

Tipping Point Leadership And Its Relationship To Transformational And Charismatic Leadership

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There have been many theories that have contributed to understanding transformational and charismatic leadership and why followers make personal sacrifices, invest inordinate amounts of energy and commit themselves to achieving challenging leader instigated tasks. Tipping point leadership, namely that proposed by Kim and Mauborgne (2005) to facilitate the execution of their Blue Ocean strategy, also shares many of the characteristics of transformational and charismatic leadership. All three leadership styles share the contextual predilection for dramatic and radical change and the extraordinary behavioural qualities of their leaders. Although the transformational and charismatic leadership theories overlap with tipping point leadership, there are still significant differences between the theories for them not to be treated as equivalent. Transformational and charismatic leadership are measured by the effect they have on followers whereas tipping point leadership is measured by the extent and alacrity with which a leader imposes transformational organisational change. Another fundamental difference is tipping point leaders do not need to be endowed with the unique character traits of charismatic and transformational leaders. These are significant differentiators between the three styles of leadership and separate the theories from becoming subject to a single theory.

Field of Research: Leadership

1. Introduction

Theories of transformational and charismatic leadership, namely those proposed by Bass (1985, 1996); Bennis and Nanus (1985); Sashkin (1980) and Stace and Dunphy (2002) provide significant insights into effective leadership. These theories have contributed to understanding the leadership process by investigating the reasons why followers make personal sacrifices, invest inordinate amounts of energy and commit themselves to achieving challenging leader instigated tasks. Tipping point leadership, namely that proposed by Kim and Mauborgne (2005), also shares many of the characteristics of transformational and charismatic leadership. Similar to transformational and charismatic leadership, tipping point leadership is most effective in unstable environments or in an entrepreneurial culture (Bass 1996), engenders

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highly motivated followers who trust their leader and the importance of the task at hand and who transcend their own interests for the sake of fulfilling their leader's vision. Although the transformational and charismatic leadership theories overlap with tipping point leadership, there are still significant differences between the theories for them not to be treated as equivalent. The central difference being, tipping point leaders do not need the unique character traits of charismatic and transformational leaders.

2. Tipping Point Phenomenon

The foundation work for diffusion and tipping point theory was done in the early 1970s by economist Thomas Schelling (1971) who applied the theory of epidemics to human behaviour. He argued that the flight of white residents from communities, who were experiencing an increase in black residents was a tipping point phenomenon. The decision of white residents to leave their community was based on racial prejudice but the tipping point interest, lies in the sudden increase in the number of departures when the number of black residents reached a certain level. Other, less controversial applications of tipping point theory have included George Galster's (2003) study into urban improvement programs, which demonstrated that community-controlled, market-responsive development organizations can spark a chain reaction of investment that leads to dramatic improvements to neighbourhoods. Neighbourhoods with substantial levels of Community Development Block Grants investment will show improvements in such dimensions as household income, employment, business activity, homeownership and housing investment.

Jonathon Crane's (1991) study on the effect of the number of role models has on the lives of young teenagers in the same community provides further insight into diffusion theory and tipping point. Crane's study (1991) was able to demonstrate that as neighbourhood quality decreases there is a decrease in the number of role models and a sharp increase in the probability that individuals will develop a social problem. The tipping point occurs when the decrease in the number of role models reaches a certain level that causes a dramatic increase in social problems manifested in sudden increases in school drop out rates as well as teenage pregnancy rates. Gladwell(1997) claims that the common thread in these studies is that social problems can behave like infectious agents. He goes on to state that social problems like epidemics behave in a non-linear way. In other words, there is a stage in the diffusion of a social problem or infectious agent, the tipping point, when diffusion ceases to move at a linear rate but begins to accelerate at an increased rate. An increase in effort before the tipping point may not affect any dramatic increase in result. All that matters is the tipping point; any amount lower than this will not affect change. It is interesting to note also that effort exerted after the tipping point need not be dramatic to affect significant results. The models for tipping point theory can draw from psychology, sociology and even epidemiology. Their application can range from the world of business and education to sociology. Tipping point theory can be applied to a positive movement towards a strategic goal or it can be applied to the reverse, where an organisation may suddenly decelerate into a period of stagnation or organisational malaise.

