Scientific Research Publishing

Open Journal of Leadership, 2022, 11, 445-461
https://www.scirp.org/journal/ojl
ISSN Online: 2167-7751
ISSN Print: 2167-7743

Leadership Substitute Theory in Present-Day Organisations

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How to cite this paper: Nientied, P. and Toska, M. (2022). Leadership Substitute Theory in Present-Day Organisations. *Open Journal of Leadership, 11,* 445-461.
https://doi.org/10.4236/ojl.2022.114023

Received: November 5, 2022
Accepted: December 27, 2022
Published: December 30, 2022

Abstract

This paper examines the relevance of leadership substitute theory for present-day organisations. The quest of leadership substitute theory has been assessing which aspects of the organisation, followers and tasks act as a substitute for leadership or negate the effect of leadership. The notion of leadership substitute theory is to advise on leadership behaviours, within a leader-employee fit framework. Leadership substitute theory has been criticised on conceptual grounds (precise definitions) and methodological grounds (flaws in measurement and variance explanation of substitutes). Leadership substitute theory was developed half a century ago, when organizations and leadership were different; the variety of organisational forms was limited and leadership was mostly conceived as vertical activity. Organisations have changed and leadership substitutes are nowadays omnipresent. After a literature review of leadership substitute theory, two case studies are presented of current organizational practices, which support the ubiquity of leadership substitute factors. The paper argues for shifting the focus of leadership substitute theory away from identifying how single factor of employee, task and organisation exactly work, towards leadership substitute as a generic concept. Connecting leadership theory to HRM and organisational design is beneficial for a broader perspective on leadership substitute theory.

Keywords

Leadership, Leadership Substitute Theory, Organisational Design, HRM, Netherlands, Albania

1. Introduction

Leadership substitute theory focuses on aspects of the organisation, followers

and tasks that act as substitutes for leadership or negate the effect of leadership. The notion is that contingencies influence the leader's choices to achieve optimal effectiveness in task and relational guidance. A practical example makes a situation of leadership substitutes clear. When Gordon (1994) observed the arrival of an ambulance at the emergency ward to deliver a patient, he noted that the crew of hospital personnel did their tasks without any supervision. Each crew member appeared to have a specific task that they accomplished without any apparent supervisory intervention. Characteristics of the employees and characteristics of the task render direct leadership unnecessary—it could even frustrate the work.

Leadership substitute theory was introduced by Kerr and Jermier (1978). Leadership substitutes have their origin in (combinations of) three possible sources: characteristics of followers/members, of tasks and of the organization (Kerr & Jermier, 1978). Later, Jermier & Kerr (1997) explained that the core of the leadership substitute framework was not just the interpersonal interactions between managerial leaders and subordinate followers, but the idea that managerial leadership works through technological, structural and other impersonal processes in the organisation to achieve its effects. They intended to offer a broader perspective of leadership substitute theory, but research focused on the substitute factors (Dionne et al., 2005). Leadership substitute research has generally kept a rather narrow focus on the leader-situation fit, i.e. on the desired leadership behaviour in different situations. Leadership substitute theory was developed almost half a century ago, when organisations and thinking about organisations were different, when the internet and globalisation were in earlier phases of development and when employees' values and the nature of work were different.

Leadership substitute theory is considered as a contingency theory. Contingency leadership theories attempt to identify the appropriate style of leadership behaviour in different situations. There are various contingency theories (Ayman & Lauritsen, 2018; Gardner et al., 2017). Path-goal theory (House, 1971) is an example, and describes how a leader helps to create a path for subordinates to reach their goals and the goals of the organization by engaging in different types of leadership like directive, achievement-oriented, supportive, and participative leadership behaviours, as the path-goal theory's independent variables. Well known, and frequently applied till the present day, it is the model of situational leadership (Hersey et al., 1979) that specifies which kind of actions a leader can employ for four different maturity situations of the employee. The key to situational leadership is to accurately assess the maturity level of the follower and to model leadership behaviour appropriately.

