Managers as leaders

"Leadership is an action, not a position."

Donald McGannon

"Leaders don't create followers, they create more leaders"

Tom Peters.
The Prophet of Transformation

Learning Outcomes

After studying this chapter, you will be able to:

- Define leaders and leadership.
- Discuss what research has shown about leadership traits.
- Contrast the findings of the four behavioral leadership theories.
- Explain Fiedler's contingency model of leadership.
- Describe situational leadership theory.
- Discuss how path-goal theory explains leadership.
- Differentiate between transactional and transformational leaders.
- Describe charismatic, servant, authentic, and shared leadership.

Leading

- Leading is one of the four functions that constitute the management process

- Leadership is the ability to influence a group toward the achievement of a vision or a set of goals (Robbins and Judge 2008).

As we look ahead into the next century, leaders will be those who empower others.

BILL GATES

Leadership

"In essence, leadership is about dreaming the impossible and helping followers achieve the same," says Nandan Nilekani, chief executive of Infosys, one of India's largest and most successful information technology companies.
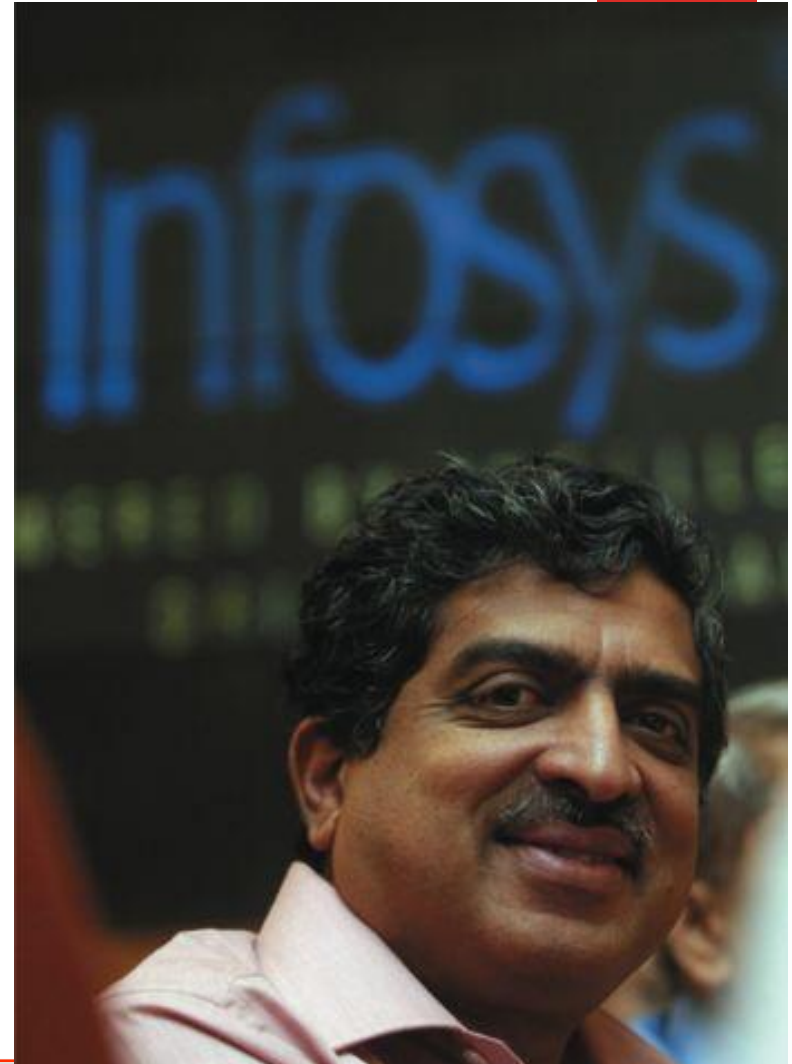
Power And Leadership

Power

ability to influence other people

Sources of power

- **Legitimate power** - leader has organizational authority
- **Reward power** - leader has control over valued rewards
- **Coercive power** - leader has control over punishments
- **Referent power** - leader has personal characteristics that appeal to others and make them desirous of the leader's approval
- **Expert power** - leader has knowledge that others feel will be of benefit to them

Position power Based on things managers can offer to others	**Personal power** Based on the ways managers are viewed by others
Reward – 'If you do what I ask, I'll give you a reward.'	**Expert** – as a source of special knowledge and information
Coercion – 'If you don't do what I ask, I'll punish you.'	**Referent** – as a person with whom others like to identify
Legitimacy – 'Because I am the boss; you *must* do as I ask.'	

