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NATIONAL OPEN UNIVERSITY OF NIGERIA

MBA 791

ORGANIZATIONAL LEADERSHIP AND CHANGE

Course Code	MBA791
Course Title	Organizational Leadership and Change
Course Developer/ Writer	Dr E I Morah Ph.D National Open University of Nigeria Victoria Island, Lagos
Course Coordinator	Mrs Caroline Aturu -Aghedo National Open University of Nigeria Victoria Island, Lagos
Programme Leader	Dr O J Onwe National Open University of Nigeria Victoria Island, Lagos

NATIONAL OPEN UNIVERSITY OF NIGERIA

National Open University of Nigeria
Headquarters
14/16 Ahmadu Bello Way
Victoria Island
Lagos

Abuja Office
NOUN Building
No. 5 Dar-es-Salaam Crescent
Off Aminu Crescent
Wuse II, Abuja

e-mail: centralinfo@nou.edu.ng
URL: www.nou.edu.ng

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UNIT 1 WHAT IS LEADERSHIP?

CONTENTS

1.0 INTRODUCTION

In this unit, you will learn what organizational leadership is all about. You will have information at your disposal on how leaders emerge and how leaders perform. In this unit, two traits have been associated with leadership, namely – intelligence and interpersonal adjustment. In addition, ability of leaders to adjust to existing exigency marks them out from the crowd. This enables them to meet the demands of the occasions.

2.0 OBJECTIVES

The objective of this unit is to explain to you the concept of leadership and some of the criteria used in explaining leadership.

3.0 MAIN CONTENT

3.1 Opening Scenario

Imagine a company with thousands of workers that has seen sales drop in each of the past 5 years. The president of the company steps down and a new president is installed. Several years later, the company makes a profit, and everyone hails the new president as the reason for the improvement.

Also imagine a football team with a winning record in each of the last 10 years. The team coach leaves for another school, and the team loses the majority of its games in the next few years.

In both of these examples, a new leader took over. In the first example, the organization became more successful, whereas in the other example it declined. How much of the organization's performance can be attributed to the leader? If the leader was the major cause of the changes in performance, why was one leader successful and the other a failure? These types of questions will be addressed in this course.

By the end of this course, you will:

- Learn what types of people become good leaders
- Understand the importance of leaders adapting their behaviour to each situation
- Know what skills are essential for effective leadership
- Learn how leaders use power and influence.

3.1.1 An Introduction to Leadership

Over the last few decades many different theories about leadership have been developed. Although none of the theories "tells the whole story" about leadership, each has received at least some empirical support. Understanding the theories and research behind leadership is important because the theory that company executives believe about leadership will, for the most part, determine how an organization selects or develops its managers.

For example, if we believe that certain people are "born to be leaders" because of their personal traits, needs, or orientation, then mangers could be selected partially on the basis of their scores on certain tests. But if we believe that leadership consists of specific skills or behaviors, then theoretically we should be able to train any employee to become an outstanding leader. If we believe that good leadership is the result of an interaction between certain types of behaviours and particular aspects of the situation, then we might choose certain types of people to be leaders at any given time, or we might teach leaders how to adapt their behaviour to meet the situation.

The following pages provide brief explanations of the most popular leadership theories. When reading about each theory, think about what the theory would imply about the selection or development of leaders for an organization. In addition, think of how you manage and the type of leader you wish to be.

3.1.2 Leader Emergence

The idea that leaders possess traits or characteristics different from non leaders is explained under leader emergence. That is, this theory would say that leaders such as Dr. Nnamdi Azikiwe, Chief Obafemi Awolowo ,Alhaji Ahmadu Bello etc. share traits that your neighbour ,or a cook at Mr. Biggs do not. Almost 100 traits have been identified in studies differentiating leaders from non leaders. But only three traits – intelligence, dominance, and masculinity have been commonly found to relate to leader emergence. Even then, the relationship between these traits and leader emergence is not especially strong (Kenny & Zaccaro, 1983). Thus, the preponderance of research suggests that trait theories are not good predictors of leader emergence. Research indicates that males and females emerge as leaders equally often (Benjamin, 1996) and that high self-monitors (people who change their behaviour on the basis of the social situation) emerge as leaders more often than low self monitors (Buchanan & Foti, 1996).

After researching the extent to which leadership is consistent across life, Bruce (1997) suggested that the best way to select a chief executive officer (CEO) is to look for leadership qualities (e.g., risk taking, innovation, vision) and success early in a person's career. As support for his proposition, Bruce cites the following examples:

- Harry Gray, the former Chair and CEO of United Technologies, demonstrated vision, risk taking and innovation as early as the second job in his career.
- Ray Tower, former President of FMC Corp., went way beyond his job description as a salesperson in his first job to create a novel sales training programme. Tower continued to push his idea despite upper management's initial lack of interest.
- Lee Iacocca, known for his heroics at Ford and Chrysler, pioneered the concept of new car financing. His idea of purchasing a 1956 Ford for monthly payments of $56 ("Buy a '56 for $56") moved his sales division from last in the country to first. What is most interesting about this success is that lacocca didn't even have the authority to implement his plan-but he did it anyway.

3.1.3 Leader Performance

In contrast to leader emergence, which deals with the likelihood that a person will become a leader, leader performance involves the idea that excellent leaders possess certain characteristics that poor leaders do not. For example, an excellent leader might be intelligent, assertive, friendly, and independent, whereas a poor leader might be shy, aloof, and calm. Research on the relationship between personal characteristics and leader performance has concentrated on three areas: traits, needs, and orientation.

3.2 Traits

In 1964, a review by Heslin and Dunphy indicated that only two traits intelligence and interpersonal adjustment – have consistently been related to leadership performance. However, it has been proposed that good leaders need to possess only one stable trait: adaptability or self-monitoring In other words, good leaders will constantly change their behaviours to meet the demands of the situation or the person with whom they are dealing with. The concept of self-monitoring focuses on what leaders do as opposed to what they are. For example, a high-self-monitoring leader may possess the trait of shyness and not truly want to communicate with other people. He knows, however, that talking to others is an important part of his job, so he says hello to his employees when he arrives at work, and at least once a day stops and talks with each employee. Thus, our leader has the trait of shyness but adapts his outward behaviour to appear to be outgoing and confident.

It seems that an interesting element of leadership excellence is a function of the right person being in the right place at the right time An interesting extension of the trait theory of leader performance suggests that certain traits are necessary requirements for leadership excellence but that they do not guarantee it. The fact that one person with certain trait becomes an excellent leader while another with the same traits flounders may be no more than the result of timing and chance.

For example, Lyndon Johnson and Martin Luther King, Jr., were considered successful leaders because of their strong influence on improving civil rights. Nevertheless, other people before the 1960s had the same thoughts, ambitions, and skills as king and Johnson, yet they did not become successful civil rights leaders because the time was not right.

SELF ASSESSMENT EXERCISE 1

How can you explain leadership to a non-scholar?

4.0 CONCLUSION

In this unit you gained some insight into what leadership is all about. You learned that leaders may be seen as intelligent and adaptable and can change their behaviour to suit the occasion.

5.0 SUMMARY

The unit supposes that leadership has many conceptions, but more tells all the story of what leadership is all about. However, certain identifiable traits are observable in leaders namely- intelligence, adaptability, dominance, assertiveness and independence.

6.0 TUTOR -MARKED ASSIGNMENT

Explain your understanding of the concept leadership.

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UNIT 2 CHARACTERISTICS ASSOCIATED WITH LEADERSHIP PART 1

CONTENTS

1.0 INTRODUCTION

In unit 2 we gave a brief explanation of what leadership is about. In this unit we consider some of the characteristics associated with leadership. The characteristics you will learn about are:

- The needs of the leader
- Task versus person- oriented leaders
- Magnetic styles leaders in a climate of despair
- Position style in a climate of instability
- Affiliation style in a climate of anxiety
- Coercive style in a climate of crises
- Tactical style in a climate of disorganization

2.0 OBJECTIVES

By the end of this unit, you should be able to:

- List some characteristics of leaders.
- Explain how the characteristics enable leaders to operate in an organization.