Leadership substitute theory was presented half a century ago. Significant developments in society and organisations have taken place during the last decades. Leadership substitutes are very common in modern-day organisations. The question arises whether leadership substitute theory is still relevant for present-day organisations. The objective of this paper is to investigate leadership substitute theory, its appeal and the critiques on conceptual and methodological issues, and to examine the relevance of leadership substitute theory for present-

day organisations where digital structures and more shared leadership are prominent. Such examinations of leadership substitute theory in a broader sense in current organisational conditions have not been conducted, and this paper wants to contribute to filling this gap. It follows the line of thought that managerial leadership works through technological, structural and other impersonal processes in the organization to achieve its effects, away from the direct leader-employee fit in traditional organizational situations.

Research for this paper was done in two quite distinct business contexts, namely the Netherlands and Albania (Nientied & Martin, 2021; Nientied, Toska, & Gjiknuri, 2023). Research methods applied for this paper include a review of theory, empirical qualitative studies of leadership practices and interviews. This paper presents two cases of leadership situations in the Netherlands and Albania, which are illustrations from organisational practices. They are not representative and cannot be because situations in organisational forms and leadership practices differ widely.

2. Leadership Substitute Theory

2.1. The Fundament of Leadership Substitute Theory

For leadership effectiveness, it is important to identify situational variables that may substitute for the leader's behaviour, enabling the leader to adapt his or her behaviour accordingly. Substitutes for leadership are factors that replace leadership behaviours and diminish or attenuate the ability of leaders to influence subordinate criterion variables (Lisak et al., 2022). Kerr and Jermier (1978) researched various aspects of a situation that make task-oriented behaviour ("instrumental leadership") or relations-oriented behaviour ("supportive leadership") by the designated leader redundant or ineffective. They identified 14 characteristics believed to neutralize and/or substitute for relationship- and/or task-oriented leadership. Schriesheim (1997) describes substitutes as factors directly related to employee outcomes replacing the need for leadership (e.g., experienced employees need less leadership), and neutralizers are factors that inhibit the leader's behavioural influence on the outcome (e.g., HRM systems and not the person of the leader determining bonuses). Kerr and Jermier's research suggested that "… when certain substitutes for leadership existed, the leader's supportive behavior failed to significantly predict the criterion" (Dionne et al., 2005: p. 170). Situations in organisations vary in their leadership substitutes. The 14 characteristics that count as substitutes for leadership are presented in **Table 1**.

A short explanation of some terms: "professional orientation" means that employees typically cultivate horizontal rather than vertical relationships and give greater confidence to peer review processes than to hierarchical evaluations. "Methodologically invariant" means that tasks may result from serial interdependence, from machine-paced operations, or highly standardized work methods. Tasks with clear and direct knowledge of the results of performance (e.g.,

Table 1. Substitutes for leadership (Source: Kerr & Jermier, 1978: p. 378).

	Characteristic	Will tend to neutralize	
		Relationship-oriented, supportive, people-centred leadership: coordination, support and interaction facilitation	Task-oriented, instrumental, job-centred leadership; initiating structure, goal emphasis, and work facilitation
	Of the subordinate		
1.	Ability, experience, training, knowledge		X
2.	Need for independence	X	X
3.	"Professional" orientation	X	X
4.	Indifference to organizational reward	X	X
	Of the task		
5.	Unambiguous and routine		X
6.	Methodologically invariant		X
7.	Provides its own feedback concerning accomplishment		X
8.	Intrinsically satisfying	X	
	Of the organization		
9.	Formalization (explicit plans, goals, and area of responsibility)		X
10.	Inflexibility (rigid, unbending rules and procedures)		X
11.	Highly-specified and active advisory and staff functions		X
12.	Closely-knit, cohesive groups	X	X
13.	Organizational rewards not within the leader's control	X	X
14.	Spatial distance between superior and subordinates	X	X

sales figures) render performance feedback from the formal leader more insignificant (Kerr & Jermier, 1978: p. 379). Later versions of the leadership substitute model included some other characteristics or defined them in another manner, summarised in the overview of Podsakoff et al. (1996).

Kerr and Jermier (1978: p. 400) describe effective leadership as the ability to supply subordinates with needed guidance and good feelings which are not being supplied by other sources. The characteristics of tasks, the organisation and subordinates can reduce the effect of (or need for) leader behaviour on team member motivation. For example, a leader does not have to give directions when team members have much experience and know what to do and how to do it.