Leading and Following

Organizations succeed or fail because of how well followers follow

Effective followers:
- are capable of independent thinking
- are actively committed to organizational goals
- are enthusiastic about ideas and purposes beyond their own self interest
- master skills that are useful to the organization
- hold performance standards that are higher than required

Seven Leadership Competencies

Emotional Intelligence	• Perceiving, assimilating, understanding, and regulating emotions
Integrity	• Truthfulness • Translates words into deeds
Drive	• Inner motivation to pursue goals • Need for achievement, quest to learn
Leadership Motivation	• High need for socialized power to

Seven Leadership Competencies

Self-Confidence	• Strong belief in one's ability to lead others
Intelligence	• Above average cognitive ability • Can analyze problems/opportunities
Knowledge of the Business	• Familiar with business environment • Aids intuitive decision making

Trait Theories

Leader traits

● **trait approach** - focused on individual leaders to determine the personal characteristics that great leaders share
● characteristics that distinguish effective leaders from other people

    drive - characteristics that reflect a high level of effort
    leadership motivation - desire to lead
    integrity - actions correspond to words
    self-confidence - expectation that one is able to overcome obstacles, make good decisions in the face of uncertainty, and instill confidence in others
    knowledge of the business - ability to interpret information
    ability to perceive the needs of others and to adjust one's behavior accordingly
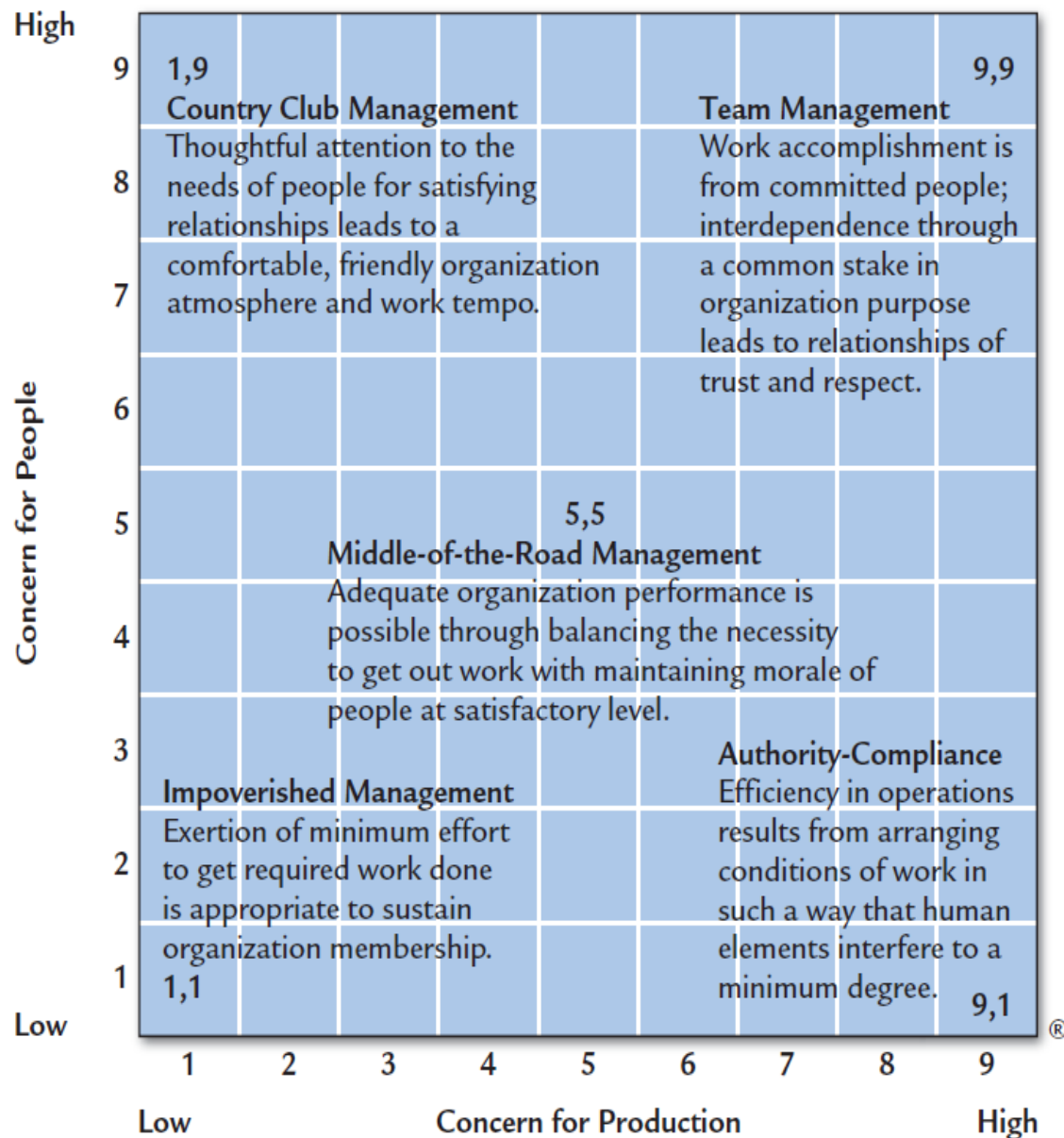
Behavioral Theories

