them, not targets or goals. Pathgoal theory is highly oriented in setting goals and achieving them. In the model, the goal is defined, path is clarified, obstacles removed, and support is provided. Lastly, transformational leadership and positive leadership concentrate on vision type longer-term goals.

Second, the interviewees often mentioned that a good leader has strong vision about the future of the company. For example, the vision is seen as a part of the conceptual skills in the skills approach, and is favorable feature of top-management. In the transformational leadership, the charismatic leaders use collective visions strongly to gain followers' trust and attention. The leaders using inspirational motivation make the followers feel part of the shared vision and emphasize the employees' important role in achieving the vision.

Results of the study	Best matching theory (alternative)	Example	
Clear targets	Path-goal theory (transformational lea- dership, positive leader- ship)	Strong emphasis on setting the goals and how to achieve them.	
Vision	Transformational leadership (skills approach)	A leader has a strong view on where the organi- zation should be navigated.	
Charisma	Transformational leadership (contingency theory)	Charismatic leaders are role models that the subordinates are willing to follow.	
Interest on people	Transformational leadership (positive leadership, path-goal theory, style approach)	A good leader listens and shows genuine inter- est towards subordinates.	
Trust	No equivalent empha- sis in any	Leaders need to trust their subordinates to do their tasks, and subordinates need to trust their leader to make the right decisions.	
Recognition of potential	Leader-member ex- change theory (positive leadership)	Leader's ability to fully utilize the capabilities of the subordinates.	
Decision making	Essential part of lea- dership	Leader's ability to make decisions in all situa- tions.	

Table 3. Comparison of the leadership competencies found and literature.

Charisma was the third competency that was listed from the interviews. In the contingency model, the first situational variable is leader-member relations, which can be linked to charisma, describing how the degree of confidence and trust towards the leader is forming the group atmosphere. Again, transformational leadership takes charisma and charismatic leaders into great consideration. According to the theory, charismatic leaders provide the employees a sense of mission, and act as role models that the subordinates are willing to follow.

Fourth, the interviews brought up the interest on people. On the style theory, the studies of the University of Michigan concluded that there is a strong emphasis for human relations in employee orientation leadership style, which gives special attention to employees needs, values their individuality, and takes interest in them as human beings, similar that the findings of this study. In situational approach leaders taking supportive approach focus on supportive action. This leadership style is high-supportive, low-directive according to the theory. The supportive action includes listening, praising, ask-ing for input and giving feedback. Similarly, the path-goal theory suggests that supportive and participative leadership styles address interest towards employees, while in the leader-member exchange theory the interest is giv-

en for the in-group only. On the other hand, transformational leaders utilizing individualized consideration focus on listening the needs of employees, while treating each employee in a caring and unique way. The positive leadership takes a similar stand by describing the importance of deep relationships.

Fifth, the element of trust was pointed out. In skills theory, it is a stronger factor of human skills. A leader with good human skills can build an atmosphere of trust and as a result the employees feel safer and more comfortable. The path-goal theory mentions trust indirectly, through the achievement-oriented leadership style, which emphasizes confidence in subordinates. On the contrary, in transformational leadership the leaders enjoy the trust placed by their followers, by making a clear stance as the person in the leading position. Even though many theories mention trust, it is not emphasized as a major factor of any of them.

Recognition of potential was the sixth competence that was focused on, and it refers to the leader's ability to fully utilize the capabilities of the subordinates. In the leader-member exchange theory, being part of the in-group or the out-group defines the level of which the leader tries to fulfill the potential of the subordinate. The positive leadership model highlights the importance of identifying and reinforcing individual strengths. The recognition of potential was not emphasized in the theories, but many of them strive to use the skills of the employees to the maximum.

The last competency, decision making, represents the ability of the leader to make decisions in all situations. As making decisions is one fundamental aspect of leadership, it has been described in all the reviewed theories. However, the emphasis for factors such as how to involve subordinates in the decision making process varies.

### 5.2 Integration to the Positive Leadership Model

In this sub-section the positive leadership elements found are discussed in the context of Cameron's model. The findings are linked to the existing framework. Based on the findings an ideal climate should be respectful and trustful. The differences in personalities should be acknowledged and understood, which eventually can become a competency. The leader's understanding of these matters is important, and a good knowledge of human nature is a favorable characteristic. To develop a good climate and good interaction skills, one's inner leadership becomes a factor. In addition, in the World Café the research group focused on defining what interaction really is all about. The group concluded that it is important to create a common culture among the team members, and the whole organization.

