


Chapter 7


LEADERSHIPS



OBJECTIVES

After study this chapter, students should:

- Define motivation
- Compare needs theories
- Explain the reinforcement theory of motivation and discuss how it can help managers
- Define leadership
- Distinguish leadership theories



The relationship between performance & ability, motivation and working conditions

Ability

X

Motivation


X

Environmental conditions

=

Performance

- Motivation is the force energizing or giving direction to behavior & underlying the tendency to persist



Challenges of Motivating Employees

Revised employment relationship

- Due to globalization, technology, restructuring
- Potentially undermines trust and commitment

Flatter organizations

- Fewer supervisors to monitor performance

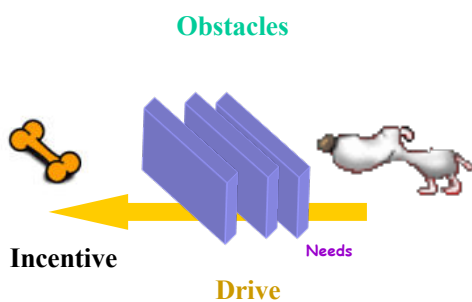
Changing workforce

- Gen-X/Gen-Y bring different expectations



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Need-Incentive-Drive Theory

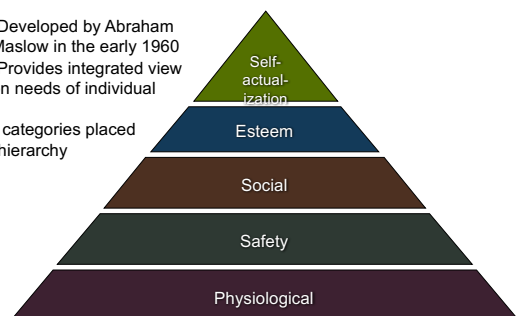


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Maslow's Needs Hierarchy Theory

- Developed by Abraham Maslow in the early 1960
- Provides integrated view on needs of individual

Five categories placed in a hierarchy



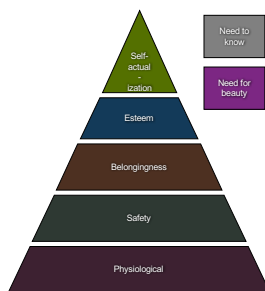
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Maslow's Needs Hierarchy Theory

- Physiological needs (basic needs)**: are needs to help the people can survive such as foods, water, transportation, shelter etc.
- Safety needs**: are needs pertaining to the desire to feel safe, secure and free from threats to our existence
- Social needs (belongingness)**: are needs involving the desire to affiliate with and be accepted by others
- Esteem needs**: Needs related to the two-pronged desire to have a positive self-image and to have our contributions valued and appreciated by others.
- Self-actualization needs**: needs pertaining to the requirement of developing our capabilities and reaching our full potential



Maslow's Needs Hierarchy Theory

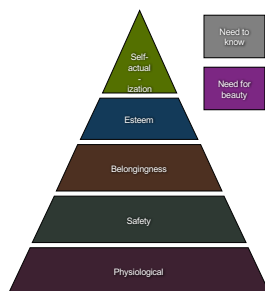


- Lowest unmet need has strongest effect
- When lower need is satisfied, next higher need becomes the primary motivator
- Self-actualization -- a growth need because people desire more rather than less of it when satisfied



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Evaluating Maslow's Theory



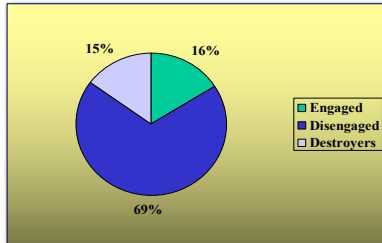
- Lack of support for theory
- Values influence needs
 - People have different needs hierarchies -- not universal
- Maslow's categories don't cover all needs
- Needs change more rapidly than Maslow stated



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Motivation at Workplace

A Gallup Survey, Germany, 1999.