3.0 MAIN CONTENT

In the last 100 years, many attempts have been made to identify the personal characteristics that are associated with leader emergence and leader performance.

3.1 Personal Characteristics Associated with the Leader

3.1.1 Needs

Leader's need for power, need for achievement, and need for affiliation are some of the personal characteristic that has received some support research by McClelland and Burnham (1976) and McClelland and Boyatzis (1982).They demonstrated that high-performance managers have a leadership motive pattern, which is a high need for power and a low need for affiliation. The need is not for personal power but for organizational power.

This pattern of needs is thought to be important because it implies that an effective leader should be concerned more with results than with being liked.

Leaders who need to be liked by their subordinates will have a tough time making decisions. A decision to make employees work overtime, for example, may be necessary for the organization's survival, but it will probably be unpopular with employees. Leaders with high affiliation needs may decide that being liked is more important than being successful, causing conflict with their decision.

This theory would also explain why internal promotions often do not work. Consider, for example, a person who worked 6 years as a loan officer. He and ten coworkers often went drinking together after work and away on weekends. But one day he was promoted to manager and then had to lead the same people with whom he had been friends. The friendships and his need to be liked hindered the new manager from giving orders and disciplining his employees. When he tried to separate himself from his friends, he was quickly thought of as "being too good for his friends" – a tough situation with no apparent solution, according to this theory.

A leader should be friendly and care about subordinates but successful leaders will not place their need to be liked above the goals of the organization. Former President Ibrahim Babangida was thought to have a high need for being liked. He would often make a tough decision and then apologize for it because he wanted to be liked by both the public and the press.

Needs for power, achievement, and affiliation can be measured through various psychological tests. The most commonly used is the Thematic Apperception Test (TAT). The TAT is a projective test in which a person is shown a series of pictures and is asked to tell a story about what is happening in each picture. The stories are then analyzed by a trained psychologist who identifies the needs themes that are contained in the stories. Obviously, this technique is time consuming and requires a great deal of training.

Another commonly used measure is the Job Choice Exercise (JCE) developed by Stahl and Harrell (1982). With the JCE, a leader reads descriptions of jobs that involve varying degrees of power achievement, and affiliation needs and then rates how desirable he finds each particular job. These ratings are then subjected to a complicated scoring procedure that uses regression analysis to reveal scores on the three need categories.

Another method to determine leaders' needs is to examine the themes that occur in their writing and speeches. In one interesting use of this method it was found that Presidents Franklin Roosevelt, Kennedy, and Reagan had high needs for power. Presidents Harding, Truman, and Nixon had high needs for affiliation; and Presidents Wilson, Hoover and Carter had high needs for achievement (Winter 1988).

3.1.2 Task versus Person Orientation

Over the last 45 years, three major schools of thought – Ohio State studies (Fleishman, Harris & Burtt, 1955), Theory X (McGregor, 1960), and managerial grid (Blake & Mouton, 1984)-have postulated that differences in leader performance can be attributed to differences in the extent to which leaders are task versus person- oriented.

Person-oriented leaders believe that employees are intrinsically motivated, seek responsibility, are self-controlled, and do not necessarily dislike work. Because of these assumptions, person-oriented leaders consult their subordinates before making decisions, praise their work, ask about their families, do not look over their shoulders, and use a more “hands-off” approach to leadership. Under pressure, person-oriented leaders tend to become socially withdrawn (Bond, 1995).

Task-oriented leaders (task-centered leaders, theory X leaders, leaders high in initiating structure) define and structure their own roles and those of their subordinates to attain the group’s formal goals. Task-oriented leaders see their employees as, extrinsically motivated, wanting security, undisciplined, and shirking responsibility. Because of these assumptions, task-oriented leaders tend to manage or lead by giving directives, setting goals, and making decisions without consulting their subordinates. Under pressure, task-oriented leaders become anxious, defensive, and dominant (Bond, 1995). Interestingly, task-oriented leaders tend to produce humour (e.g., tell jokes and stories), whereas person- oriented leaders tend to appreciate humour e.g., listen to others’ jokes. A leader’s task or person orientation can be measured by several instruments, two of which are the Leadership Opinion Questionnaire (LOQ) and the Leader Behaviour Description Questionnaire (LBDQ). The LOQ is filled out by supervisors or leaders who desire to know their own behavioural style. The LBDQ is completed by subordinates to provide a picture of how they perceive their leader’s behaviour. A meta-analysis by Eagly and Johnson (1990) indicated that females are more likely to have a person orientation and less likely to have a task-orientation than are males.

Research on the consequences of using a task or person- orientation has brought interesting findings. Person-oriented leaders tend to have satisfied employees, whereas task-oriented leaders tend to have productive employees. Leaders scoring high in both (called team leadership) have satisfied and productive employees, whereas leaders scoring low in both (called impoverished leadership) tend to have unhappy and unproductive employees (Pool, 1997).

The above results certainly make sense, but the relationship between person and task- orientation is probably more complex than was first thought. Several studies have shown that such variables as leader experience and knowledge and such external variables as time pressures and work importance tend to moderate the relationship between person-orientation scores and satisfaction and between task -orientation scores and subordinate performance.

3.1.3 Unsuccessful Leaders

In a departure from research to identify characteristics of successful leaders, Hogan (1989) attempted to identify traits of unsuccessful leaders. Hogan was interested in investigating poor leaders because, according to both empirical research and anecdotal accounts, most employees report that one of the greatest sources of stress in their jobs is their supervisors' poor performance, strange behaviour, or both. This finding should come as no surprise: You can probably quickly recall many examples of poor performance or strange behaviour with current or former supervisors.

3.1.4 Magnetic Style in a Climate of Despair

A leader with a magnetic style leads through energy and optimism and is effective only in a climate of despair, which is characterized by low morale. Ronald Reagan is perhaps the best example of a magnetic leader. As president, he was optimistic and well liked, even by people who may not have agreed with him politically. He was elected at a time when the national mood was depressed because of high inflation, high unemployment, and the Iran hostage situation. The chances of successful leadership increase in a situation of general despair when a magnetic or charismatic individual assumes control.

3.1.5 Position Style in a Climate of Instability

A person who uses the position style leads by virtue of the power inherent in that position. Such a person might lead through such statement as, "Because I am your mother-that's why" or "As your captain, I am ordering you to do it." Individuals who use a position style will be effective only in climates of instability. This style is especially effective during corporate mergers, particularly when people are not sure what actions to take. However, there are often questions about a leader's legitimate scope of power (Yukl, 1989).

3.1.6 Affiliation Style in a Climate of Anxiety

A person with an affiliation style leads by liking and caring about others. This style is similar to that of the person-oriented leader discussed previously. A leader using affiliation will be most effective in a climate of anxiety or when worry predominates. Former President Jimmy Carter provides an excellent example of the affiliation style. Carter was elected president shortly after the Watergate affair, when many voters were worried that they could not trust politicians or their government. Carter campaigned successfully with statements such as "I care" and "I'm not part of that Washington crowd."

3.1.7 Coercive Style in a Climate of Crisis

A person using the coercive style leads by controlling reward and punishment and is most effective in a climate of crisis. Such a leader will often use statements such as "Do it or you're fired" or "if you can get the package there on time, I will have a little something for you." This style is typical in war. If soldiers disobey an order, an officer can have them disciplined; conversely, if soldiers behave with bravery and distinction, an officer can reward them with a medal or promotion.

Support for the situational appropriateness of coercive styles of leadership was found by Mulder, de Jong, Koppelaar, and Verhage (1986) when they studied the behaviour of bankers whose leadership styles had been measured by the Influence Analysis Questionnaire. Mulder *et al.* found that in crisis situations, bankers tend to use more formal and coercive types of power than in non crisis situations.