Leader behaviors

Group maintenance - ensure the satisfaction of group members

- develop and maintain harmonious work relationships
- ***Leader-Member Exchange*** (LMX) ***theory*** – highlights the importance of leader behaviors not just toward the group as a whole but toward individuals on a personal basis
  - maintenance behaviors such as trust, open communication, mutual respect, mutual obligation, and mutual loyalty form the cornerstone of relationships that are satisfying and perhaps more productive

Participation in decision making - leader behaviors that managers perform in involving their employees in making decisions
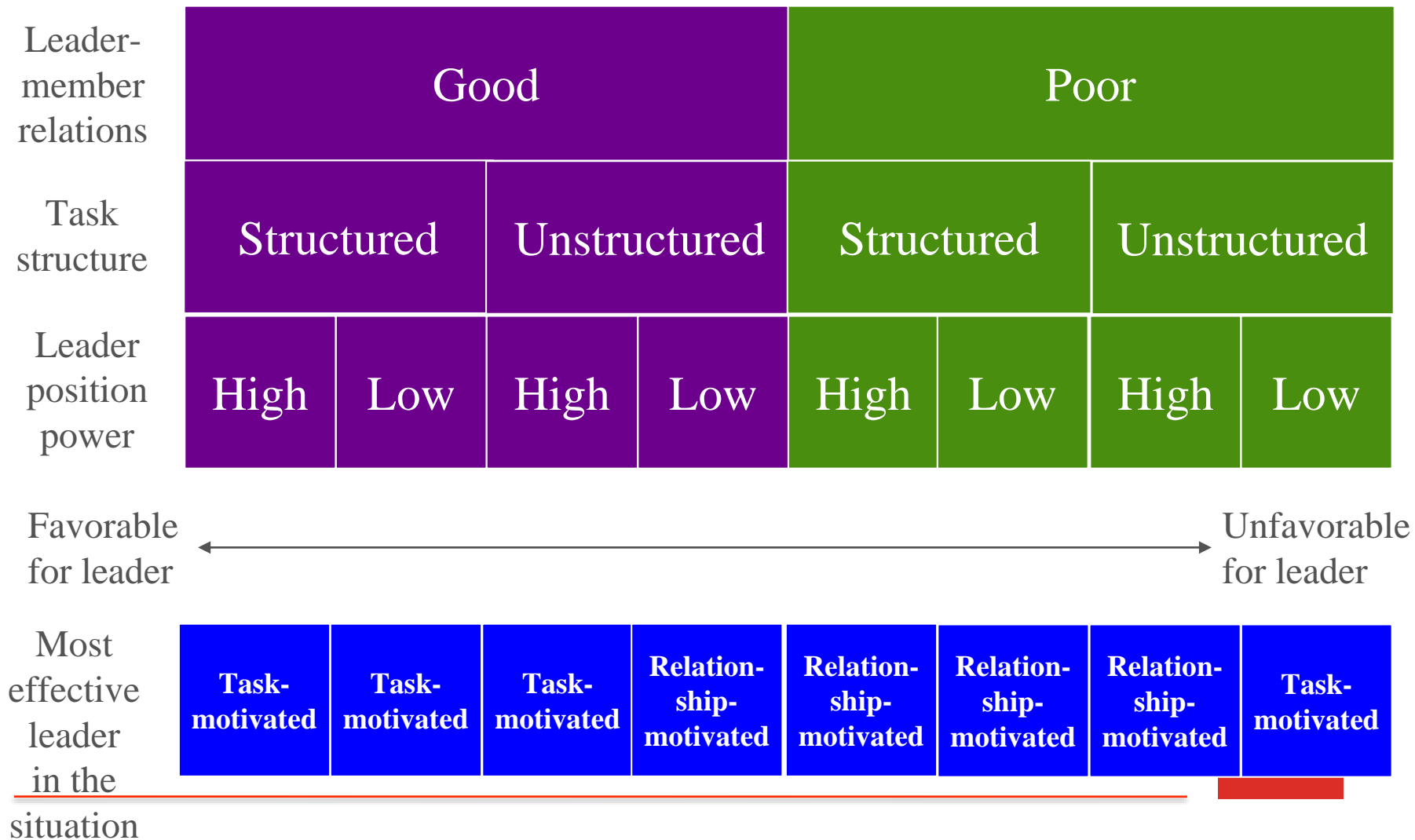
- ***autocratic leadership*** - makes decisions and then announces them to the group
- ***democratic leadership*** - solicits input from others uses consensus or majority vote to make the final choice
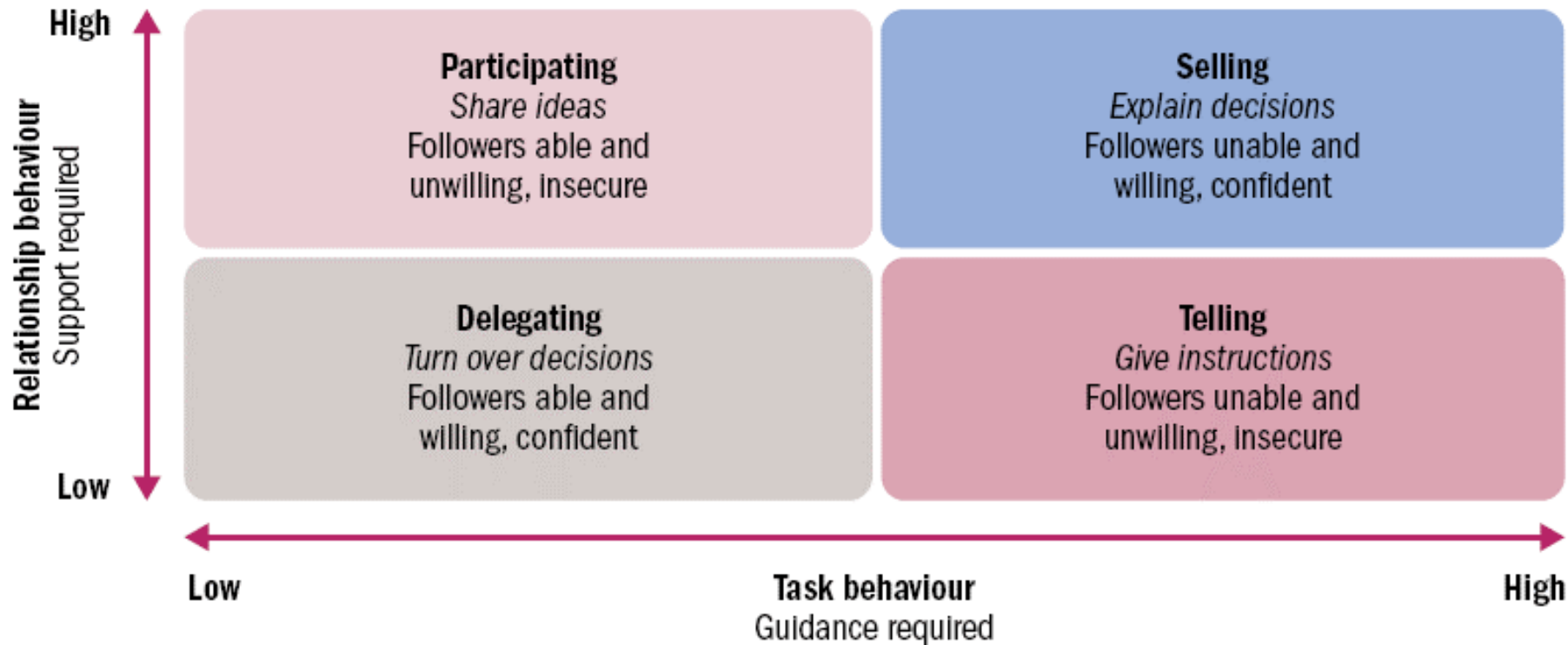
Blake and Mouton's Leadership Grid