Engaged: devoted to work.

Disengaged: work somehow, but not motivated.

Destroyers: find reasons to oppose.



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Web-surfing at Workplace

A recent survey indicated that 90 percent of employees said they surfed for non-related sites during the day.



- 72% read the news
- 45% make travel arrangements
- 40 % make purchases
- 17% do job searches
- 34% check stock prices
- 28% coordinate social events, and
- 4% visit pornographic sites

Source: quoted by Hellriegel & Stocum (2004: 152-3)



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Maslow's Needs Hierarchy Theory

In practice:

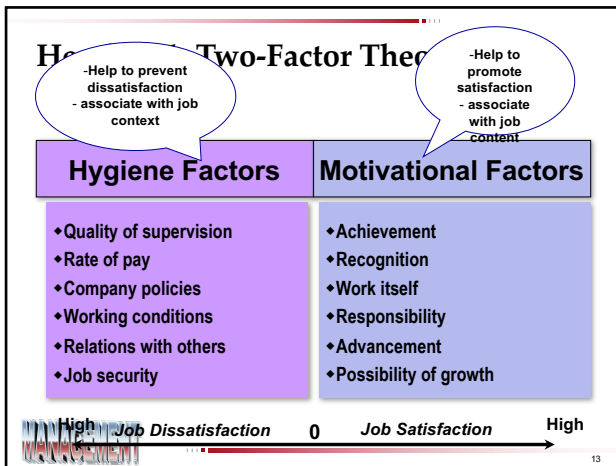
-It is fact that People's needs form a hierarchy of five-needs however it is difficult to distinguish the border of these needs

-All of five level of needs exist in everyone. The strength of needs is different to everyone.

The managers need to find out the needs of each staff to

- Encourage staff involve in challenging projects and decision making
- Create chance for them to involve in collective works, opportunities for innovation and creativity.
- Create the opportunities for them to be good coworkers, peers, supervisors and customers





Motivational Factors

- ♦ Achievement
- ♦ Recognition
- ♦ Work itself
- ♦ Responsibility
- ♦ Advancement
- ♦ Possibility of growth



Motivators: factors seeming to make individuals feel satisfied with their jobs




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Motivation Through Recognition

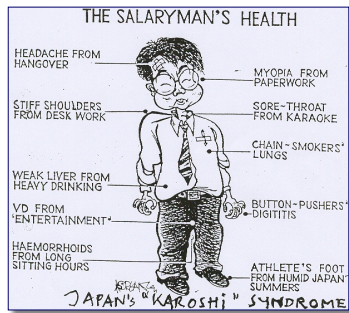


Courtesy Sarova Panafic Hotel

Panfric Hotel general manager David Gachuru (shown in photo giving an award to employee Matayo Moyale) motivates employees with good old-fashioned praise and recognition.

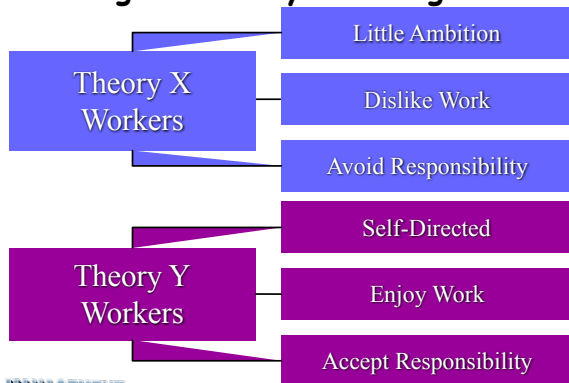
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A Motivated Employee????



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McGregor's Theory X Management



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McGregor's Theory X Management

"Do it!"