3.1.8 Tactical Style in a Climate of Disorganization

A leader with a tactical style leads through the use of strategy and is most effective in a climate of disorganization. A good example is a class that breaks into small groups to complete an assignment. Ideally, every student knows the material well enough to complete the assignment, but normally there is a limited amount of time and too much work to do. The person who becomes the leader is the one who is best able to organize the group.

3.2 Becoming an Effective Leader: The Impact Theory

If the impact theory is correct, you can become an effective leader by one of the four leadership methods.

Four leadership strategies:

- Find a climate consistent with your leadership style.
- Change your leadership style to better fit the existing climate.
- Change your follower's perception of the climate.
- Change the actual climate.

3.2.1 Find a Climate Consistent With Your Leadership Style

The first is by finding a climate that is consistent with their behavioural style. This method, however, involves either a great deal of luck or a lot of patience, requiring the leader to be in the right place at the right time.

3.2.2 Change Your Leadership Style to Fit the Existing Climate Better

In the second method, leaders change their style to meet a particular climate. That is, if the climate is one of ignorance, individuals change their behaviour and use information to lead. On the other hand, if the climate is one of despair, individuals become more outgoing and positive. Thus, people who are willing to adapt their behaviour and who have the ability to "play" each of the six leadership styles should be effective leaders.

Although there is continual debate about whether a person can be trained to be a leader, a study by Manz and Sims (1986) suggests that leaders can indeed be taught different styles of leadership. Manz and Sims used a behavioural modeling approach to successfully teach 40 leaders how to use positive reward behaviour, reprimand behaviour, and goal-setting behaviour. Thus, those who are willing to use different leadership styles can learn the necessary skills and behaviours through training programs.

3.2.3 Change Your Followers' Perception of the Climate

The third method by which a person can be come an effective leader is to change followers' perception of the climate so that the perception matches the leader's behavioural style. This tactic is common in politics, in which each candidate tries to convince the voting public that he or she is the best person for an office.

3.2.4 Change the Actual Climate

The fourth method by which a leader can be come effective is by actually changing the climate itself rather than simply changing followers' perceptions of the climate. Obviously, this is difficult to do, but it is the strategy advocated in Fiedler's Leader Match training. Such a strategy is difficult but can be successful.

4.0 CONCLUSION

It is self evident that some characteristics follow leaders. You examined some of these characteristics as obtained in organizations as needs of leaders, task or person- oriented leaders magnetic, position, affiliation, coercive and tactical styles of leaders. These characteristics impact on their subordinates.

5.0 SUMMARY

This unit treated some of the characteristics associated with leadership. You learned that leaders have need for power, achievement and affiliation. You also learned that leaders can be either task or person-oriented in their relationship with people in the organization. Some characteristics of successful leaders were discussed as magnetic style in a climate of despair, position style in a climate of instability, affiliation style in a climate of anxiety, coercive style in a climate of crisis and tactics style in a climate of disorganization.

The unit also informed you on how you can be an effective leader. This is by:

a. Finding a climate consistent with your leadership style.
b. Changing your leadership style to better fit the existing climate.
c. Change your followers' perception of the climate.
d. Change the actual climate.

6.0 TUTOR- MARKED ASSIGNMENT

1. List the needs of a leader
2. List and describe 4 features of a successful leader

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UNIT 3 CHARACTERISTICS ASSOCIATED WITH LEADERSHIP PART 2

CONTENTS

1.0 INTRODUCTION

This is a conclusion of unit 2 that dealt with some characteristics associated with leadership. In this unit we conclude the characteristics associated with leadership. You will read about how the evaluation of subordinates of their leader and leaders' ability to enable subordinates fulfill their obligation to the organization brings about acceptance of the leader by subordinates. Furthermore, specific leadership skills of the leader and the method of delivering leadership such as how decisions, contact techniques with subordinates and power usage are also considered. This unit also considers transformational leadership as a characteristic associated with leadership.

2.0 OBJECTIVE

The main objective of this unit is to conclude the characteristics associated with leadership.

3.0. MAIN CONTENT

3.1 Subordinate Ability

House (1971) believed that a leader's behaviour will be accepted by subordinates only to the extent to which the behaviour helps the subordinates achieve their goals. Thus, leaders will be successful only if their subordinates perceive them as working with them to meet certain goals and if those goals offer a favourable outcome for the subordinates.

Because the needs of subordinates change with each new situation, supervisors must adjust their behaviour to meet the needs of their subordinates. That is, in some situations subordinates need a leader to be directive and to set goals; in others, they already know what to do and need only emotional support.

According to House's path-goal theory, a leader can adopt one of our behavioral leadership styles to handle each situation: instrumental, supportive, participative, or achievement oriented.

The instrumental style calls for planning, organizing, and controlling the activities of employees. The supportive-style leader shows concern for employees, the participative-style leader shares information with employees and lets them participate in decision making, and the leader who uses the achievement-oriented style sets challenging goals and rewards increases in performance.

Each style will only work in certain situations and depends on subordinates' abilities and the extent to which the task is structured. In general, the higher the level of subordinate ability, the less directive the leader should be, likewise, the more unstructured the situation, the more directive the leader should be House and Mitchell (1974) further advised that to be effective, a leader should:

- Recognize the needs of subordinates and work to satisfy those needs
- Reward subordinates who reach their goals
- Help subordinates identify the best paths to take in reaching particular goals
- Clear those paths so that employees can reach their goals

Path-goal theory is intuitively appealing because it gives a manager direct advice about how to behave in certain situations. Furthermore, because it is behaviour based rather than trait based, the theory could be used in training. Research," thus far, however, has not supported application of this theory. Thus, if path-goal theory is to have real impact, it will need further revision.

Another theory that focuses on the relationship between leader and follower is the situational leadership theory developed by Hersey and Blanchard. Hersey and Blanchard postulated that a leader typically uses one of four behavioural styles: delegating, directing, supporting, or coaching.

Hersey and Blanchard termed the most important follower ~ characteristic *followers readiness,* or the ability and willingness to perform a particular task. The degree of follower readiness can be measured by either the manager's rating form or the self-rating form developed by Hersey and Blanchard. Scores from these t forms place followers into one of four categories, or readiness (R) levels:

- R1: Unable and unwilling or insecure
- R2: Unable but willing or confident
- R3: Able but unwilling or insecure
- R4: Able and willing or confident

For R 1 followers, the most effective leader behaviour is the directing approach. That is, the leader directs the follower by telling him what to do and how to do it. A coaching approach should be used with R2 followers because they are willing to do the work but are not sure how to do it. Leaders using this approach explain and clarify how work should be done. R3 followers are given plenty of motional support as well as opportunities for two- way communication. This approach is successful because these followers already know what they do but are not sure whether they want to do it. R4 followers are most productive and happy when a delegating leadership style is used. These followers are both willing and able to perform the task. Thus, the only real job for the leader is to delegate specific tasks to subordinates and then let them complete those tasks with minimal supervision or guidance.

Under this theory, effective leaders first diagnose the competency and motivation levels of employees for each goal or series of tasks and then adapt their leadership style to fit the employee's level. As the employee makes developmental progress, the leader changes his style and becomes less directive. It is Important for leaders to discuss this strategy with each employee so that employees will understand why they are being treated a particular way.

As with many theories of leadership, situational leadership theory has excellent intuitive appeal and has been successful in some organizational applications but not others. Unfortunately, however, until more research is available and more revisions to the theory are made, it is difficult to determine its long-term effectiveness.

3.2 Relationships with Subordinates

Vertical dyad linkage (VOL) theory was developed by Dansereau *et al.* (1975) and is a unique situational theory that makes good intuitive sense. The situational theories discussed earlier concentrate on interactions between leaders and situations and between leaders and employees with differing levels of ability. VOL theory, however, concentrates on the interactions between leaders and subordinates. These interactions are called leader member exchanges (LMXs). The theory takes its name from the relationship between two people (a dyad), the position of the leader above the subordinate (vertical), and their interrelated behaviour (linkage).

VOL theory states that leaders develop different roles with different subordinates and thus act differently with different subordinates. Dansereau *et al.* believe that subordinates fall into one of two groups -the in-group or the out-group.