High

9 | **1,9**
Country Club Management
Thoughtful attention to the needs of people for satisfying relationships leads to a comfortable, friendly organization atmosphere and work tempo.

9,9
Team Management
Work accomplishment is from committed people; interdependence through a common stake in organization purpose leads to relationships of trust and respect.

5,5
Middle-of-the-Road Management
Adequate organization performance is possible through balancing the necessity to get out work with maintaining morale of people at satisfactory level.

Impoverished Management
Exertion of minimum effort to get required work done is appropriate to sustain organization membership.
1,1

Authority-Compliance
Efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree.
9,1

Concern for People — **High** / **Low**

Concern for Production — 1 2 3 4 5 6 7 8 9 — **Low** / **High**

Contingency approaches to leadership: Fiedler's Analysis of Situations

Leader-member relations	Good				Poor			
Task structure	Structured		Unstructured		Structured		Unstructured	
Leader position power	High	Low	High	Low	High	Low	High	Low

Favorable for leader ⟷ Unfavorable for leader

Most effective leader in the situation	Task-motivated	Task-motivated	Task-motivated	Relation-ship-motivated	Relation-ship-motivated	Relation-ship-motivated	Relation-ship-motivated	Task-motivated

Contingency approaches to leadership: Hersey and Blanchard's situational theory

Relationship behaviour (Support required)

High

Participating
Share ideas
Followers able and unwilling, insecure

Selling
Explain decisions
Followers unable and willing, confident

Delegating
Turn over decisions
Followers able and willing, confident

Telling
Give instructions
Followers unable and unwilling, insecure
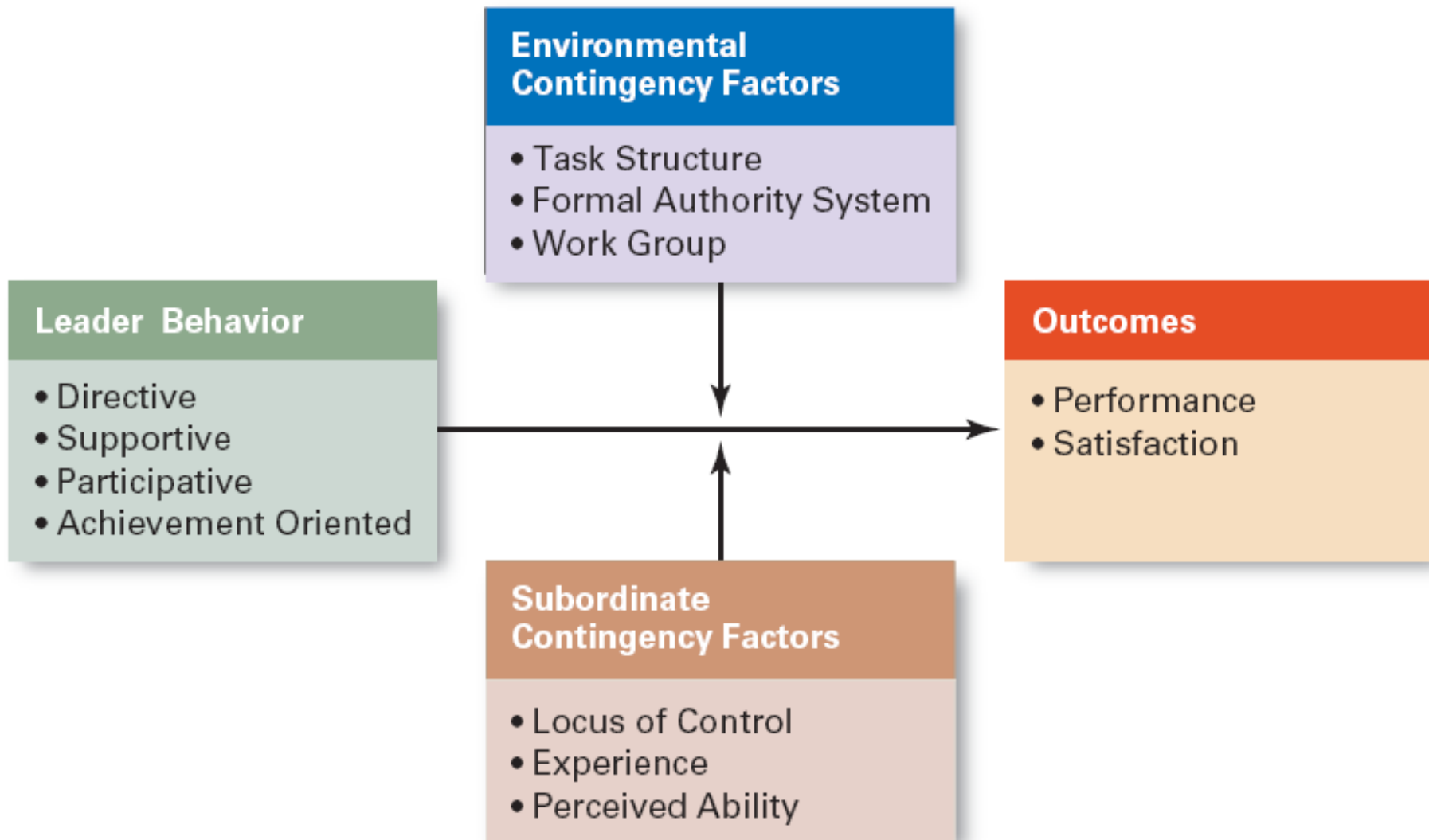
Low

Low **Task behaviour** High
Guidance required

Vroom-Jago Leader-Participation Model

Contingency approaches to leadership: House's Path-Goal Leadership Model

Environmental Contingency Factors
- Task Structure
- Formal Authority System
- Work Group