Direct

Control

Reward and punish

Motivate through pay and performance

Focus only on org. – not personal –goals



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McGregor's Theory Y Management

Motivate through appeal
to individual goals

Support and praise

People want to succeed

Give responsibility



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Types of Reward



Money	Salary, incentives, expenses, payments
Benefits	Pension, cars, insurance, leave, working time
Work	Challenge, autonomy, working environment
Development	Training, personal development, promotion, employability



Source: Rowley (2003:102)

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Use of Reward Systems

System	Manual	Non-manual	Managerial
Performance-related	12.9	32.4	52.4
Profit-related	6.7	12.4	14.8
Profit-sharing	4.8	9.1	9.5
Bonus-scheme	24.8	28.6	38.6
Skill-based	10.0	4.8	4.3
Competence-based	3.3	2.3	4.9
Payment by results	2.4	3.3	8.6

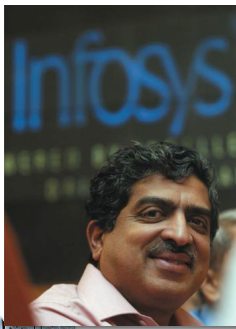


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Managing People Performance

Planning 	Setting objectives, priorities, targets and standards to help people plan their activities for the year.	Performance management
Doing 	Providing instructions and support to ensure that objectives are achieved to the required standard.	
Reviewing 	Monitoring, assessing and measuring performance to check whether objectives have been achieved and to decide rewards.	Performance development

Leadership at Infosys



"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.

What is Leadership?

Leadership is the ability to influence a group toward the achievement of a vision or set of goals

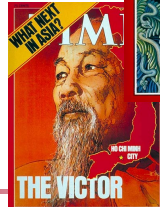


Differentiating Leadership Theories

Is he a leader because of his personal **characteristics** such as honesty or courage (Trait Theories)?

Or does it result from his unique **behaviors** such as communication techniques (Behavioral Theories)?

Or must his leadership style change in different **situations** (Contingency Theories)?



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Traits Associated with Effective Leadership

Personality: Energy level, stress tolerance, self-confidence, emotional maturity, honesty and integrity, ambitious

Ability: Interpersonal skill, cognitive skill, technical skill, persuasiveness.

Motivation: Desire to lead, socialized power orientation, strong need for achievement, weak need for affiliation



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Bad Boss Aboard

39% failed to keep promises

37% failed to give credit when due

31% gave them the "silent treatment" in the past year

27% made negative comments about them to other employees or managers

24% invaded their privacy

23% blames others to cover up mistake or minimize embarrassment.



Sources: D. Fost, "Survey Finds Many Workers Mistrust Bosses," Forbes 2006. 27

Criticisms of Trait Theory

- ❖ The list of potentially important traits is endless, creating more confusion.
- ❖ Trait test scores don't consistently predict leader effectiveness.
- ❖ Patterns of effective leader behaviour depend on the situation.
- ❖ The theory does not address *what* the leader does on the job.



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Leader Behavior Perspective



What makes Bruce Draper (shown here) one of the best bosses in Great Britain? He provides plenty of supportive leadership, says employee Hannah Delany. "Bruce cares about his staff and never takes them for granted. He appears friendly, approachable and kind and makes sure everyone is content in their job."



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Leader Behavior Perspective

People-oriented behaviors

- Showing mutual trust and respect
- Concern for employee needs
- Looks out for employee well-being

Task-oriented behaviors

- Assign specific tasks
- Ensure employees follow rules
- Set "stretch goals" to achieve performance capacity



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Ohio State University's Leadership Styles

Initiating structure

The leader :

- ✓ Focuses on goals & results.
- ✓ Define and structure his or her role and roles of subordinates
- ✓ Identifies ways of getting the job done.
- ✓ Develops well-defined patterns and channels of communication

Consideration

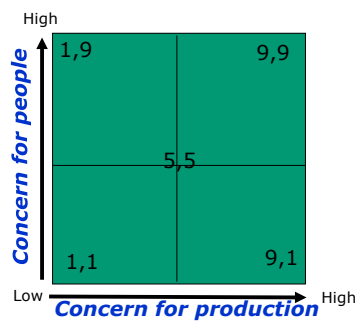
The leader :

- ✓ Focuses on developing rapport with subordinates.
- ✓ Acts to facilitate friendship, warmth, mutual trust, & respect.
- ✓ Supports open communication & participation.