In-group subordinates are those who have developed trusting, friendly relationships with the leader. As a result, the leader deals with in-group members by allowing them to participate in decisions and by rarely disciplining them. Thus, in-group membership is thought to increase performance. Out-group subordinates are treated differently from those in the in-group and are more likely to be given direct orders and to have less say about how affairs are conducted. In general, research on VOL. Theory has been supportive (Gerstner & Day, 1997). There are, however, relationships between leaders and subordinates that probably can be categorized into types other than in-group and out-group. Thus, further research is needed into the relationship between leaders and subordinates.

3.3 Specific Leader Skills

Another way to think about leadership is that excellent leaders possess specific behaviours or skills that poor leaders do not. Yuki (1982), proposed a behavioural theory after observing thousands of leaders in a variety of situations. According to him, leaders do the following:

- Initiate ideas
- Informally interact with subordinates
- Stand up for and support subordinates
- Take responsibility
- Develop a group atmosphere
- Organize and structure work
- Communicate formally with subordinates
- Reward and punish subordinates
- Set goals
- Make decisions
- Train and develop employee skills
- Solve problems
- Generate enthusiasm

In a job analysis of first-line supervisors at the Maryland department of Transportation, the following skills were found essential:

- Organizing
- Analysis and decision

- Planning
- Communication (oral and written)
- Delegation
- Work habits (high-quality work)
- Carefulness
- Interpersonal skill
- Job knowledge
- Organizational knowledge
- Toughness
- Integrity
- Development of others
- Listening

This theory is not particularly exciting and is the least described in textbooks, but it is the way that leadership is most often practiced in the industry. If this theory is true, then leadership and management are something learned; if the specific behaviours and skills important for effective leadership can be identified, then almost anyone can be trained to become an effective leader. There are many examples of such training programs currently in use. If you have ever attended a leadership conference, you probably have noticed that the training involves specific leadership skills such as time management, goal- setting, persuasion, and communication. Such agenda typifies the idea that leadership consists of specific and learnable skills and behaviours.

SELF ASSESSMENT EXERCISE 1

Can effective leadership be taught?

4.0 CONCLUSION

This unit examined more characteristics associated with leadership as acceptability of leaders' authority over subordinates. In effect, if a leader does not perform well he is not viewed as a leader.

5.0 SUMMARY

The unit treated more characteristics associated with leadership. In the discussion you read that a leader's leadership role is accepted more if the leader is accepted by the subordinates because of some special skills that he has.

6.0 TUTOR- MARKED ASSIGNMENT

How does the way a leader carry himself lead to acceptability of his leadership?

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UNIT 4 FACTORS THAT LEAD TO SUCCESSFUL LEADERSHIP

CONTENTS

1.0 INTRODUCTION

In the previous units, you learned about the characteristics associated with leadership. This is not enough if you are aspiring to be a leader in an industry. You need to know the factors that lead to successful leadership. In this unit, you will learn how to be a successful leader through making decisions that put you shoulder high above those you are leading. You will learn when to take decisions alone and when to discuss it over with your subordinates. You will also learn that making contacts with your workers enables effective leadership. Consequently, enhancing your expertise in the enterprise increases your leadership position. You will learn in this unit that having legitimate power, power to coerce or reward and referent power will stabilize your leadership of an organization.

2.0 OBJECTIVE

This unit will enable you to be aware of some human factors that enhance leadership effectiveness.

3.0 MAIN CONTENT

3.1 Leadership through Decision Making

Decision making is a specific behaviour or skill that is important for a leader to possess. Vroom and Yetton (1973), however, pointed out that previous research has shown that only in certain situations are decisions best made with the participation of a leader's subordinates, colleagues, or both. Because of this situational aspect to decision making, Vroom and Yetton believed that teaching leaders to become better decision makers could improve leadership performance. To aid this process, Vroom and Yetton developed a decision tree to help leaders decide when decision should be made alone and when they could be made with the help of others. Of course, developing a chart that would tell what they do in every be possible situation. But the Vroom-Yetton model does not provide a flowchart that can tell a leader what processes to go through to make a decision in a particular situation.

3.2 Leadership through Contact

Another popular specific behavioural theory is management by walking around (MBWA) .According to this theory, leaders and managers are most effective when they are out of their offices, walking around and meeting with and talking to employees and customers about their needs and progress. MBWA is thought to increase communication, build relationships with employees, and encourage employee participation (Miller, 1998).

In an interesting series of studies by Komaki and associates (komaki, Zoltnick, & lensen, 1986), the behaviour of bank managers was observed to determine the differences between effective and ineffective managers. The results of the investigations indicated that the main difference between the two was that effective managers spent more time walking around and monitoring the behaviour and performance of their employees. Empirical evidence thus seems to support the MBWA concept.

3.3 Leadership through Power

Another strategy that leaders often use is management by power. Power is important to a leader because as it increases, so does leader's potential to influence others. Leaders who have powers are able to obtain more resources, dictate policy, and advance further in an organization than those who have little or no power.

There are five types of power; expert, legitimate, reward, coercive and referent.

Expert power

Leaders who know something useful that is, have expert knowledge will have power. Nevertheless, there are two requirements for expert power. First, the knowledge must be something that others in an organization need. In a university's psychology department, a researcher with an excellent grasp of statistics has power over those who do not. Similarly, a soldier who knows how to get around the military bureaucracy has more power than those who only know how to follow established channels and procedures.

Second, others must be aware that the leader knows something. Information is powerful only if other people know that the leader has it or if the leader uses it (Benzinger, 1982)

Legitimate Power

Legitimate power is obtained by leaders because of their position. For example, a sergeant has power over a corporal, a vice- president has power over a supervisor, and a coach has power over players on a football team. Leaders with legitimate power are best able to get employees to comply with their orders (Rahim & Afza, 1993).

Reward and Coercive Powers

Leaders also have power to the extent that they can reward and punish others. Reward power involves having control over the obvious salary increases, bonuses, or promotions and the subtle praise or more favourable work assignments.

For a leader to have coercive power it is important that others believe he is willing to use his ability to punish; he cannot maintain coercive power if employees believe he is bluffing I .Punishment includes such actions as firing or not promoting and the more subtle actions of giving a "cold shoulder"

Referent Power

Another source of power for a leader may lie in the positive feelings that others hold for him. Leaders who are well liked can influence others even in the absence of reward and coercive power. Leaders can obtain such referent power by complimenting others, doing favours, and generally being friendly and supportive (Kipnis, Schmidt, & Wilkinson, 1980).

SELF ASSESSMENT EXERCISE 1

Mention the leadership skills discussed above. Which have you seen leaders use and how?

4.0 CONCLUSION

In this unit, you were able to learn that some acts of the leader are necessary for him to enhance his leadership position. It is obvious that for you to be an effective leader you must develop the skills to position yourself in an organization so that you can lead them effectively.

5.0 SUMMARY

You learned in this unit that the way you make your decisions, contact your subordinate, use expert power, legitimate, reward or coercive and referent power determine the extent to which you can exercise your leadership effectively in an organization.

6.0 TUTOR -MARKED ASSIGNMENT

Critically examine when best to use any of the leadership factors as mentioned.

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UNIT 5 LEADERSHIP THROUGH VISION

CONTENTS

1.0 INTRODUCTION

In this unit, you are going to learn how leaders with vision are able to get the respect of their followers. These brands of leaders are known as transformational leaders. They believe in long term planning that changes the landscape wherever they operate. They face a lot of opposition but by good strategic planning are able to overcome and achieve their aims.

2.0 OBJECTIVE

In this unit, you will learn how to be a visionary leader for the purpose of effective leadership of an organization

3.0 MAIN CONTENT

3.1 Transformational Leadership

Whereas most leadership theories concentrate on the short-term relationship between leaders and subordinates (Howell & Avolio, 1993), transformational leadership focuses on long-term goals (Howell & Avolio, 1993).”Transformational leaders are often labeled as being visionary, charismatic and inspirational". They lead by developing a vision, changing organization to fit this vision, and motivating employees to reach the vision or long-term goal. Transformational leaders have a need to influence others. They leaders are confident, and hold a strong attitude that their beliefs and ideas are correct. They innovate, challenge the status quo, focus on people, are flexible, look to the future, carefully analyze problems, and trust their intuition (Yuki, 1994).