Leader Behavior
- Directive
- Supportive
- Participative
- Achievement Oriented

Outcomes
- Performance
- Satisfaction

Subordinate Contingency Factors
- Locus of Control
- Experience
- Perceived Ability

Contingency approaches to leadership: House's Path-Goal Leadership Model

Directive leadership	Supportive leadership	Participative leadership	Achievement-oriented leadership
• Communicate expectations • Give directions • Schedule work • Maintain performance standards • Clarify leader's role	• Make work pleasant • Treat group members as equals • Be friendly and approachable • Show concern for subordinates' well-being	• Involve subordinates in decision making • Consult with subordinates • Ask for subordinates' suggestions • Use subordinates' suggestions	• Set challenging goals • Expect high performance levels • Emphasize continuous improvement • Display confidence in meeting high standards

Contingency approaches to leadership: House's Path-Goal Leadership Model

When to use House's leadership styles:

- Use directive leadership when job assignments are ambiguous
- Use supportive leadership when worker self-confidence is low
- Use participative leadership when performance incentives are poor
- Use achievement-oriented leadership when task challenge is insufficient

Contemporary Views of Leadership

Charismatic leadership

- dominant and exceptionally self-confident, and have a strong conviction in the moral righteousness of their beliefs, and able to arouse a sense of excitement and adventure in followers
- articulates ideological goals
- inspire in their followers trust, confidence, acceptance, obedience, emotional involvement, affection, admiration, and higher performance

Contemporary Views of Leadership

Transactional leadership

- traditional management through business transactions in which leaders use their legitimate, reward, and coercive powers to give commands and exchange rewards for services rendered
- dispassionate leadership that does not inspire people to focus on the interests of the organization

Transformational leadership

- moves beyond transactional leadership a leader who transforms a vision into reality and motivates people to transcend their personal interests for the good of the group

MLQ 5X leadership scale

Transformational leadership	Transactional leadership
● Idealized influence (attributes) ● Idealized influence (behaviors) ● Inspirational motivation ● Intellectual stimulation ● Individualized consideration	● Contingent reward ● Management by exception – active ● Management by exception – passive

Transformational Leadership Elements

Creating
a Strategic Vision

Communicating
the Vision

**Transformational
Leadership**

Building Commitment
to the Vision

Modeling
the Vision

Contemporary Views of Leadership

Level-Five Leadership

Level-five leadership refers to the highest level in a hierarchy of manager capabilities

- Lack of ego (humility)

- Shy and self-effacing (modest)

- Fierce resolve to do what is best for organization

- Credit other people

Level-Five Hierarchy

Level 5: Level 5 Executive
Builds enduring greatness through a paradoxical blend of personal humility and professional will.

Level 4: Effective Leader
Catalyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulating higher performance standards.

Level 3: Competent Manager
Organizes people and resources toward the effective and efficient pursuit of predetermined objectives.

Level 2: Contributing Team Member
Contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting.

Level 1: Highly Capable Individual
Makes productive contributions through talent, knowledge, skills, and good work habits.

Contemporary Views of Leadership

Servant leadership

- Work exists for the development of the worker
- Servant leaders transcend self-interest to serve others' needs, while strengthening the organization
- Servant leaders give away power, ideas, information, recognition, credit, and money

Servant leadership

9 dimensions (Liden et al. 2008):