Supported by the findings, all of the factors of positive deviance are affected by each other. Working climate goes hand in hand with working environment, the latter being a larger concept adding the physical side of workspace. Nevertheless, having a positive environment not only enables positive climate, but meaning to work as well. Sometimes unfavorable environmental conditions in today's working life, cubicles for example, can be a challenging problem to overcome.

One aim for positive leadership is to achieve extraordinary performance, and a proper climate supports this target. In World Café discussions, the research group described leadership being a process of guiding employees, rather than controlling them. The findings of the study support this notion. Proper guidance does not restrict employees as much, and therefore this open climate then supports the employee to exceed the expectations.

The fostering of meaning was brought up in several interviews, although on different occasions. The research group also noted in the World Café, that employees tend to perform better when they believe in the work they are doing. The people around workers greatly affect this matter, but a welcoming and cozy organizational culture helps. Another major factor is the superior, which can concretize the meaning of the work every now and then, and remind that the job makes a difference.

In the World Café discussion the research group pondered the importance of attitude. With attitude full of energy and happiness one can spread out the good mood very effectively. A simple smile on one's face at the workplace might turn the working day good for a good number of people. It should not be forgotten that negative attitude spreads out as well, but positive attitude can be used as a powerful tool to raise the team spirit. With an appropriate attitude, one can affect climate, relationships, meaning, communication, and also many other positivity related matters.

Positive leaders are often considered energetic - maybe it is the positive attitude or happiness that creates the image of energy, and which is noticed. This energy raises motivation and inspiration with other employees as well. As one interviewee pointed out, positive leaders are the ones who can positively influence people even without giving any orders. Positive leaders are considered as motivators themselves.

Emphasizing positivity, even when facing difficult times, is the unusual way of positive leaders - the negative is not forgotten, but encountered with positive abundance (Cameron 2008: 21). As the analysis indicated, positive leadership involves a great deal of positivity and energy. Still, positive leadership is not into everyone's mind, and some prefer the expression of feelings and emotions kept inside. Based on the findings, this study formulates a draft for an extended model of Cameron's concept, as shown in Figure 10:

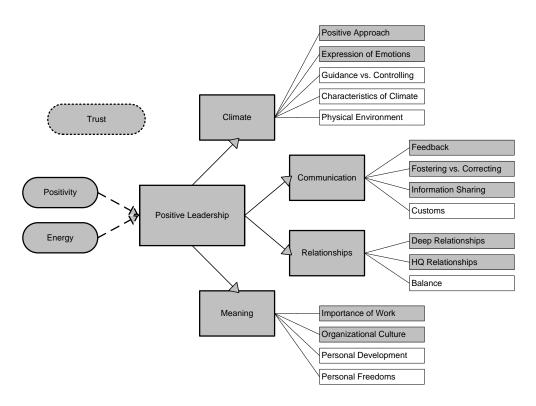


Figure 10. Findings linked to the positive leadership model.

Figure 10 displays the elements of the findings for positive leadership. In Cameron's model, the main factors of positively deviant performance are positive climate, communication, meaning, and relationships. In Figure 10 the findings corresponding with the original model are highlighted with grey background color. The items are explained in more detailed in sub-section 5.1.

In addition to the main categories, the researchers came into the conclusion that positivity and energy are the factors that drive positive leadership, and the existing strategies provide the tools enabling positively deviant performance. Both of the new factors affect directly or indirectly all of the existing categories. Hence it is fair to say that they should be emphasized more. Additionally, trust was often mentioned and seems to be an important factor of effective leadership, and thus could be incorporated to the model.

The analysis of leadership competencies suggested that other leadership theories could be integrated with positive leadership. Findings such as charisma and vision can be linked to transformational leadership, which focuses a great deal on these factors. Charisma could be described as how easy it is for employees to follow a leader. Vision refers to a type of leader that is a visionary, has a clear image of the future of the organization. Path-goal theory describes leaders that are heavily objective-oriented, and want to set clear, attainable, challenging objects for their subordinates, and give support to achieve them. Style approach describes that employee-oriented leaders show genuine interest towards their followers.