A good example of a transformational leader is Prof. Soludo, Governor of the Central Bank of Nigeria. Prof. Soludo is charismatic, visionary (his consolidation of the financial institutions were challenged but he stuck to his guns and achieved great success for the Nigerian economy). Yuki (1994) offered the following guidelines for transformational leadership:

- Develop a clear and appealing vision.
- Develop a strategy for attaining the vision.
- Articulate and promote the vision.
- Act confident and optimistic.
- Express confidence in followers.
- Use early success in small steps to build confidence.
- Celebrate successes.
- Use dramatic, symbolic actions to emphasize key values.
- Lead by example.
- Create, modify, or eliminate such cultural forms as symbols, slogans, and ceremonies.

Some researches on transformational leadership indicate that it is the most effective form of leadership, which is used on every continent, and is best liked by employees. After studying a variety of successful and unsuccessful leaders, Hunt and Laing (1997) concluded that too much effort has been expended in trying to label leaders as "transformational'" or "charismatic". Instead, they proposed that excellent leadership should be defined by exemplar, that is, does a leader have characteristics similar to successful leaders and dissimilar to unsuccessful leaders? On the basis of their research, Hunt and Laing (1997) hypothesized that good leaders possess five characteristics not shared by poor leaders: vision, differentiation, values, transmission, and flaws.

Vision

Good leaders have a vision of where they want the organization to go and provide direction toward that end. This is consistent with the notion of transformational leadership. Hunt and Laing (1997) found that their subordinates described 72% of high-performing leaders as being visionary compared to only 34% of the least successful leaders.

Differentiation

There is the belief that successful leaders are somehow different from their followers. In some cases, the difference might be one of personality, while in others it might be one of charisma, knowledge, or skill. Though successful leaders are somehow different from their followers, they are also similar to relate to and empathize with their followers. A good example of this point can be found in presidential elections. Candidates travel the country trying to relate to the people by wearing regional attire (e.g., red caps by Hausa/Fulani, agbada by Igbos) but still trying to "look presidential".

Values

Successful leaders have strong values. For example, Wall-mart founder, Sam Walton strongly valued customer service, whereas Southwest Airlines CEO Herb Kellher strongly values employee relations.

Transmission of Vision and Values

Successful leaders are able to communicate their vision and values to others. Thus, successful leaders tend to have good oral, written, and interpersonal skills.

Flaws

Interestingly, successful leaders typically have a major flaw and they know it. This flaw makes the leader more human and provides a target that followers can focus on when they are upset with the leader. A look at recent presidents shows many with flaws: Obasanjo has his talking mannerisms, and Babangida had his dribbling. Our attention to these flaws often kept people from criticizing the presidents on more important problems (e.g. ethics, economy, foreign relations).

3.2 Leadership through Persuasion

One skill that is commonly needed by leaders is the ability to persuade others. Supervisors often need to persuade upper-level managers that a new programme will work; politicians need to persuade fellow politicians to vote in a particular way; and public relations executives often want to persuade the public to change its perception of an organization or a product. We will only briefly discuss two important aspects of persuasion here-the communicator and the message.

3.2.1 Persuasion by Communication

Considerable research has indicated that people who have certain characteristics can communicate through persuasion more easily than people who lack these characteristics, which include expertise, trustworthiness, and attractiveness.

Expertise: Research has found that in general a leader who either has or is perceived as having expertise about a topic will be more persuasive than a leader who does not. Thus for leader to persuade his followers, they must be the most knowledgeable about their common interest in much high-technology fields. Technical knowledge is an essential characteristic for a leader. If, however, those who are to be persuaded also are knowledgeable about a topic, the leader's expertise plays a smaller role.

Trustworthiness: Trustworthiness is another leadership characteristic that is important in persuasion. Those who sell used cars for example, have difficulties in persuading customers to buy cars because customers do not trust them. In addition, in many corporations, management is distrusted by its employees and thus has trouble convincing union members, especially, that the organization does not have the money available to grant raises. When being persuaded, then, people look not only at the expertise of the persuader but also at his motives.

To improve his trustworthiness, a leader can do several things. First, he can occasionally argue against what appears to be his own self-interest. For example, he can sometimes tell his employees not to work as hard, or he can disagree to be one-side.

A leader also can communicate to those he hopes to persuade not only that he is similar to them but also that his goals are the same as theirs. For example, a manager trying to increase his department' budget can explain to the vice-president that his goal includes saving the company money but that to do so he needs a larger recruiting budget so that better quality employees can be hired.

Attractiveness. Attractive people tend to receive higher interview scores than do unattractive people. Attractiveness has the same effect with persuasion. Attractive people are more persuasive than unattractive people. This is why television commercials generally use attractive people and why attractive politicians are considered ideal candidates.

3.2.2 The Message

In addition to the leader's personal attributes, the type of message that is presented also has a role in persuasion. Research has focused on three aspects of the message, discrepancy, one-sided versus two-sided arguments, and the use of threats.

3.2.3 Message Discrepancy

Suppose that you are representing a group of employees in a labour negotiation. The employees currently are paid N8 per hour, but you think they deserve N10 per hour, what strategy would best achieve an increase to N10? Would it be to ask for N20 an hour and hope that management will actually give you more than N10? On the other hand, would the best strategy be honesty, that is, ask for exactly what you want-N10 per hour? Alternatively, would the best strategy be to ask for N13 an hour so that you appear reasonable but still have room to "give in" when management offers N8.50 per hour?

According to persuasion research, the third choice would be best. Ask for more than you want and then back down during negotiations. Asking for too much, or making an argument that is too far away from the other side's will diminish your credibility. Asking for the amount you actually desire leaves no room for negotiation.

3.2.4 One- Sided Versus Two-Sided Arguments

Another question that arises concerning the persuasive message is whether giving only one side of an argument is better than giving both sides. The answer is, "it depends." If the person being persuaded is already positive about an idea, it is usually better to argue only one side of an issue. If however, the other person disagrees with the reasoning, it is better to argue both sides (Sawyer, 1973). When the other side is presented, the other person's perspective is after the other side of the issue has been argued, it can be refuted, and the favoured side can bring up negative information about you or position, it is better to bring it up yourself to 'steal their thunder" .

3.2.5 Threats

A leader can use threat as another method of persuasion when appropriate. For a threat to be effective, however, the person being persuaded must actually believe, that the consequences of not complying are undesirable and inevitable. For example, a supervisor tells an employee that he will be fired if he does not work overtime. For the threat to be effective, the employee must believe that the supervisor has both the authority and the willingness to fire him. Even then, the threat will be effective only if the employee values his job. Threats certainly can be effective in persuasion, but they also can have negative consequences. Few people like being threatened, and many will resent the person who makes the threat. Some may even so react against the threat that they do the opposite of what the leader wants.

SELF ASSESSMENT EXERCISE 1

How can a leader with vision transform an organization?

4.0 CONCLUSION

In this unit you learned about how a leader with vision can transform an organization and by so doing earn their respect. Leaders are also shown to have other qualities that enhance their leadership. These traits are persuasive ability, trustworthiness; attractiveness etc. Some leaders have more than one of these traits and use them effectively.

5.0 SUMMARY

Effective leaders possess specific skills, such as persuasion, motivation, and decision-making that ineffective leaders do not. They must possess the skills and personality to be a transformational leader.

6.0 TUTOR- MARKED ASSIGNMENT

How do transformational leaders change their organization towards the path of success?