3. Tipping Point Leadership Model

Kim and Mauborgne (2005) suggest the application of tipping point as a leadership model, 'the idea that once belief and energies of a critical mass of people are engaged, conversion to new ideas will spread quickly, bringing about rapid fundamental change', to the execution of a particular type of innovation, namely, Blue Ocean strategy. Kim and Mauborgne (2005) go on to state that a number of organisational hurdles would need to be overcome in order to facilitate the impetus for change and reduce resistance. These are namely, cognitive, resource, motivational and political hurdles, which need to be overcome in a timely fashion, using existing resources. Further, the change process is premised on a principle of fairness and the "three E principles": engagement, explanation and expectancy clarity (Kim and Morborgne,2005).

The cognitive shift that is required to trigger the tipping point phenomenon comes into effect by making subordinates 'see and experience harsh reality first hand'. This not a new concept; it dates back to Plato and the cave and the Kantian proposition that reality is 'all in the mind'. Kim and Mauborgne have provided an extensive case study dealing with the New York Police Department (NYPD), and how they reduced the city's crime rate, to illustrate the concept that negative experience can lead to enforced change. The CEO of the NYPD, Bill Bratton enabled his precinct captains to overcome the cognitive hurdle of city's crime rate by forcing them take the city's crime ridden subway to work. In order for the tipping point phenomenon to be able to come into effect, there needs to be 'a fast change in mindset that is internally driven of people's own accord' (Kim and Mauborgne 2005). A confronting experience with the issue will provide the necessary climate to foster an epidemic movement toward and idea.

Once the need for strategic shift is accepted and the cognitive hurdle is overcome leaders are then faced with the issue of limited resources. Kim and Mauborgne (2005) suggest that the allocation of resources be firstly made to 'hot spots'. The additional allocation of resources needed for these 'hot spots' can come from 'cold spots' that do not have the same pressing needs. A system of 'horse-trading' of resources is thus implemented to fill necessary resource gaps. The NYPD case study detailed an increase in resources to the narcotics unit 'hot spot' that accounted for 50 to 70% of crime but only had 5% of the resources. The extra resources were found with the introduction of 'bust busses' that released officers from processing criminals. This new resource of officers were also used to combat 'quality of life' crimes rather than big crimes as these presented constant danger to citizen's daily life and were more likely to attract the attention of the media.

The issue of motivating workers to quickly accept innovation at a low cost to the organisation is also a critical feature of a tipping point leader. Kim and Mauborgne (2005) again focus on the factors of disproportionate influence in motivating employees. In the NYPD case study Bratton spotlighted the power brokers, the precinct Heads, and had them account for their progress to their peers in an open, 'fish bowl' forum. Although the process was governed by 'fair process' it was confronting and openly transparent. The task to change the crime rate of the city was a daunting one and in order for it to succeed in an openly transparent way precinct Heads had to be convinced that the task was achievable. This was achieved by

'atomising' this huge task and making each officer only responsible for their 'beat'. If every officer secured their beat and every precinct secured its precinct then this would ultimately secure the safety of the city.

Finally in an effort to confront the political hurdles that impede the progress of organisational change Kim and Mauborgne (2005) suggest the appointment of a consigliere or highly respected insider, to help smooth the transition of change and also leverage the influence of those who are on side with the change, the 'angels' and 'silencing the devils', those who have most to lose. In the NY case study, Bratton secures the services of a highly regarded 'cop's cop', John Timoney to provide insider information about who was in support of the change and who would fight it. Not a great deal is detailed in the case study as to the specific mechanics of Timoney's contribution and so this remains one of the key areas for further research. One of the serious threats to Bratton's new policy strategy came from 'New York courts'. It was felt by the courts that the new strategy would 'overwhelm the system with small crime cases'. Bratton disagreed and joined in alliance with the mayor's office and the city's leading newspaper to isolate the courts. It became impossible for the courts to oppose a change that was so publicly supported by the mayor's office and 'the city's most respected and liberal newspaper. Further detail is not given in the case study as to why the mayor's office and the newspaper were so compliant and so also remains an area for further research. Kim and Mauborgne (2005) provide quite a detailed case study to illustrate the effective implementation of innovation through the conduit of tipping point leadership. The case study considers the drastic reduction of crime in New York by the NYPD in the 1990s, achieved not with a dramatic increase in time and resources but with low cost strategies that flouted conventional wisdom and still won the support of employees.