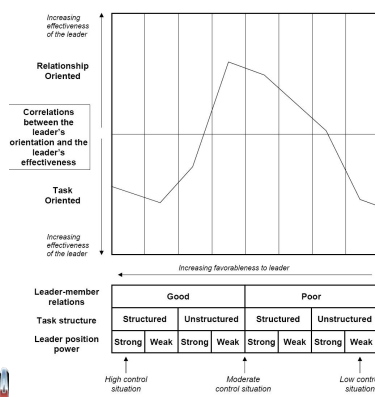


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Blake & Mouton's The Managerial Grid



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Fiedler Contingency Model



<http://www.wordpress.com/2008/08/fiedlers-contingency-theory.jpg>

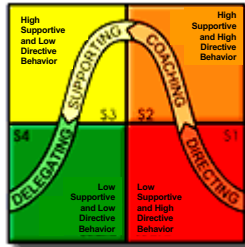
Hersey and Blanchard's Situational Leadership Theory

S3: Participating/Supporting

Share ideas and facilitate in decision making

S4: Delegating

Providing little specific, close direction or personal support to followers.



S2: Persuading/Coaching

Explain decisions and provide opportunity for clarification

S1: Telling/Directing

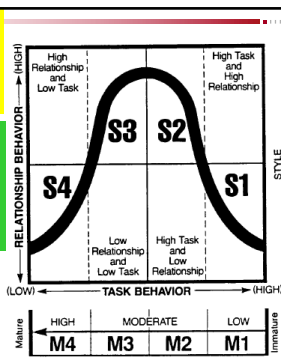
Provide specific instructions and closely supervise performance



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S3: Participating/Supporting
Share ideas and facilitate in decision making

S4: Delegating
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S2: Persuading/Coaching
Explain decisions and provide opportunity for clarification

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Provide specific instructions and closely supervise performance

Figure 2: Relationships Between Leader Style and Level of Subordinate Maturity. From *Management of Organizational Behavior* (4th ed., p. 200) by P. Hersey and K. Blanchard, 1982. Englewood Cliffs, NJ: Prentice-Hall. Copyright 1982. Prentice-Hall. Reprinted by permission.



Able Willing	Able Unwilling	Unable Willing	Unable Unwilling
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Charismatic Leadership Theory

A leadership theory that states that followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors.



Martin Luther King Jr. August 28, 1963



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Charismatic Leadership Theory



Charismatic leadership - the use, by a leader, of personal abilities & talents in order to have profound & extraordinary effects on followers

Charisma - gift in Greek

Charismatic leaders use referent power

Potential for high achievement & performance

Potential for destructive & harmful courses of action

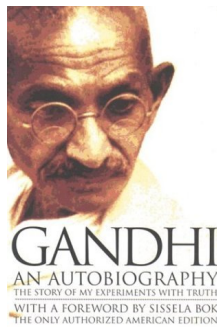


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Charismatic Leadership Theory

Charisma appears to be most appropriate when the follower's task has an **ideological component** or when **the environment involves a high degree of stress and uncertainty**. This may explain why, when charismatic leaders surface, it's more likely to be in politics, religion, wartime; when a business firm is in its infancy or facing a life threatening crisis