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UNIT 6 ORGANIZATIONAL CHANGE

CONTENTS

1.0 INTRODUCTION

In this unit you will learn about how a leader can introduce changes that will be accepted by the employees in an organization. Three methods of introducing change are discussed. These include: sacred cow, in which employees evaluate old ways of doing things for possible changes. In the paper cow technique they look for ways of reducing paper work while still achieving they organizational goals. Wastage of time in organization is made understandable by costing man- hour lost as a result of long hours of meetings. This technique is known as meeting cow. The unit also contained information that speed cow which means pushing staff to complete work quickly may lead to low quality work. You will learn that ability to effect these changes depending on the following; denial, defense, discarding, adaptation and internalization.

2.0 OBJECTIVES

By the end of this unit, the student should be able to discuss:

- How and why organizations change
- How to increase employee acceptance of change

3.0 MAIN CONTENT

In this unit, you will learn about organizational development and the process of improving organizational performance by making organization-wide changes. Though there are many aspects to organizational development, this unit will focus on only four of the major issues: managing change, empowering employees, developing teams, and downsizing.

3.1 Managing Change

Change occurs for many reasons and takes on many forms in organizations. Changes in organizations may be due to the need to downsize, reorganize, or the introduction of teams. Some changes are the result of such external mandates as managed care or new governmental regulations. Still other changes occur due to new leadership or new personnel.

3.2 How Changes are Carried Out

3.2.1 Sacred Cow Hunts

According to Kriegel and Brandt (1996) the first step towards organizational change a "sacred cow hunt." Organizational sacred cows are practices that have been around for a long time and invisibly reduce productivity. A sacred cow hunt, then, is an organization wide attempt to get rid of practices that serve no useful purpose. In a sacred cow hunt, an organization looks at all its practices and policies and asks such questions as:

- Why are we doing it? Does it add value, improve quality, improve service, or improve productivity?
- What if it didn't exist?
- Is it already being done by someone else?
- How and when did we start doing this?
- Can it be done better by another person, department, or company?

Types of sacred cows include the paper cow, the meeting cow, and the speed cow.

The Paper Cow

Paper cows are unnecessary paperwork-usually forms and reports that cost organizations money to prepare, distribute, and read. To determine if some thing is a paper cow, consider the extent to which the paperwork increases efficiency, productivity, or quality. Ask if anyone actually reads the paperwork.

A unique strategy tried by employees at one company was to stop sending a monthly report that had been distributed for years. The employees' thinking was that if the report were actually needed, they would receive complaints. Three months and three missing reports later, no one had complained!

A good annual practice is to review all forms and reports and determine whether they are still needed and, if they are, whether they are needed in their current format. To demonstrate the importance of this practice, review the forms used by your university or organization. How many of them are a third of a page or a quarter of a page? Probably none. There seems to be a unwritten rule that all forms must ask questions until the bottom of the page is reached. I was recently preparing contacts for our graduate assistants and noticed that I was being asked questions about the university from which the students had received their undergraduate degrees, their undergraduate GPA, and their work histories. Note that these were contacts, not application forms, where this information was already hunt, I called the graduate college to ask why this? Did anyone actually need this information? No. will you change the form for next year? No.

The Meeting Cow

Another area ripe for change is the number and length of meetings. Think about meetings you have attended recently. How much meeting time was spent doing business as opposed to socializing? Was the meeting necessary? To reduce the number and length of meetings, some organizations ask the person calling the meeting to determine the cost of the meeting (e.g., 1-hour's salary of each attendee, cost of meeting room, cost of refreshments and supplies) and to consider whether the cost of the meeting will exceed the potential benefits. In some of these organizations, the meeting costs are actually posted at the beginning of the meeting! Needless to say, when people are forced to consider the benefits of most meetings against their cost, most meetings will not be held.

The Speed Cow

Unnecessary deadlines are another source for potential change.
Requiring work to be done "by tomorrow" is sometimes necessary. However, unnecessary deadlines cause employees to work at a faster than optimal pace, resulting in decreased quality, increased stress, and increased health problems.

In addition to sacred cow hunts, Kriegel and Brandt (1996) suggested that effective change can be encouraged by using the following strategies:

- Think like a beginner: Ask stupid questions, constantly ask “why” things are being done a certain way, and don’t assume anything makes sense.
- Don’t be complacent with something that is working well. Keep looking for ways to improve, new markets to enter, new products to introduce.
- Do not play by everyone else’s rules; make your own.
- Rather than penalizing mistakes, reward employees for attempting to change or to try something new.

3.3 Employee Acceptance of Change

Employees are often initially reluctant to change .Though change is often beneficial to organizations. This reluctance is understandable, as employees are comfortable doing things the old way. They may fear that change will result in less favourable working conditions and economic outcomes than what they were used to. According to consultant William Bridges (1985), it is common for employees undergoing change to feel out of control and feel as if they are losing identity (who am I? What am I supposed to do?), meaning (How do I fit into the newly changed organization?), and belonging (Why do I have to work with a bunch of new people I do not even know?).

3.3.1 Stages Employees Go Through During Periods of Change

Employees go through five stages during major organizational changes: denial, defense, discarding, adaptation, and internalization.

Stage 1: Denial. During this initial stage, employees deny that any changes will actually take place, try to convince themselves that the old way is working, and create reasons why the proposed changes will never work (e.g., “We tried that before and it didn’t work,” “Something like that won’t work in a company like ours”).

Stage 2: Defense. After employees begin to believe that change will actually occur, they become defensive and try to justify their positions and ways of doing things. The idea here is that if an organization is changing the way in which employees perform, there is an inherent criticism that the employees must have previously been doing things wrong.

Stage 3: Discarding. At some point, employees begin to realize not only that the organization is going to change but that the employees are going to have to change as well. That is, change is inevitable, and it is in the best interest of the employee to discard the old ways and start to accept the change as the new reality.

Stage 4: Adaptation. At this stage, employees test the new system, learn how it functions, and begin to make adjustments in the way they perform. Employees spend tremendous energy at this stage and can often become frustrated and angry.
Stage 5: Internalization. In this final stage, employees have become immersed in the new culture, have become comfortable with the new system, and have accepted their new coworkers and work environment.

SELF ASSESSMENT EXERCISE 1

Critically examine how changes can be carried out without problems in an organization?

4.0 CONCLUSION

In this unit, you learned what leaders do when they want to bring about a change. This is done in collaboration with the employees. It is expected that this makes it possible for employees to see the changes as theirs. This enables wild acceptance.

5.0 SUMMARY

You now have information on how organizations introduce changes in collaboration with employees in order to attract acceptance of the change by the employees.

6.0 TUTOR- MARKED ASSIGNMENT

Look into any organization undergoing change, what methods did they use?

7.0 REFERENCES/FURTHER READINGS

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UNIT 7 FACTORS THAT INFLUENCE ACCEPTANCE OF CHANGE

CONTENTS

1.0 INTRODUCTION

Employees readily accept and handle change depending on the reason behind the change, the leader making the change, and the personality of the person being changed. We will discuss these things in this unit.

2.0 OBJECTIVE

In this unit, you will learn how some factors influence acceptance of change.

3.0 MAIN CONTENT

In this unit you will learn how the factors that influence acceptance of change

3.1 Factors that Influence Acceptance of Change

3.1.1 The Reason Behind the Change

The reason behind the change is often that for employees' acceptance of change. For example, employees understand (but do not necessarily like) change that is due to financial problems, external mandates, or attempts to improve the organization. Acceptance is lower when employees perceive the change to be a change in organizational philosophy, a whim on the part of the person making the change ("Hey, let's do teams"), or a change because everyone else is changing ("Everyone else has teams, so we need to create them now before we get left behind"). Employees are least likely to accept change if they do not understand or were not told the reasons behind the change.

3.1.2 The Person Making the Change

Another factor affecting employees' acceptance of change is the person making or suggesting the change. Changes proposed by leaders who are well liked and respected and who have a history of success are more likely to be accepted than changes proposed by leaders whose motives are doubted. Let me provide two very different examples.