The case of the hospital emergency ward speaks for itself. Experienced team members with intrinsic motivation need less task-related leadership—it can be demotivating for team members when team leader tells them what they already know and what they should do. Some situational variables (called *neutralisers*) prevent a leader from influencing member performance or satisfaction. Systems and procedures may structure the work and satisfaction of the team member (e.g. digital work flows, standard operational procedures, various HRM systems) and cannot be changed by a leader. Howell et al. (1986) refined the leadership substitute concept into a typology of moderator (contingencies) variables based on the mechanisms by which moderators operate. Moderators are classified as neutralisers/enhancers, substitutes/supplements, or mediators depending on how they affect leader behaviour-criterion relationships. For the purpose of this paper, the typology is less relevant—and its relevance was also questioned in empirical research (Muchiri & Cooksey, 2011). A question Jermier and Kerr (1997) asked themselves in a later reflection on leadership substitute theory was how combinations of substitutes work in practice—the effects of a single substitute may be weak but in combination they could be more significant.

2.2. Critique of Leadership Substitute Theory

Leadership substitute theory has been criticised on conceptual issues (what exactly are substitutes, how can they be defined, and how do they work) and methodological issues (how can relationships/effects of substitutes be discerned and measured). Podsakoff et al. (1996) published a meta-analysis of substitute for leadership studies and concluded that "more than 20 years of research on the substitutes model has generally failed to support the model's hypotheses" (p. 396). They determined that substitutes for leadership uniquely account for more variance in criterion variables than do the leader's behaviours—across 10 criterion variables, substitutes for leadership account for an average of 20.2% of criterion variance, approximately three times the variance accounted for by leader behaviours. However, leader behaviours are important because leaders influence employee attitudes, role perceptions, and behaviours in two ways: directly through traditional forms of leader behaviour and indirectly by shaping the contexts in which employees work. The actions of leaders influence the team members through employee selection, task design, work group assignment, and the design of organisational systems. Leadership substitutes have important effects but the role of leadership remains important (Posakoff et al., 1996: p. 395). Obtaining accurate estimates of the unique strength of the relationships between leader behaviours and subordinate criterion variables requires controlling for relationships between substitutes for leadership and team member criterion variables. That is not easy in and across organisations in the real world. "Thus, although the notion that subordinate, task, and organizational characteristics moderate the effect of a leader's behavior seems intuitively appealing, the weight of the empirical evidence has not supported it", conclude Podsakoff et al. (1996: p. 381). "Intuitive appeal" means seeing or experiencing leadership situations

that are logical examples of leadership substitute theory, as in the case of the emergency ward presented above. The "empirical support" refers to exact definitions, scales, measurement, and explaining variance through regression models. Since the precise definition of leadership substitute lacks and measurement problems exist, leadership substitute theory cannot be supported, conclude Podsakoff et al. (1996).

Yukl (2013) states that leaders face a variety of rapidly changing situations, and several different patterns of behaviour may be (equally) effective in the same situation. In their review of leadership substitute theory, Dionne et al. (2005: pp. 184-185) added that what might be the situation on a supervisory level might not be the same on the CEO level. And they also added that new types of substitutes could emerge due to technological and knowledge development. Dionne et al. (2005) conclude that leadership plays a critical role in influencing follower outcomes, regardless of the individual, task, and organisational variables. They also posit that, although leadership substitutes was introduced and intended as a generic term, it has largely been pigeonholed as a moderated-only phenomenon.

2.3. Leadership Substitutes as the Person-Situation Framework

Ayman and Lauritsen (2018: p. 148) indicate that contingency leadership approaches are strongly based on a person–situation fit framework. This means the question which behaviour a leader should choose in a given a situation. Follower contingencies are diverse (Matthews et al., 2021). Since there are so many different situations of organisational contexts, tasks, leaders and followers, external environments, cultures and other factors, it is difficult to offer precise guidelines to leaders. Indeed, most contingency theories cannot provide practical guidance in the form of principles to help managers recognise the underlying leadership requirements and choices in the myriad of fragmented activities and problems confronting them. However, despite the perceived conceptual issues and flaws in empirical support, contingency models are applied in practice. For example the model of situational leadership is challenged in academic circles (Northouse, 2016[1]) but has been used by thousands of companies who find the model useful and consider it as basic skills and knowledge of starting managers. The gap between (contingency) leadership studies and company practices is wide; what academia considers valid and reliable and what management practice considers useful, are two quite different things.

