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## **Distributed Leadership in SMEs: A Review, Critique and New Directions**

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# **Distributed Leadership in SMEs: A Review, Critique and New Directions**

## **Summary**

Despite abundant studies on the traditional approach to leadership, emerging and more recent studies suggest that the vertical process on which our understanding of the predominantly traditional way was based is increasingly being challenged by the notion of distributed leadership. Proponents of this style highlight the importance of a shared approach to leadership which, it is believed, will help organisations, especially resource-constrained ones like SMEs, to resolve crisis situations similar to those created by the recent COVID-19 pandemic. Despite such a shift in leadership focus, the extent to which distributed leadership can resolve crisis-ridden SMEs in the context of the COVID-19 pandemic has not been examined and therefore needs attention. The focus of this developmental paper is to review and critique the extant literature on the benefits that distributed leadership may have on resolving the challenges faced by SMEs within a socio-economic and political crisis akin to the COVID-19.

**Keywords:** Distributed leadership, Leadership, SMEs, Challenges, COVID-19

**Track:** Leadership and Leadership Development

## **Introduction**

Published research on leadership spans several decades. Despite such interest, the wide range of research publications in this area is beset with differing opinions (Harrison, 2018). Whilst some of the leading scholars in the field have adopted a predominantly traditional approach which highlights the way that leaders help to shape the behaviours of their subordinates (Northouse, 2010), there have been increasing criticisms regarding such an approach especially within the context of the growing numbers of challenges that organisations have to try and resolve (Yukl, 2010). These disagreements have led to calls to examine other types of leadership approaches and to be more critical of the traditional approach (Clark and Harrison 2018). These calls have recently gained momentum especially as organisations are having to deal with an increasing number of crises which threaten their existence (Sawyer and Harrison, 2020). The recent COVID-19 pandemic is a case in point.

## **Leadership Conceptualisation**

The number of published research studies in the field of leadership is vast and spans several decades (Harrison, 2018). Researchers have proposed varying concepts of leadership and have investigated it by using different phenomena that suited them (Harrison, 2018). This is not surprising because, although leadership is a universal phenomenon (Bass and Bass, 2009), it remains complex. Alvesson and Sveningsson (2003) argue that a universally acceptable definition for leadership is practically impossible and will hinder new ideas and creative ways of thinking. Some of the different ways in which leadership has been defined over the past 70 years, with reference to conceptual underpinning is presented in Table 1.

| <i>Author</i>              | <i>Definition</i>  | <i>Concept</i>      |
|----------------------------|--|---------------------|
| Hemphill (1949)            | The behaviour of an individual while he is involved in directing group activities.   | Behaviour           |
| Stogdill (1950)            | “Leadership may be considered as the process (act) of influencing the activities of an organized group in its efforts toward goal setting and goal achievement.”   | Process             |
| Bennis (1959)              | Leadership is “the process by which an agent induces a subordinate to behave in a desired manner”.   | Process             |
| Katz and Kahn (1978)       | Leadership is “the influential increment over and above mechanical compliance with the routine directives of the organisation”.  | Behavioural process |
| Smircich and Morgan (1982) | “Leadership is realised in the process whereby one or more individuals succeeds in attempting to frame and define the reality of other.” “It involves a complicity or process of negotiation through which certain individuals implicitly or explicitly surrender their power to define the nature of their experience to others.” | Process             |
| Richards and Engle (1986)  | “Leadership is about articulating visions, embodying values, and creating the environment within which things can be accomplished.”  | Behaviour           |
| Gardner (1990)             | Leadership is “the process of persuasion or example by which an individual (or leadership team) induces a group to pursue objectives held by the leader or shared by the leader and his or her follower”.  | Process             |
| Jacobs and Jaques (1990)   | “Leadership is a process of giving purpose (meaningful direction) to collective effort and causing willing effort to be expended to achieve purpose.”  | Process             |
| Kotter (1990)              | Leadership “refers to a process that helps direct and mobilize people and/or their ideas...”   | Process             |
| Drath and Palus (1994)     | “Leadership is the process of making sense of what people are doing together so that people will understand and be committed.”   | Process             |