The key to the strategy used by Kim and Mauborgne is focus on 'concentration, not diffusion.'

'Tipping point leadership builds on the rarely corporate reality that in every organisation, there are people, acts and activities that exercise a disproportionate influence on performance. Hence contrary to conventional wisdom, mounting a massive challenge is not putting forth an equally massive response where performance gains are achieved by proportional investments in time and resources. Rather, it is about conserving resources and cutting time by focusing on identifying and leveraging the factors of disproportionate influence in an organisation. '(Kim and Mauborgne 2004, p151). Larsfeld and Katz (2005) contribute further to the research in diffusion of innovations by propounding the idea that information is channelled to the masses by opinion leaders, those who have most access to media and can explain and diffuse content to others.

4. Tipping Point Leadership And Transformational Leadership

Bass and Avolio (1990) contribute to research on transformational leadership through the development of the Multifactor Leadership Questionnaire (MLQ). The MLQ rates leadership style by surveying subordinates and recording the frequency different styles are exhibited in leader's behaviour. Research has identified the following transformational leadership factors; individualised consideration, intellectual stimulation, idealised influence (charisma), and inspirational motivation.

According to Yukl (1999) 'most theories of transformational leadership are conceptualised primarily at the dyadic level', that is they focus on the individual rather than on the group or organisational processes. Yukl (1981,1998) goes on to identify a number of group-level processes that transformational leadership theories failed to adequately address. These areas include:

- Utilization of personnel and resources
- Co ordination of interrelated groups
- Group agreement about objectives and priorities
- Mutual trust and cooperation among group members
- Member identification with group
- Member confidence in the achievement of group objectives
- Procurement and efficient use of resources
- External coordination with other parts of the organisation and outsiders (Yukl, 1999)

The Kim and Mauborgne model (KM model) conceptualises tipping point leadership as much on the dyadic level as it does on group or organisational processes. The model was designed to facilitate the implementation of transformational, organisational change and so consideration of the roles leaders play in the dissemination and adoption of new ideas by individuals as well as organisational groups is paramount. The KM model touches on many of the group or organisational process concerns that are identified by Yukl (1999) but for the sake of this paper there will only be focus on a few. The KM model makes quite considerable inroads in addressing some of the Yukl's (1999) concerns with respect to transformational leadership theories not addressing group dynamics or organisational processes. The KM model provides quite an extensive account of what leaders should do in the procurement and efficient use of resources and the utilization of personnel and resources.

The account is based on their Blue Ocean and value innovation strategy, which seeks the simultaneous pursuit of radically superior value at no extra cost for the organisation. The notion that tipping point leaders become involved in 'horse-trading' resources, from 'cold spots' to 'hot spots', to resource their innovative change, adds a new dimension to transformational leadership. With respect to Yukl's (1999) concern about the external coordination of transformational leaders with other parts of the organisation and outsiders as well as the co ordination of interrelated groups, the KM model provides an apposite illustrative example. The NYPD case study used by Kim and Mauborgne to illustrate the implementation of tipping point leadership outlines the alliance that Bratton had with the mayor's office and the city's leading newspaper to isolate the courts. These two examples illustrate how the KM tipping point leadership model has advanced knowledge in the area of transformational leadership by addressing areas of concern that have been identified by some researchers (Yukl,1999).