Dionne et al. (2005: p. 173) conclude on leadership substitutes that "leadership does not equal (is not conceptually the same as) substitutes; and while we recognise that leadership is not 'everything', everything that is not leadership is not a substitute for leadership!" It is difficult to identify which factors impact the relation between leader and substitutes. For example, a changing economy or digitalisation impacts leadership but is not a substitute per se. Allowing for the in-

[1]Yukl and Gardner (2019: p. 186) don't even bother to discuss situational leadership in their thick textbook: "The least useful of the early contingency theories, such as situational leadership theory… and the LPC contingency model… are described and evaluated in other publications."

clusion of relevant "other" factors in examining the substitutes relationship with both leadership and outcomes can only promote a more effective understanding of the criteria of interest and the entire domain in general, state Dionne et al. (2005). The problem here is, of course, to identify the "other factors".

2.4. Leadership Substitute Theory and Other Domains

Leadership substitute theory has hardly been connected with other domains because the main concern of leadership substitute theory development was doing empirical research and solving methodological and conceptual issues. However, two illustrations from the early 1980's show the potential for cross-disciplinary connections. From *leadership*/*HRM* the concept of developing self-leadership was proposed. In 1980, Manz and Simms concluded that one important substitute for leadership is that individuals manage their own behaviours by setting personal standards, evaluating their performance in terms of these standards, and by self-administering consequences based on their self-evaluations. Specific techniques such as self-observation, goal specification, cueing strategies, incentive modification, and rehearsal can be used to exercise self-management behaviour. In addition, organizational leaders can help subordinates develop self-management skills. In short, leadership substitute theory can be seen as a precursor of self-management. Later the term self-management was changed into self-leadership which has been widely researched (Nientied & Martin, 2021).[2] For *organizational design*, we refer to the well-known work of Mintzberg (1980) who used the components, flows, work constellations and coordination mechanisms to define five organizational configurations with their chief coordination mechanisms (simple structure, machine bureaucracy, professional bureaucracy, defictionalised form and adhocracy). The coordination mechanisms can be seen as leadership substitutes (neutralisers). Wu (2010) conducted studies on a machine bureaucracy and a professional bureaucracy and concluded that "In a professional bureaucracy duly trained and indoctrinated specialists—professionals—are hired for the operating core and given considerable control over their own work." Formalization and high levels of task structure are the key coordination devices in machine bureaucracies, whereas in professional bureaucracies, coordination is achieved primarily through the standardized knowledge and socialization of its professional employees. In larger organisations, a variety of standardization measures about tasks, knowledge and skills, work processes, output, management support like reporting, etc. are found. Digitalization deepens coordination, leading to enhanced control (Gerten et al., 2018).

2.5. Review

Kerr and Jermier's (1978) study and the subsequent academic deliberations

[2]Leadership researchers like Yukl (2013: p. 237) don't consider self-leadership part of the leadership realm; "Self-management and self-leadership are appropriately viewed as motivation and self-regulation theories rather than as a leadership theory, but they can serve as a partial substitute for leadership." For the authors of this article, this is a rather traditional perception.

marked a shift in leadership approaches. Their leadership description (effective leadership as the ability to supply subordinates with needed guidance and good feelings which are not being supplied by other sources) was different. Leadership substitute research showed that in certain circumstances, leadership behaviours had limited or no added value; less leadership (or no leadership) could be better. Instead of improving leadership, circumstances (leadership substitutes) can be changed or improved to facilitate the company's activities; it reduces the need for leadership in the sense of vertically influencing followers. This was different from the then-current leadership approaches focusing on leader's traits, styles and behaviours to optimally influence subordinates to achieve company goals. Jermier & Kerr (1997) explained that the core of the leadership substitute framework was not the interpersonal interactions between managerial leaders and subordinate followers, but the idea that managerial leadership works through technological, structural and other impersonal processes in the organisation to achieve its effects. In the move towards post-bureaucratic organisations and McDonaldization (Ritzer, 1996), procedures and processes leave less need for formal managers. In other words, while researchers focused on measurement and individual substitute factors, Jermier and Kerr's (1997) pointed out that leadership substitutes should be seen in their organisational context. In the further development of leadership substitute theory, this broader view has hardly been taken up.