- Emotional healing
- Creating value for the community
- Conceptual skills
- Empowering
- Helping subordinates grow and succeed
- Putting subordinates first
- Behaving ethically
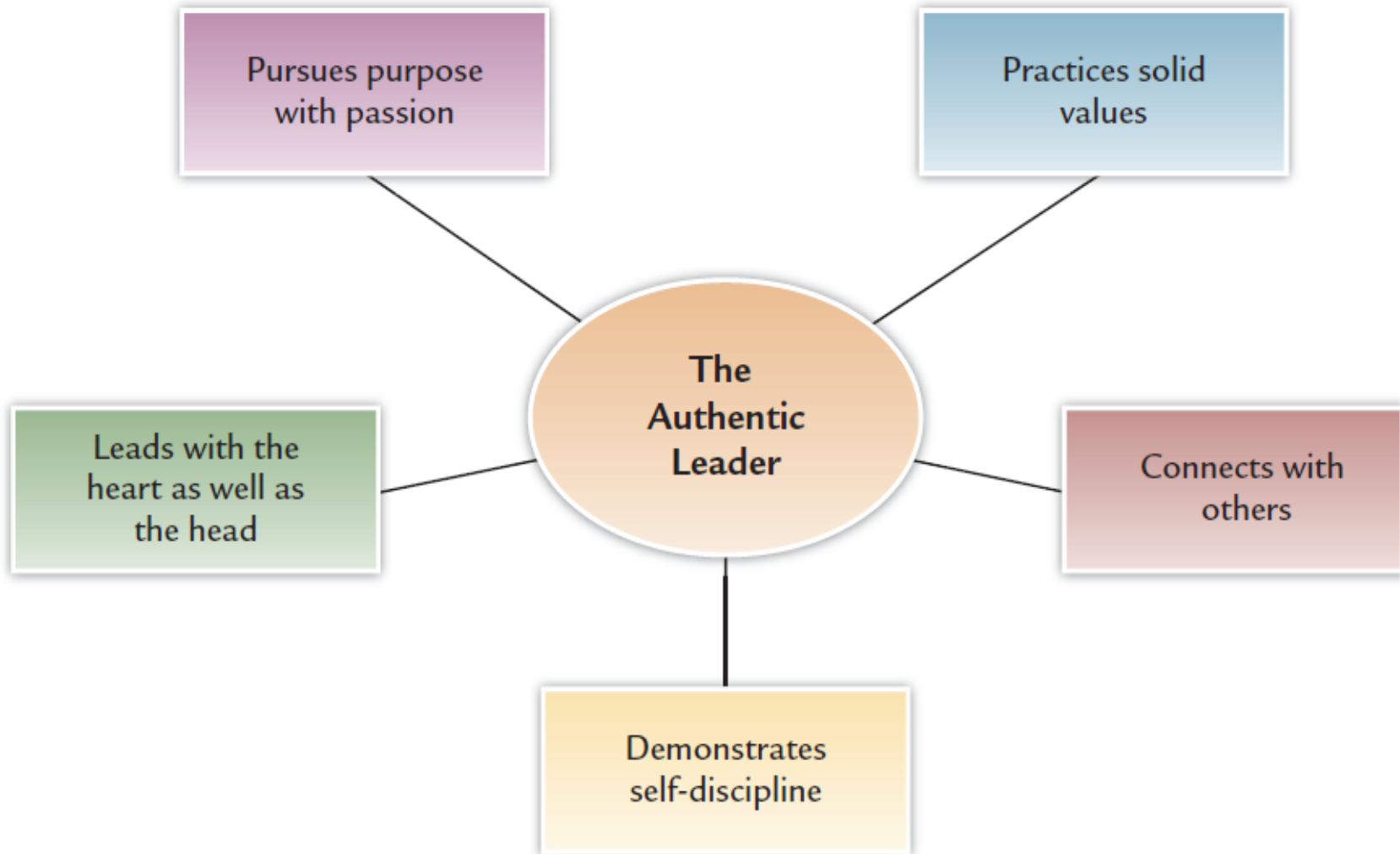- Relationships
- Servanhood

Liden, R.C., Wayne, S.J., Zhao, H., & Henderson, D. (2008). Servant leadership: Development of a multidimensional measure and multi-level assessment. *The Leadership Quarterly*, *19*(2), 161-177.

Contemporary Views of Leadership

Authentic leadership

- A style in which the leader is true to himself or herself while leading
- Leaders who know and understand themselves
- Inspire trust and commitment
- Staying true to one's values and beliefs
- Respect diverse viewpoints
- Espouse and act with higher order ethical values
- Encourage collaboration
- Help others learn, grow, and develop as leaders

Components of Authentic Leadership

SOURCE: Based on Bill George, *Authentic Leadership: Rediscovering the Secrets to Lasting Value* (San Francisco: Jossey-Bass, 2003).

Contemporary Views of Leadership

Shared leadership

- Leadership is not restricted to people in formal management positions.
- Anyone in the organization may - and should - be a leader in various ways and at various times.
- Effective companies encourage employees to be leaders when needed (e.g. change champions)

Leadership Issues in the 21st Century

- **Developing Trust**
  - Trust is the belief of followers and others in the integrity, character, and ability of a leader
    - **Dimensions of trust:** integrity, competence, consistency, loyalty, and openness
  - Trust is related to increases in job performance, organizational citizenship behaviors, job satisfaction, and organization commitment

- **Suggestions for Building Trust**
  - Practice openness.
  - Be fair.
  - Speak your feelings.
  - Tell the truth.
  - Show consistency.
  - Fulfill your promises.
  - Maintain confidences.
  - Demonstrate competence.

Leadership Issues in the 21ˢᵗ Century

- **Empowering employees**
  - Involves increasing the decision-making discretion of workers such that teams can make key operating decisions in develop budgets, scheduling workloads, controlling inventories, and solving quality problems

- **Cross-cultural leadership**
  - "the ability of an individual (the leader) to intentionally and unequally influence and motivate members of a culturally different group toward the achievement of a valued outcome by appealing to the shared knowledge and meaning systems of that culturally different group" (Lowe, 2004, p. 302).