As described previously, trust could be integrated to the positive leadership model as a new factor – it has not gotten any significant emphasis on the theories analyzed, including positive leadership. Still, the interview findings, as well as the World Café session clearly suggest that trust is needed by both of the parties, leaders and subordinates, to improve performance and effective leading. More detailed, to get real benefit from trust, it has to be bi-directional. From the leader's point of view it is important to be able to trust one's subordinates and fellow colleagues. Leaders ought to give opportunities to their employees and trust their competence. From the enders make, and the tasks the leaders assign. However, the research material did not clarify how trust is formulated between these parties, and probably different types of leaders build trust differently in their workplaces. Trust is also associated strongly with deep relationships between individuals. One strong factor of trust is honesty, which was referred in the interviews.

When considering the subordinates' views of reaching better results, the World Café discussion concluded that courage is one of the main characteristics of an employee should have to make a difference. That being said, it is the type of courage that one can admit and face errors, courage to disagree and bring up the differing thoughts. One should also have the courage to be open-minded and to speak up – especially the ideas of development ought to be told. This kind of action paired with positive leadership could form an ideal situation of good results and development.

The last listed result of the World Café concerned the development possibilities of an individual. The group ended up with a thought, that the recognition of these possibilities is important, and leaders should occasionally push their subordinates to the limits to find their potential – to exceed the comfort zones. Furthermore, leaders could try to see below the surface, and to not only focus on the present skills. From employees' point of view, self-respect and courage to believe in one's skills, and bringing up the strong areas is vital.

A model combining the leadership theories most often referred to, and to be more specific, their competencies with positive leadership, was drafted in Figure 11:

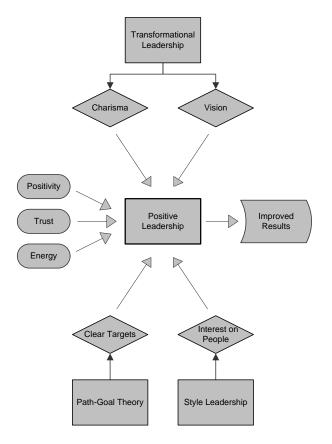


Figure 11. Unified framework of the findings.

In Figure 11, positive leadership factors found during the research are presented in the middle as an entity, with the exception of the previously introduced, positivity and energy. Additionally, strong factors of path-goal theory, style leadership, and transformational leadership theories are added, as well as trust which was one of the most referred elements in leadership. There was such a presence of the additional categories related to other theories that it suggests they could be highlighted and emphasized more in the positive leadership model. Further study could examine where these additional elements should be inserted, if found suitable for the model.

### 6 CONCLUSIONS

The practical implication of this study is to draw attention, gain interest, and awaken leaders towards positive leadership and its impact both on organizational performance and individual well-being. This thesis could provide some guidelines for leaders to alter the orientation of their leadership style towards more anthropocentric approach. In other words, leaders should consider their subordinates as human beings rather than means of production. Now that the findings have been presented and combined with the reviewed leadership theories, this section concentrates on the managerial implications and researchers' own conclusions. For the researchers, the study was a learning process where qualitative analysis methods, different leadership theories, research reporting, and a thesis research process itself became familiar.

#### 6.1 Managerial Implications

In this section, the main points of the advantages of successfully implementing positive leadership are described. These implications are based on the findings and the conclusions drawn, as the overall picture of the matter studied was formed. The guideline is divided into three separate levels, to cover most of the organizational structure and to achieve the best results.

#### Organizational View

In order to fully gain the advantages of positive leadership, the goals of the model need to be included in leadership strategies of companies. When the energy signals and positivity supporting values are promoted within the top management, it will be easier to enable the individual belief in positive ways of working. As the positive way of thinking grows inside an organization, the working climate will improve and meaning of work will increase. By supporting positive leadership throughout the organizational hierarchy of the company starting from the very top, the maximal influence of positive leadership can be eventually achieved. And by fostering positivity, the top management can show that they take their employees truly into account, and that they trust them as a productive resource, the core of the company.