3. Two Cases

Two cases illustrate current conditions of organizations. The two cases are examples of empirical research work done[3]. The two cases are illustration and are not precisely representative because of a lack of a sample with "all organizations". But in our interviews we noticed many comparable situations. The first is a small consultancy office in Albania, where a project leader (38 years, 10 years of service) and the director (46 years, 16 years of service) are respondents.

> "We have a team of about 30 people. Most of the work is projects in the field of socio-economic development, often financed with EU funds. Among the project leaders we discuss who will coordinate a new project proposal, lead a new project, etc. The director intercedes when there are conflicting priorities. The staff is, in general, very self-motivated, and does not need much guidance. Of course, new staff members joining the team need support and guidance. Appointing a buddy is a pragmatic method we apply. The director spends most of his time on strategic relations, acquisitions, and 20% or so as an expert in projects as a specialist.
>
> Since we have a small group of experienced project leaders, the director

[3]In 2021, we published the book "The sweet spot of leadership" (Nientied & Martin, 2021, in Dutch language) highlighting the combined processes of self-leadership, empowering leadership and shared leadership. In 2023, we aim to publish the book "Balanced leadership" (Nientied, Toska, & Gjiknuri, 2023, in Albanian language), that will highlight the development from traditional (sometimes autocratic) leadership to adaptive and people-based leadership in the Western Balkans.

does not have to be concerned much with daily operations. The awarded contracts guide the work, and the project leaders plan the implementation of tasks and deliverables based on established deadlines. Our head of finance deals with project finance but also with HR and other support issues. In the office we have a folder with "office procedures" as they are called, procedures for almost everything, from salaries to guidelines for permanent education, from office hours to buying ink for the printer. Our head of finance loves procedures and Excel forms! They add to clarity and transparency, she says.

The leadership style of the director varies. When something goes wrong related to clients, a deliverable is not in time or so, he becomes quite annoyed and demanding. On the other hand, he is quite relaxed on internal matters. He is a friendly and social boss when situations are not stressful, but a boss he is."

The director of the same office shared the following.

"I have done this job for over 10 years and I still like it. However, my role in the organisation has changed, also due to my own self-development. I can say that the project leaders are better than me in dealing with new staff than I am. I have to admit that I have become more impatient with juniors. So, over the years I have withdrawn from direct guidance and coaching.

I am better at the outer side of our work, looking for projects and other opportunities. I do staff performance reviews, together with the project leaders and with the help of some HR procedures we have. Moreover, I intervene when for example deliverables are not according to schedule because we risk future work, which is bad for our good reputation. We have to deliver on time, and everybody should constantly be aware of how important the planning is. In our 3-day annual meetings we discuss on the direction of the organization and the type of assignments we can do and want to do. These annual meetings are good for socialising, and for working on a shared company culture.

You ask about my leadership style; we have essential systems like HR and project management, etc., which structure the work and save leadership time. Leadership is necessary but also a cost factor since it is not billable time. My leadership is a bit more at a distance. I am around and visible and my door is open. After all we are a small company, a big team in fact."

The situation of this consultancy office could be familiar, in both Albania and the Netherlands. Also in many professional organisations comparable situations can be found, each a bit different of course. Leadership substitutes exist because the company has developed substitutes and neutralisers. Many aspects enlisted in **Table 1** are relevant in this case; a project-based functioning organisation provides work structures, people are motivated, and the organization is somewhat formalised. Therefore, the work of the leader shifts from supervisory to

more strategic leadership. In this case the director devotes attention to the direction and strategy of the company, works on the company's vision and values and is around to solve problems. The point is that various work systems have been created to guide the work, and one of the results is less need for (supervisory) leadership.