|                          |   |           |
|--------------------------|---|-----------|
| Clark and Clark (1996)   | “Leadership is an activity or set of activities, observable to others, that occurs in a group, organization, or institution, and which involves a leader and followers who willingly subscribe to common purposes and work together to achieve them.” | Process   |
| Barnard (1997)           | Leadership “refers to the quality of the behaviour of individuals guiding other people or their activities in organized efforts”.   | Behaviour |
| Stogdill (1997)          | Leadership is “the process of influencing the activities of an organised group in its efforts towards goal-setting and goal achievement”.   | Process   |
| Robbins (1998)           | Leadership is “the ability to influence a group toward the achievement of goals”.   | Ability   |
| Barker (2001)            | Leadership is “a process of transformative change where the ethics of individuals are integrated into the mores of a community as a means of evolutionary social development”.  | Process   |
| Lussier and Achua (2001) | “Leadership is the influencing process of leaders and followers to achieve organizational objectives through change.”   | Process   |
| Northouse (2010)         | “Leadership is a process whereby an individual influences a group of individuals to achieve a common goal.”   | Process   |
| Yukl (2010)              | “Leadership is the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives.”                            | Process   |

Source: Harrison (2018)

### **Traditional and Distributed Leadership**

The traditional approach to understanding leadership examined it as a vertical process, whereby the individual’s skills, traits or behaviour in different situations are important for effective leadership; hence, there has been much research on ways of improving the skills and behaviours, or on influencing the context. Another way of conceptualising leadership that has emerged in recent years is from the lens of distributed leadership. The term “distributed leadership” has been used interchangeably with terms such as shared leadership, team

leadership, participative leadership, and democratic leadership by some researchers (Harrison, 2018). It is a type of leadership that involves interaction between people and their situation (Spillane, 2005). The proponents of distributed leadership argue that it is impossible for an individual to have all the skills and knowledge necessary for effective leadership (e.g. Gronn, 2002; Harris, 2004; Spillane et al., 2001). Leadership is dispersed among all members and is not merely a function of a single leader's action (Gronn, 2002; Spillane, 2005). Distributed leadership does not involve a single individual but is a collective effort of the group. Followers, and the ways in which the leaders interact with them in different situations, must also be considered (Harrison, 2018).

The construct of distributed leadership varies among different researchers. Some researchers view distributed leadership as an emergent property of a group or network of individuals (Gronn, 2002), while others view it as either a democratic or autocratic process (Spillane, 2005). The common theme among researchers is that distributed leadership does involve responsibilities being shared across a team, either formally or informally (Harrison, 2018). Several authors have considered the impact of distributed leadership in organisational effectiveness (e.g. Ensley et al., 2006; Mehra et al., 2006; Pearce and Sims, 2002), and have found a positive influence. In the field of entrepreneurship, distributed leadership has also been shown to be effective (e.g. Cope et al., 2011; Jones and Crompton, 2009). Jones and Crompton (2009) provided empirical evidence to support a more distributed leadership approach by entrepreneurs. Cope et al. (2011) have gone further by exploring distributed leadership in a small business context, stressing the difficulty of its implementation.

## **Small and Medium Enterprises (SMEs)**

SMEs are a central focus of every nation; they are important to the growth of the national economy of a country. Consequently, the issue of SMEs has received considerable attention by scholars. Majama and Magang, (2017) argued that it enhances the productivity of a country's economy as a result reducing the level of poverty in a country.

There have been several definitions of SMEs. However, one of the most acceptable definitions was proposed by Bolton (1971). Bolton (1971) defined SME as “a business owned and controlled by individuals, legally independent, and which acquire a small share of the marketplace” (Storey & Greene 2010-p.33). However, this definition has been criticised by scholars for its lack of inclusion.

Most importantly, studies have confirmed that SMEs account for almost 90% of jobs in every country (Parker, 2018). SMEs play an important role in achieving the sustainable development goals, sustainable economic growth, as well as creating jobs and improving innovation (Visser and Tolhurst, 2017). As a result, SMEs certainly require better leadership to fulfil its potential contribution to the national economy. It is pertinent that studies examine leadership within this context.

## **Conclusion**

As a subsequent step in this developmental paper, we intend to apply both the traditional and the distributed approaches of leadership to various contexts that highlight how SME leaders use both approaches to resolve the range of challenges in both developed and developing economies within a COVID-19 pandemic. In conclusion, we note from the literature that whilst researchers have shown the benefits of using distributed leadership to resolve some of the

people management constraints that the traditional approach of leadership has found problematic to address over the years, the complexity of challenges and the numerous resource constraints faced by small businesses makes the implementation of distributed leadership difficult. Therefore, applying democratic ways of dealing with the magnanimity and complexity of SMEs' challenges especially within the context of COVID-19, appear to suggest that distributed leadership may not resolve every challenge in every SME context, especially as subordinates may resist empowerment and the engagement that such an approach solicits.

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