Lowe, K. B. (2004). Cross-cultural leadership. In G. Goethals, G. Sorenson & J. M. Burns (Eds.), *Encyclopedia of leadership* (pp. 300–306). London: Sage.

Selected Cross-Cultural Leadership Findings

- Korean leaders are expected to be paternalistic toward employees.
- Arab leaders who show kindness or generosity without being asked to do so are seen by other Arabs as weak.
- Japanese leaders are expected to be humble and speak frequently.
- Scandinavian and Dutch leaders who single out individuals with public praise are likely to embarrass, not energize, those individuals.
- Effective leaders in Malaysia are expected to show compassion while using more of an autocratic than a participative style.
- Effective German leaders are characterized by high performance orientation, low compassion, low self-protection, low team orientation, high autonomy, and high participation.

Source: Based on J. C. Kennedy, "Leadership in Malaysia: Traditional Values, International Outlook," *Academy of Management Executive,* August 2002, pp. 15–16; F.C. Brodbeck, M. Frese, and M. Javidan, "Leadership Made in Germany: Low on Compassion, High on Performance," *Academy of Management Executive,* February 2002, pp. 16–29; M. F. Peterson and J. G. Hunt, "International Perspectives on International Leadership," *Leadership Quarterly,* Fall 1997, pp. 203–31; R. J. House and R. N. Aditya, "The Social Scientific Study of Leadership: Quo Vadis?" *Journal of Management,* vol. 23, no. 3, (1997), p. 463; and R. J. House, "Leadership in the Twenty-First Century," in A. Howard (ed.), *The Changing Nature of Work* (San Francisco: Jossey-Bass, 1995), p. 442.

KNOW ING

Cultural Intelligence (CQ)

The 20-item CQ Scale (CQS) of Ang and Van Dyne (2008)

Ang, S. & Van Dyne, L. (2008). Conceptualization of Cultural Intelligence: Definition, distinctiveness, and nomological network. In Ang, S., & Van Dyne, L. (Eds.) (2008), *Handbook of cultural intelligence: Theory, measurement, and applications*. Armonk, NY: M.E. Sharpe.

Cultural Intelligence (CQ)

Metacognitive CQ

- I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds.
- I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me.
- I am conscious of the cultural knowledge I apply to cross-cultural interactions.
- I check the accuracy of my cultural knowledge as I interact with people from different cultures.

Cognitive CQ

- I know the legal and economic systems of other cultures.
- I know the rules (e.g., vocabulary, grammar) of other languages.
- I know the cultural values and religious beliefs of other cultures.
- I know the marriage systems of other cultures.
- I know the arts and crafts of other cultures.
- I know the rules for expressing nonverbal behaviors in other cultures.

Cultural Intelligence (CQ)

Motivational CQ

- I enjoy interacting with people from different cultures.
- I am confident that I can socialize with locals in a culture that is unfamiliar to me.
- I am sure I can deal with the stresses of adjusting to a culture that is new to me.
- I enjoy living in cultures that are unfamiliar to me.
- I am confident that I can get accustomed to the shopping conditions in a different culture.

Behavioral CQ

- I change my verbal behavior (e.g., accent, tone) when a cross-cultural interaction requires it.
- I use pause and silence differently to suit different cross-cultural situations.
- I vary the rate of my speaking when a cross-cultural situation requires it.
- I change my nonverbal behavior when a cross-cultural interaction requires it.
- I alter my facial expressions when a cross-cultural interaction requires it.

Where Female Managers Do Better: A Scorecard

**Where Female Managers Do Better:
A Scorecard**

None of the five studies set out to find gender differences. They stumbled on them while compiling and analyzing performance evaluations.

Skill (Each check mark denotes which group scored higher on the respective studies)	MEN	WOMEN
Motivating Others		✓ ✓ ✓ ✓ ✓
Fostering Communication		✓ ✓ ✓ ✓ *
Producing High-Quality Work		✓ ✓ ✓ ✓ ✓
Strategic Planning	✓ ✓	✓ ✓ *
Listening to Others		✓ ✓ ✓ ✓
Analyzing Issues	✓ ✓	✓ ✓ *

*In one study, women's and men's scores in these categories were statistically even.
Data: Hagberg Consulting Group, Management Research Group, Lawrence A. Pfaff, Personnel Decisions International Inc., Advanced Teamware Inc.

Source: R. Sharpe, "As Leaders, Women Rule," *BusinessWeek,* November 20. 2000, p. 75.

Acknowledgments

Prof. Chris Rowley
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