On the down side, even though Cameron states that positive leadership supports positively deviant performance while taking the financial goals of corporations into account, the researchers concluded that it is extremely difficult to maintain absolute positivity in a company when facing difficult economical times, for example when lay-offs are under consideration. During such times open and honest communication is vital in order to sustain and prevent the deterioration of organizational climate. In addition, if the trust and positivity is completely lost due to employee maltreatment, the recovery might take a considerably long time.

## The Leader View

The strategies set at the top management level are solely not enough to attain the advantages of positive leadership. The individual leaders ought to take action towards the phenomenon. By using the tactics provided by positive leadership, a leader can create conditions enabling their teams to achieve positively deviant performance. There are several factors which a leader can affect by taking simple steps.

As for creating positive climate, a leader should act as an example, a role model showing the way of positivity. The study showed that supportive action is felt important by the employees. By respecting and being a guide instead of a controller helps the employees to feel happier through positive conditions. By setting the environmental factors comfortable and speaking on behalf of the employees' needs builds the climate to be open and welcome on subordinate's view.

Leaders should emphasize the positive more than the negative, by giving constructive feedback, and expressing gratitude towards their subordinates. Furthermore, for feedback to be constructive, something positive should always be included, since solely negative feedback can be de-motivating. In various situations, a leader can also learn from the feedback given by subordinates, so the possibility should be given. Listening is a part of communication, and as an act of trust, leaders should listen to their employees. Positive communication strengthens relationships and builds the climate towards positivity. In addition, it is relatively easy to concentrate on the positive, although by nature people easily tend to focus on the negative. In short, open-

ness, honest information exchange, and positive feedback regularly given can make a difference.

When the working environment is positive, consisting of positive climate and communication, it is likely that people share more than just work-related matters. When the teams build their own culture, they become more supportive to each other, and that creates positive-energy networks. As Dutton and Heaphy described, high quality relationships between people are resilient, flexible, and strong (Cameron et al. 2003: 263). While the definition might not be exactly the same, the interviews showed that opportunities and creativity is built with such diverse and cross-divisional connections. Of course, everyone does not want to contribute in such deep relationships with colleagues, but the important aspect is to find the balance of discipline working and openness within teams. One key point for managers is to understand that some are eager to share personal matters, while others just want to give their contribution to work, and then act accordingly.

Trusting the employees could be listed as a separate factor. Trust is to let subordinates do their jobs without keeping them on a leash. Trust is to allow subordinates to show their potential. Trust is to let the employees give the leader feedback; to listen to what they have to say. Trust is to defend the needs of the subordinates. Lastly, trust creates positivity.

The previous listed methods help creating a positive meaning to employees' work. If the climate is welcoming, communication is open, and relationships are warm, the chance that an employee feels happy to wake up each morning is certainly better. When one is happy at work, it is likely for him or her to achieve better results. It also helps if the employee really knows that the contribution of one's work is a piece of a larger entity. When the work has a positive meaning, also the overall motivation for the work is likely to be better, which obviously improves performance in a way or another.

As the final words for leaders, a check list for taking the steps towards positive leadership was formed as follows.

- I will be an energetic role model.
- I will offer my support and help.
- I will give constructive feedback.
- I will support open communication.

- I will give opportunities to show one's potential.
- I will encourage others to exceed their talent.
- I will be obsessed with positivity.

Thus, if a leader decides to focus on following the steps provided above, the probability of successfully implementing positivity as a productive leadership strategy is increased.

## The Subordinate View

For the leader to be able to enable positive deviance, also subordinates have to act accordingly. There is little chance in succeeding in positive leadership if it is 'shot down' completely by the employees. Some instructions can be given to employees to adapt the ways of positive leadership, thus exceeding the expected performance.

Employees should be open-minded and friendly to each other, to allow the climate to become positive and encourage positivity. When in such mode, a possibility of creating positive relationships in a workplace is increased. All this adds the feeling of the work being important, creating motivation.

The leaders most likely will give feedback and sometimes the subordinates do not like it – then it is time to transform the disliked feedback into constructive, instead of provocative. Everybody makes mistakes, and they are the possibilities for learning – growing in working life. By giving trust to their leaders, for example by trusting that they are making good decisions, helps to concentrate more on the work itself, and it should be remembered that leaders have to trust on their subordinates as well. The reciprocal character of trust is important; trust is a bidirectional phenomenon between individuals.