In the first example, the head of a small consulting firm decided to change the focus of her business from delivering training seminars to helping companies switch from a traditional organizational approach to a flatter, team-based approach. Though the consultant's employees were apprehensive about the change in focus, they quickly accepted the change because the consultant was well respected for her knowledge, treated her employees as family, and had on a prior occasion changed the company's focus, resulting in a 30% increase in revenue. Nigerians for example are more likely to accept any change in financial regulation that comes from the Central Bank of Nigeria Governor, Prof. Soludo because of the pedigree of success engendered by the consolidation of banks.

In the second example, due to financial and regulatory reasons, a local mental health agency was forced to move its 120 employees from their current buildings to a new location. A management committee was formed to determine the location for the new building. When the new location was announced, the employees were very upset. The new building was expensive, in a highly congested traffic area, and located far away from most of the agency's clients. The employees' unhappiness was not due to the relocation but to the choice of buildings. It just did not make sense. That is, it did not make sense until several of the employees realized that the new building was only 5 minutes from where each of the deciding committee members lived. I do not think I have to finish the story for you to understand the importance of motive.

The difference in the two previous stories is clear. In the first story, employees quickly accepted change because they trusted the person making the change. In the second story, the employees did not accept the change because the decision makers were not well respected and acted in a manner not consistent with the well-being of the majority of employees.

For organizational change of any type to work, it is essential that employees trust the organization as a whole as well as the specific individuals making the change.

3.1.3 The Person Being Changed

There is considerable variability in the way in which people instigate or react to change. Change agents are people who enjoy change and often make changes just for the sake of change. A change agent's motto might best be expressed as "if it isn't broke, break it." Though many people like to call themselves a change agent, it may not be such a compliment. That is, reasoned change is good, but change for the sake of change is disruptive. In some organizations the change may be in name, nothing really changes in the way of doing things.

Change analysts are not afraid to change or make changes but want to make changes only if the changes will improve the organization. Their motto might be "if it isn't broke, leave it alone; if it's broke, fix it". Change analysts are people who constantly ask such questions as "Why are we doing this?" and "Is there a better way we could be doing this?" In contrast to the change agent, they are not driven by a need to change constantly.

Receptive changers are people who probably will not instigate change but are willing to change. Their motto is "If it's broke, I'll help fix it." Receptive changers are essential for any major organizational change to be successful.

Reluctant changers will certainly not instigate or welcome change, but they will change if necessary. Their motto is "Are you sure it's broken?"

Change resisters hate change, are scared by it, and will do anything they can to keep change from occurring. Their motto is "It may be broken but it's still better than the unknown."

3.2 Implementing Change

The way in which the change is implemented is another important factor in employee acceptance of change. That is, how and when will details are communicated? How long will the implementation take? Does the organization have the right personnel for the change? What types of training needs does the organization have?

3.3 Creating an Atmosphere for Change

According to Denton (1996), one of the first steps in organizational change is to create the proper atmosphere for change. This process begins by creating dissatisfaction with the current system. Employees should be surveyed to determine how satisfied they are with the current system. If things go as normal, the results of the survey will indicate that many employees are unhappy with the ways things are currently done and have suggestions for improvement.

By sharing these results with employees, an organization can protect itself from employees' reacting to change by remembering the "good old days." Instead, employees will focus on the "bad old days" and be more willing to change.

Perhaps a good example of this comes from some friends of mine who had been dating for several years. For the last few months of their relationship, each of the two would privately tell me how stale their relationship had become and say that if was time for a change. "Jill" made the decision to end the relationship and told "Jack" of her decision on Friday night. The following week, Jill was energetic and enthusiastic, talked of dating new people, and even asked if I knew any good-looking single people. Jack, however, whined all week about how well a relationship, he and Jill had had and how he would never be able to find another woman he would love so much. What was the sudden difference in their attitudes? Jill kept the "bad old days" in mind when she made the decision to end the relationship, and Jack remembered only the "good old days" after the relationship ended.

Some of this "pining for the good old days" seems inevitable. A colleague of mine had been complaining for years about his college president. The president eventually was fired and replaced by a new president who made many strange changes. It did not take a year before my colleague lamented about how much be missed his former boss. It took only a few reminders of the horror stories he had told me about his previous boss to quiet this lamenting.
After creating dissatisfaction with the status quo, Denton (1996) advised organizations to work hard to reduce the fear of change by providing emotional support, allowing employees to vent and discuss their feelings, and providing employees with a safety net that allows them to make mistakes during the transition period. This fear can also be reduced by describing the benefits of change.

3.4 Communicating Details

When employees are kept well informed the reasons for the change they are most responsive to change unless there is a need for secrecy (eg. a merger), employees should be aware of and involved in all aspects of the change from the initial planning to the final implementation. If employees are kept in the dark until the very end, they usually suspect that something bad is happening. It seems to be human nature to think the worst when we do not know something. The following should be considered when communicating change;

- Communicating change is hard work. Early in the change process, leaders normally thought it they done a good job in communicating the reasons for and details of their restructuring. However, a change readiness survey when administered to employees may indicate that many employees did not understand the change or were still resisting the change. The survey results may show that it still had a way to go in communicating important information to its employees.
- Training is needed. The employees who were given the responsibility for communicating the change have to be be properly trained in such areas as dealing with employee hostility and resistance.
- Two-way communication is essential. Employees must have the opportunity to provide feedback to the people making the changes.
- Honesty is the best policy. Be honest with employees and tell them information as it arises rather than waiting until all aspects of the change are completed.

3.5 Time Frame

Most successful organizational changes occur in a timely fashion. The longer it takes to change, the greater the opportunity for things to go wrong and the greater the chance that employees will become disillusioned. Many consultants advise that organizations should not remain in a “change mode” for longer than 2 years.

3.6 Training Needs

After an organization has made a major change, it is often necessary to train employees. For example, if an organization changes to a new computer system, all employees working with computers will need to be trained how to use the new system. Likewise, if an organization is changing to a self-directed team environment, employees will need to be trained in such areas as goal setting, teamwork, presentation skills, and quality analysis.

SELF ASSESSMENT EXERCISE 1

Examine how a company can use the above information during reforms.

4.0 CONCLUSION

It is obvious that introducing change is not an easy task. The reformist must be very wary of the human factor in an enterprise to enhance acceptance of any change. People may resist the change even if it will be beneficial to the organization. With this information, you will be in a better stand in handling organizational changes.

5.0 SUMMARY

This unit exposed you to some of the factors that influence acceptance of change within an organization. These factors were the reason behind the change, the leader making the change, and the personality of the person being changed. Apart from these the way the change agents carry themselves and the recipient of the change are major assets that engender success in the envisioned change.

6.0 TUTOR- MARKED ASSIGNMENT

Critically examine the factors involved in ensuring successful changes in an organization.

7.0 REFERENCE/FURTHER READING

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UNIT 8 LEADERSHIP AND ORGANIZATIONAL CULTURE

CONTENTS

1.0 INTRODUCTION

Another important consideration a leader must be aware of in organizational change is organizational culture. It is often referred to as corporate culture or climate, organizational culture is the shared values, beliefs, and traditions that exist among individuals in organizations (Nwachukwu & Vitell, 1997).In this, unit we are going to examine the culture that exists in organizations and how they impact on employees.

2.0 OBJECTIVE

This unit explains the importance of organizational culture in periods of organizational change.

3.0 MAIN CONTENT

3.1 Organizational Culture

Organizational culture is the culture that establishes workplace norms of appropriate behaviour, that define what are right or wrong roles and expectations that employees and management have of each other (Nwachukwu & Vitell, 1997). Most cultures have a subculture. For example, the environment in which you were raised is a subculture of a bigger culture.

In organizations, each department or office can be a subculture with norms of behaviours that may be different from those of the overall organization. How each department reacts to change is a result of that subculture. Most major changes, such as changing management philosophies, will require a culture and a subculture change to support the implementation of new ideas throughout the entire organization.

Think of this university as an organization with its own culture and your study centre as a subculture. Your university probably has created a culture of honesty and trust where each student is expected to adhere to an honour codes. To enforce or maintain that culture, it uses sanctions such as taking you before the Judicial Board if you are caught cheating or violating some other rule.