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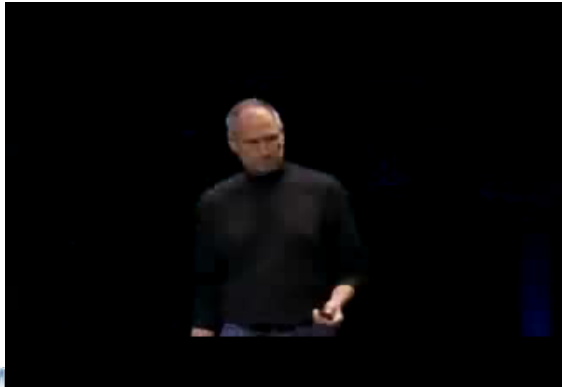
Three successful leaders, for example, stress a corporate culture that highly values creativity and the freedom to try out new ideas. They are: Richard Branson of Virgin, Jack Welch of General Electric (GE), and Percy Barnevik of ABB. All three have a common characteristic in running their companies – they are adamant about releasing the creative energies of their employees and encouraging entrepreneurial challenges (De Vries, 1996). Both Branson and Barnevik believed that, “If employees are inspired, empowered, and free to act, they will stretch themselves to make exceptional efforts, demonstrate a high degree of commitment, and be willing to take risks” (De Vries, 1998, p. 8).



Richard Branson

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Steve Jobs introduces iPhone



Transformational Leadership

Transactional Leader

Leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements.

Transformational Leader

Leaders who inspire followers to transcend their own self-interests and who are capable of having a profound and extraordinary effect on followers.

Transformational Leadership

Transactional Leader

Contingency
Reward

Laissez-Faire

Transformational Leader

Idealized
Influence

Inspirational
Motivation

Intellectual
Stimulation

Transformational Leadership at P&G



Procter & Gamble CEO A. G. Lafley practices transformational leadership without using charisma. By forming and communicating a clear vision and modeling that vision, he has transformed the consumer goods company in recent years.

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Transformational v. Charismatic Leaders

Is charismatic leadership essential for transformational leadership?

Some experts say yes, but emerging view is that:

- Charisma is distinct from transformational leadership
- A personal trait that might help transform, or might just help the leader
- Charismatic leadership might have opposite effect -
- creates dependence, not empowerment



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In Search of Leader Integrity

Likely the most important leadership competency

Also called "Authentic leadership"

- Individual acts with sincerity
- Has a higher moral capacity to judge dilemmas

Most people think business leaders lack integrity:

- 73% say CEOs of large firms can't be trusted (US)
- Less than one-third of Asian workers are satisfied with their level of trust in management



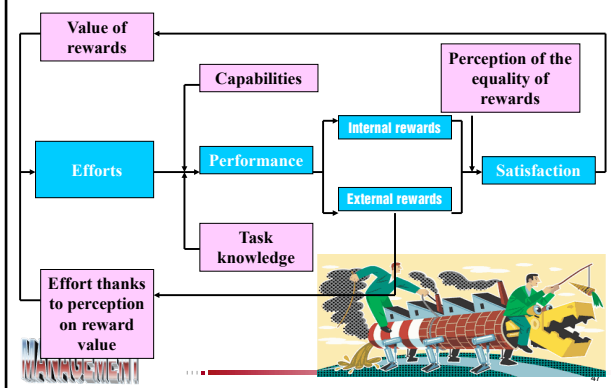
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Review questions



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Porter and Lawler's Motivation Theory




Porter and Lawler's Motivation Theory

- Value of rewards: is the importance of benefits of good performance.
- Effort thanks to perception on reward value: recognition of necessary efforts to receive reward.
- Efforts: Physical or mental power consumes to achieve a specific task. This depends on the interactions between value of rewards and efforts
- Task knowledge and capabilities: the belief of staff that she/he will complete the task requirements if she/he implemented task perfectly

→ All of five above factors will influence to the task performance and if there is a good performance, there will be rewards to give to the staff.





Porter and Lawler's Motivation Theory

- Reward: Results that the staff expects to receive from completing job requirement
- Internal Rewards: everything that staff received from the organization, such as supervisors, satisfactions on working environment, high salary, ensurance of jobs and welfare
- External Rewards: satisfaction of individual, achievement, recognition, responsibilities , and growth of individual

Porter and Lawler Motivation theory find out the work process of individual as a process including of 4 steps: Effort- Performance – Rewards - Satisfaction

Managers should find out the motivators to influence the Individual works;
This process is a concrete base for managers to form or select the leading methods.