As for the leaders, a check list for subordinates was conducted in order to simplify the message above.

- I will be open-minded and friendly.
- I will not be provoked from negative feedback, but take it constructively.
- I will learn from the mistakes made by me or someone else.
- I will give positive and constructive feedback.
- I will trust my superior.
- I will promote positivity.

By following the guideline provided above, the subordinate gives a powerful contribution in creating the conditions allowing positively deviant performance.

#### 6.2 Further Implications

Everybody experiences a variety of emotions in their lives, not excluding the time spent at work. Still, the emotional impact of a leader is rarely discussed in the workplace, and the expression of emotions is often controlled and managed. This is not necessarily because of rules and regulations, but due to human nature as people have been taught to keep work and emotions separate. The emotional dimension of leadership has just begun to receive more attention and acknowledgment in leadership research. The positive leadership has been one of the first extensive approaches incorporating positive emotions and leadership. This study provided insights to the concept and its advantages.

In today's urgent working life, pressure of time and stress can consume the employees into a state where productivity begins to decrease, even if the contribution remains. Positive leadership offers a new approach that concentrates on improving the performance by increasing the well-being of employees. The concept values highly the expression of emotions at workplace, especially positive ones, and therefore could be seen populist by more conservative leaders. This, despite the fact that the model of positive leadership has been built upon extensive research highlighting the effects positivity has on individual performance.

As the study suggests, leaders should take all of the main elements of the positive leadership model into account, or at least be aware of their existence. As can be seen, the model is not comprehensive, although extensive, and to reach the best possible results the mind should be kept open for new ideas. Nevertheless, some of the older thoughts are still suitable in achieving effective leadership. Yet, a true avail can be attained by following the ideology of positive leadership. For example, combining the challenging of employees to reach their potential and the enjoyable working conditions, the performance will improve beyond the expectations. By following the steps provided in this study (sub-section 6.1), a leader can begin to utilize the basic principles of positive leadership.

Positive leadership addresses strategies to improve the well-being at the workplace, and the contentment for the job. The advantage of the model is its ability to describe leadership more in-depth compared to the conventional leadership approaches. It is fair to say, that positive leadership is a modern approach which will be applicable for many years to come.

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# APPENDIX 1: INTERVIEW QUESTIONS

## LEADERSHIP

- How would you define a good leader?
- Our core values are *blank*, *blank* and *blank*. Is our leadership exposing continuously our corporate values?
- An example of a good leader?
- How would you evaluate yourself as a leader?
- How do you understand the term 'positive leadership'?
- How would you evaluate the ratio between negative and positive feedback in your daily work?
- How are mistakes regarded in the company?
- What do you consider as a good way to motivate others?

# CLIMATE

- How would you describe the company's organizational culture and climate?
- Could you give positive and negative example of the company's organizational culture?
- How freely people (you and your colleagues) express emotions in the company?
  - More positive than negative or vice versa?
- What do you consider as a good way to motivate others? Leaders/bosses expressing their emotions? If so, what kind of (both positive and negative)? Are they promoting the expression of emotions? \* (e.g. *Compassion* [sharing of personal feelings, and noticing and responding to another's pain]; *forgiveness* [letting go of feelings and looking forward after harmful events]; *gratitude* [expression of appreciation and gratitude])

# COMMUNICATION

- How is positive way of communicating facilitated at the company? Any use of certain techniques?
- How does the company facilitate connectivity (e.g. information exchange, interpersonal interaction, positive emotions) among the employees?

## MEANING

- Do you see your work as job, career, or calling and why? (Job [achieving financial and material rewards]; Career [achieving prestige, power, recognition, advancement, and personal growth]; Calling [working for the sake of the work it-self])
- How do you think you can increase meaningfulness of your own work and the work of others? Please give some practical examples.

## RELATIONSHIPS

- Do you consider yourself as a satisfied employee?
- How would you describe the current quality of relationships in the company?
- How is the atmosphere in team meetings?
- Do people feel comfortable expressing their opinions?
- Is there a connection between high quality relationships and performance opportunities of the company?
- Could you give an example of high quality relationship in your daily work?