A second case is from a private-sector mental health care organisation in the Netherlands. The first respondent (34 years, 8 years of service) works as a psychologist, the second as team manager (63 years, 28 years of service) and part-time as practising psychiatrist.

> "Our organisation has over 5.000 people working in different units—labels as they are called—functionally and geographically organised. I work in a label department specialized in youth mental health, helping young people and families with behavioural and personality problems. My work consists of individual treatment and family treatment. The latter I do with together a colleague. My work demands a lot of administration and coordination, absorbing perhaps 40% of my working time. There are about 20 specialised and motivated colleagues in our department who are supposed to manage their own work and the teamwork.
>
> The quality of work is guided by all sorts of guidelines from national professional organisations. Health insurance companies, the national government and municipalities decide about the financial contracts with the organisation. We as professionals are supposed to achieve 80% productive hours, billable to a municipality or a health insurance company. However, individual professionals and our team manager have only limited influence on billability and many of us do not achieve 80%. There is much demand for our work but all sorts of operational issues like the characteristics of our clients, the difficult coordination in an intricate organisational landscape (there are many, many actors involved, each with its own guidelines and formats) and of course the detailed reporting demands, reduce effectiveness. Only part of the coordination and reporting work is billable.
>
> Teams are supposed to work as self-managed teams, but our organisation is not very clear about this, they just assume that we manage ourselves. Due to the imposed financial constraints, the organisation has reduced overheads and the amount of FTEs for management, like so many other healthcare organisations. Some management tasks have been wordlessly 'delegated' to work teams, and secretarial support has become more limited. The new philosophy was that leadership should facilitate the work and that teams were seen as professionals who could employ self-management, supported by IT systems. But let us be clear, budget cuts drove this so-called philosophy.
>
> My manager works in a dual leadership arrangement—that is quite common in the health care sector—with an operational manager dealing with the numbers. The leader is also a psychiatrist, and part-time still treats

clients. The dual leadership has three more teams to guide, in total over 80 FTE. We have a small sub-team, a working group, which deals with new patients, based on detailed procedures. We work in the company's protected IT system and are completely dependent on the system. When the system is down—I think it is at least 5% of the work time—we can do nothing. That costs a lot of productive hours, people tend to make up these hours in the evenings.

Individuals have an annual performance review, but because the leaders are at a distance, physically and mentally, they have some basic numbers like the billability rate, but know little about the quality of work of individuals. Only problematic cases of clients reach the leader's desk. My colleagues and I suggest topics for the performance discussion, and we write our own performance review report, and the managers signs off. If a professional needs personal guidance, he or she goes to a colleague or an external coach or fails to get help and gets into a burn-out."

The team manager answered questions as follows.

"My leadership approach is simple, I think I do not have a specific leadership style—I support the notion of 'just enough leadership', organise the setting that enables people to do the work. I currently have many tasks and many people to manage; I find it difficult to manage all my email. All people know this, and so they look for other ways to get help if there is a problem. I do not have to bother much about motivation, except on a rare occasion with a secretariat of a professional who is overworked or so. Our professionals like their work and put in much effort to help our clients. And about the goals for our department—the main goal I have to keep an eye on is the percentage of productive hours, with 80% as a yardstick. Everybody knows that we do not reach 80%, and cannot achieve 80%, but anyway, that is how the company board wants it.

There are detailed discussions among the professionals about types of activities and treatments, and I translate this discussion guideline for standardised treatments to the insurance companies and municipalities that pay us. We have plenty of IT and other systems to keep track of everything that happens, and these systems prevent unwanted practices and give us much information. My colleague-manager dealing with the numbers identifies trends and outliers, and when needed we give a follow-up.

Most of my management time is dedicated to five activities. First, events that emerge, ranging from conflicts and clients' complaints to organisation wide leadership meetings. Second is hiring and getting new people as we have many vacancies for specialists. Third are meetings, which unfortunately are not online anymore, so it is more difficult to do other work during meetings. Fourth is dealing with team initiatives, for example an experiment in treatment, or a new specialisation. Fifth is supervising the annual contracts with the health insurance companies and the municipalities. Per-

haps I forget some things, but most of it has been mentioned somehow."