5. Tipping Point Leadership And Charismatic Leadership

Since Weber's ([1925]1968) seminal work on charisma or those special qualities that some leaders have that endear their followers to them, has there been relentless

research to define those qualities. Conger and Kanungo (1988,1998), Shamir et al (1993) have contributed to research on charismatic leadership in organisations by investigating different types of leader-follower relationships. Conger and Kanungo identified the following factors associated with charismatic leadership; strategic vision, sensitivity to the environment, unconventional behaviour, personal risk taking and sensitivity to organisational members. Further to this research Conger and Kanungo (1987, 1988, 1992) developed a model that attributed charismatic leadership to the followers' perceptions of their leader's behaviour. Conger and Kanungo (1994 p442) differentiate 'charismatic leaders from other leaders by their ability to formulate and articulate an inspirational vision and by behaviours and actions that foster an impression that they and their mission are extraordinary.' The behavioural characteristics of tipping point leaders are similar to those of charismatic leaders in that they share inspirational visions and believe their mission to be extraordinary. The difference between the two styles lies in the perceptions of their followers. Followers of charismatic leaders base their pursuit on their perception of the extraordinariness of the vision not on formal authority (Congo and Kanungo 1994). The reasons why tipping point leaders have followers may be because they also share their leader's vision but may also be because they feel intimidated into doing so. The 'fishbowl' technique suggested by Kim and Mauborgne to encourage group compliance would require further research to clarify how effective it is in securing loyal followers.

According to Bryman (1993) 'there is widespread confusion about the meaning of charismatic leadership' and so it is difficult to be definitive about the extent of overlap between charismatic leadership and tipping point leadership. Yukl (1994) believes 'the most useful definition seems to be in terms of attributions of charisma to a leader by followers who identify strongly with the leader. In this definition the original meaning of charisma is maintained, namely it is a gift from the gods to enable the recipient to perform extraordinary feats, and provides a basis for differentiating between charismatic and tipping point leadership. Bryman's (1992) research goes on to state that charisma is transitory. Charisma lasts as long as the leader is successful and can be lost as conditions change. The leader's attributions of charisma may be lost once the leader's visionary project is over. Other situations of loss can occur once followers develop their own confidence and no longer see the reason to align to their leader. Tipping point leadership on the other hand was designed to have a limited life span. Once the change process has been completed there no longer is a place for tipping point and other leadership styles have to be selected. Pettigrew and Whipp (1991) account for two distinct aspects of a change program: the design and implementation. The kind of hard leadership that is necessary to drive an organisation towards the tipping point of accepting a new organisational paradigm is very different from the kind of participative leadership that is necessary to facilitate the implementation of the change process.

6. Conclusion

There are many similarities between transformational, charismatic and tipping point leadership. They share the contextual predilection for dramatic and radical change and the extraordinary behavioural qualities of their leaders. There are also distinct differences in spite of overlapping similarities. Tipping point leadership is not an on going leadership style but one that was designed and limited to the execution of an

innovative business strategy. Once the strategy was implemented other leadership styles would need to be considered. Transformational and charismatic leadership are also limited to the extent of the change process but differ from each other in that a transformational leader need not have charisma (Bass 1985) and a charismatic leader need not be transformational. The prescriptive model that Kim and Mauborgne (2005) present simply outlines a code of behaviour for leaders to follow and there is no reference that the execution of the code of behaviour will result in leaders being attributed a heroic, charismatic image. As for followers being transformed by the dynamism of their leader this is also an area for further research. Suffice to say that followers leap a cognitive hurdle when their leaders force them to confront the issue at hand, but can one attribute the transformation to the leader or to the drama of the dilemma they are being forced to face.

Clear definitions of transformational and charismatic leadership make it conceptually difficult to differentiate one style of leadership from another. The lack of consensus in the use of terminology also adds to the conceptual ambiguity. Kim and Mauborgne (2005) provide a definition of tipping point leadership without making direct reference to charismatic or transformational leadership by focussing on the tipping point phenomenon and the exponential results that it can produce. Although the transformational, charismatic and tipping point leadership share many overlapping characteristics it would be best to treat them as distinct and separate. Equivalence would mean that each was synonymous with the other and defined by a single theory.

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