In terms of Kerr and Jermier (1978) categories, employees in our two cases show ability, experience, training, knowledge, a need for independence, development of horizontal rather than a vertical orientation and they work with a high degree of intrinsic motivation, making them more indifferent for organisational reward. Tasks (work) are more ambiguous and non-routine, are methodologically invariant (part of a workflow) and provide own feedback concerning accomplishment. Formalization and inflexibility (automated work systems, procedures) play an important role. Teamwork reduces the need for leadership, and organizational rewards are less important for motivated people who receive a salary that conforms to market standards. The conclusion is that in the two cases many substitutes reducing the need for leadership are present. The cases are illustrations and in our research we have seen that substitute factors have become common in modern organizations. For example, many digital organisations require self-leadership from people in agile teams, in jobs with flexible schedules and locations, freelance arrangements, and other forms of organisational job design. Self-leadership, and other items from the list of leadership substitutes like feedback from the work itself, technology support of work, knowledge to work independently, electronic communication with supervisors, and alternative workplace use reduce the need for direct leadership action, but they may be seen as supplements rather than substitutes.

4. Leadership Substitutes in Present-Day Organisations

In the 20th century industrial economy, organisations used varieties of only a few basic organisational forms, such as those described by Mintzberg (1980), with leadership fit into these organisational forms. Organisations successfully met the demands of the organisational environment and the organisation's stakeholders during that era. Then came the information society (De Man, Koene, & Ars, 2018) compelling organisations to adjust their design and leadership. Many trends impacting organisations and organisational structures have been discerned; innovation has become more important, information products replace physical products, education levels are different and more advanced nowadays, new generations have other expectations from work, lower costs of transportation and lower costs of information changed the global business. In addition, digitalisation leads to new digital/human work configurations (Baptista et al., 2020). These and other trends have implications for thinking about organisational forms and about leadership (Benton & Wright-Ford, 2017; Alsaedi, 2022). Kellerman (2016) asserts that what has changed and what is radically different now from before, is the context within which leadership takes place, especially digitalisation and culture; "Changes in culture and technology have added to follower power and detracted from leader power" (p. 87), and this holds even more in sectors with high labour demand, like IT, engineering and health care. Currently more flexible organisational forms are developed by companies to

meet the demands of stakeholders and the demands of the organisational environment. In Table 2 characteristics of traditional and modern organisations and leadership are juxtaposed.

This overview of traditional and modern leadership presents a contrasted picture. General trends have different impacts on different organisations. In the real world we find nowadays a variety of organisational forms, from the conventional bureaucracy dominated by hierarchical leadership to the platform organisation, the holacracy and the network organisation, often with more horizontal leadership (De Man, Koene, & Ars, 2018; Billinger & Workiewicz, 2019; Griffith et al., 2018; Bernstein et al., 2016; Martela, 2019). Winch (2013) suggests that leadership reduction took place in contemporary organisations over the last decades. Self-leadership has become more important in modern organisations and teamwork generates more initiative and provides greater motivation than the actions of individual leaders. Procedures take over functions of leaders. With motivated employees, organisational culture (cultural values imparted through training and practice) acts as leadership substitute (ibid.). Characteristics of people (motivation, teamwork etc.), tasks, and the organisation lead to less need for task leadership and less relational guidance, as professional orientations become more horizontal. Less task guidance is needed because work processes are more digitised, employees are better educated, and they work more based on intrinsic motivation. Less relational leadership is needed because employees' profession orientation is becoming more horizontal. The balance between vertical and horizontal leadership is changing in organisations. With more people working in a self-managing manner and with detailed systems to guide work and

Table 2. Traditional leadership and modern leadership (Source: adapted from Nientied & Martin, 2021).

Topic	*Traditional*	*Modern*
Organisational environment	Stable, understandable	Complex, dynamic, networked
Organisational design	Mechanistic design dominant, some organic designs	Flatter, more flexible hierarchy, various designs
Decision making	Chain of command, hierarchy	More shared decision making
Setting and achieving goals	Top-down	At different levels, self-administered
Mindset of leaders	Be on top and be in control	Delegate and give support and confidence
Leaders' approach to motivation	Focus on extrinsic motivation, task orientation	People orientation, facilitate intrinsic motivation,
Leadership goals	Rational and planned	Processual development
Leadership concept	Position, person	Individual, dyadic, system

act as leadership substitutes, less vertical leadership is needed at operational and tactical levels. On the other hand, in today's complex environment of organizations with faster development and more complex work, more decisions are made by professionals and teams with more autonomy. From a presentist viewpoint, the relevance of leadership substitute thinking is understanding what all modern developments in and around organisations (especially digital developments and culture) mean for leadership practices and how leadership is conceived.

Leadership substitute theory was developed in an era when leadership was conceived as vertical leadership, influencing subordinates to achieve a certain task or relational outcomes, generally in supervisory and team leader positions. Studying how single leadership substitutes, or groups of substitutes, work and how they fit into a person–situation fit framework appears to be less relevant for modern organisations. In current organisational conditions, more generic questions are relevant, such as how does managerial leadership work through technological, structural and other impersonal processes in the organisation to achieve its effects (Jermier & Kerr, 1997); how do characteristics of team members, tasks and the organisation work in more shared leadership forms; how do digital systems affect the autonomy of professionals and their capacity to engage in team or shared leadership. The last topic is important because digital systems can help professional autonomy (Cijan et al., 2019) but can also function like management controls and management directives, leaving less room for leadership at operational and tactical levels (Gerten et al., 2018).

Recent research on leadership substitute theory starts to work with a more generic approach. Eva et al. (2020) draw on leadership substitutes theory and the organisational configuration perspective to examine if formalisation and centralisation moderate the effect of servant leadership on job satisfaction. They found that formalisation can act as a substitute for servant leadership, and centralisation as a neutralizer on servant leadership, and that in organizations with lower levels of organizational structure leadership had more salient effects on followers' satisfaction. Griffith et al. (2018) extend the discussion of leadership substitutes and study leadership substitute theory in modern (digital) organisations with greater distribution of work across time, locations, people, technology, and employment categories. In these organisations, there is less opportunity and less need for the application of traditional supervisory leadership. The concept is how aspects of work design (across task, social, contextual sources) can complement (rather than replace) supervisory leadership.

With the development of vertical leadership to more horizontal leadership, the need to link leadership studies to other disciplines increases. Two fields, as mentioned earlier, are of special importance. First, HRM and leadership studies since they partly study the same domain, e.g., characteristics of the people working in the organisation—like training and professional orientation, leadership development (Ehrnrooth et al., 2021). Turner and Baker (2018) identify a lack of growth in the HRD leadership domain because it is based on old leadership theory, and newer themes, like females as leaders, international leadership,

leadership systems and the impact of technology on leadership, as well as multi-level approaches and shared/team leadership (Riggio, 2019). Second, the link to organisational design should be mentioned. Leadership and leadership substitutes are embedded in an organisation's design context (Griffith et al., 2018), are intrinsically related to formalisation, coordination, task characteristics, work systems, and influenced by trends such as digitalisation, market demand for flexibility, professionals demanding more autonomy. These trends give shape to organisations and leadership. Working in agile teams is now common.

5. Concluding Remark

This article concludes that leadership substitute theory is still relevant, but as a generic concept. The two illustrative cases in this article showed that leadership substitutes are pervasive now. Technology and culture significantly impact the context in which leadership is practised, leading to a shift from vertical to more horizontal leadership. The reflection of Jermier en Kerr (1997) is supported; they suggested that the essence of the leadership substitute framework is that managerial leadership works through technological, structural and other impersonal processes in the organization to achieve its effects, not the individual characteristics of task, followers and organisations and the interpersonal interactions between managerial leaders and subordinate followers The changing nature of organisations and the changing balance between vertical and horizontal leadership renders research on individual substitute factors less relevant. The development towards more horizontal leadership moves the focus from "subordinate" followers to followers and increases the importance of followership. Leadership substitute is a useful concept to work with in leadership development because it sees leadership as a system (leaders, followers and contexts) and is linked to disciplines such as HRM and organisational design. In practice, the theory as a generic concept helps to explain the important changes over time in leadership practices and the need for more self-leadership and shared leadership.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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