From the first day of class, norms such as good attendance and participation in class have been established that create a subculture. These norms were probably established by rules that your facilitator orally communicated or were written in your class syllabus. If you know that the classroom culture is one where you may be expected to discuss your reading material, you are more likely to read your text each week prior to class. Your facilitator may use certain rewards (such as giving points for classroom participation) or sanctions (such as taking off points) to maintain the culture. Eventually, this culture, which includes the expectations of the facilitator, gets communicated to other students, who at that point decide whether they want to be members of that culture or not members of that culture or not. In other words, if the class and expectations are too hard, the students will sign up for a different class with a more compatible culture.

Culture and norms also result from observing, or modeling, the behaviors of others. Just like your individual personal cultures, which contained role models such as your parents, church, and friends who significantly influenced you over the years, organizational culture also has role models who influence your work behavior and teach you norms (Nwachukwu & Vitell, 1997). Going back to the classroom example, if you observe your facilitator coming in late every class or several of your classmates consistently arriving late or leaving early without negative consequences, this may begin to create a culture of irresponsibility or unaccountability. You may eventually become one of those students with poor attendance because this has become the accepted "norm." To transform that culture into one of accountability and responsibility, the leader (your facilitator) needs to model appropriate behavior and to use some strategy (such as taking off points for tardiness) to maintain the better culture.

As you can see, organizational culture can aid employees in behaving optimally. However, it can also be a contributing factor in much undesirable behaviour such as unethical decision making.

For example, if an organization is top management consistently - engages in unethical behaviours and decision making, it is likely that its employees will learn those norms and incorporate them into " their own professional value system and behave accordingly' (Nwachukwu & Vitell, 1997). To change that behavior, the cultural norms that hinder change must be eliminated (e.g., unethical supervisors, positive consequences of unethical behaviour such as financial rewards)

Organizational culture has traditionally been ignored during restructuring and other changes. This is either because there is a general belief that culture cannot be changed or because many organizations do not know how to change their cultures. In fact, in a recent survey of 500 corporations, 70% stated that they did not have the knowledge to address cultural issues (Sherriton & Stern, 1997). Without such knowledge, changes in the way the company operates, and the way its employees behave, will not be long lasting. Consequently, it is important that an organization knows how to include culture in its change process.

3.2 Changing Culture

Making organizational changes does not necessarily mean that everything about the existing culture must change. According 'to one manager, "The change process includes holding on to the successful elements of the present culture and adding new elements that are important". Consequently, the first step in changing culture is assessing the desired culture and comparing it with the existing one to determine what needs to change. Two additional steps are creating dissatisfaction with the current culture to create support for the new one and maintaining new culture.

3.2.1 Assessing the New Culture

Assessment of the new culture involves a great deal of discussion and analysis and should include the following steps (Sherriton & Stern, 1997)

Step 1: Needs Assessment. The current culture must be analyzed and compared with the desired culture to determine what needs to be changed because there may actually be parts of the existing culture that support certain organizational changes. For example, if an organization wants to move from a traditional hierarchical management philosophy to a more empowering one where employees share more decision-making responsibilities, systems, procedures, and policies will have to be changed to fully support the new culture. Areas such as role expectations, job descriptions, identifying the new decision-making responsibilities, accountability, rewards, and employee selection systems must be reviewed. Data for an analysis are usually collected through observations, review of existing documentation, and employee interviews and surveys consisting of questions that ask for potential recommendations of changes.

Step 2: Determining Executive Direction. Management must then analyze the needs that determine the decisions or actions that will reinforce the culture and to assess the feasibility of certain changes. Using the example above, if most of the supervisors and managers in an organization are unwilling to share their decision- making authority, a true "empowering" culture cannot be maintained. Consequently, that may be a change that will not be reinforced by the culture. In fact, according to research, it takes the wholehearted support of top management to implement an empowering philosophy. Addressing possible obstacles to culture change during the transformation process can usually minimize unintended consequences.

Step 3: Implementation considerations. This area addresses how the new culture will be implemented. Will committees or ad hoc groups be set up to carry out changes, or will management execute the changes? If the organization's desired culture is to allow more input by employees, employees should be allowed to participate in the implementing of an empowering organization in order to support the new culture.

Step 4: Training. Culture change means a change of philosophy, and that ultimately means different role expectations. As with any new skill, all organizational members must be trained in a new philosophy for the new culture to thrive and be long lasting. This has often been the biggest barrier in organizations that have declared that their members are now empowered to share in decisions. Employees, both management and lower level, are typically not trained on what that means. As explained later in this chapter, management and employees have a different interpretation of what empowerment culture means and how to carry it out. Training can reduce such ambiguity and confusion.

Step 5: Evaluation of the New Culture. As with any change, an evaluation mechanism must be established to review the new culture. Issues such as whether the change actually has occurred or whether old norms and procedures still exist should be addressed. If the change has not occurred, additional strategies must be identified to establish and support the new culture.

Now that the ideal culture has been determined, the next step is implementing it. This is done by creating dissatisfaction with the existing one.

3.2.2 Creating Dissatisfaction with Existing Culture

This means communicating to employees the future impact of continuing to "do business as usual." For example, many organizations share data that show technological trends and the financial performance of the company. If employees see this information as negatively affecting either them or the organization as a whole, this can create the necessary displeasure with the status quo and be the catalyst for developing a new business strategy.

Distributing attitude surveys that ask people how satisfied they are with the organization's goal and to suggest ideas for changes is another way to create dissatisfaction. The results of the survey are distributed throughout the organization so that people can see the dissatisfaction level and will begin to buy into a new culture and other organizational changes.

The key at this point is to allow input from employees in the process. A successful culture transformation requires commitment from all levels of the organization. When employees have an opportunity to be an actual part of the change, they are more likely to be committed to it .Once you have started the process of transformation, it is important that it be maintained.

3.3 Maintaining the New Culture

Developing new reward systems and selection methods should occur if the new culture is expected to last. Rewarding current employees for successfully participating and cooperating with the new system is imperative (Hawk, 1995). These rewards can include pay for performance in jobs that have increased responsibilities due to the new culture or other changes. Nevertheless, they also go beyond financial rewards and can include employee recognition and meaningful work.

3.3.1 Selection of Employees

Future employees should be selected because of how well they fit into the new culture. For example, if the new culture is one of team decision making, new employees should have not only have the ability but also the Willingness and personality to perform in such an environment. As Current employees are replaced by the new ones, the new Culture can become "frozen" into the desired system selected by the leadership

(Lewin, 1951). On the other hand, continuing to hire employees who prefer a more structured management Philosophy and who work better alone will eventually cause the organization to revert to its old Culture.

Finally, the Socialization process of new employees must reinforce the new Culture. Organizational Socialization is the process whereby new employees learn the behaviors and attitudes they need to be successful in the organization. It also helps any newcomer to the organization define his role and what is expected of him in his Position. There are informal as Well as formal strategies that help with this process. Informal strategies of Socialization include such things as hearing the same stories repeated by several different employees. For example, you have probably listened to people in the Workforce talk about getting the best stories by hanging around the Water Cooler or the Copier. Usually, stories about some "bad decision" are discussed. New employees who hear stories consistently repeated will get an understanding of the type of Culture the organization is. If the discussions are negative, the new employee will begin to believe that the organization is incompetent, mistreats its employees, and/or is unethical.

Organizations can influence the socialization process through formal ways. One way is through establishing rituals. Rituals are procedures in which employees participate to become "one of the gang." Activities such as annual awards banquets or staff picnics are rituals that reinforce the impression of a "caring" organization. Another ritual is requiring all new employees to go through a probationary period before being considered a permanent employee.

Finally, symbols that represent certain attitudes of the organization can be used. Symbols are a communication technique that conveys a certain message to employees. For example, establishment of an on-site wellness center conveys the organization's interest in health. In addition, communication techniques such as mission and value statements can help acculturate the new person to his environment.

3.3.2 Coping with Change

Organizational change can be traumatic for employees; it can also be exciting and full of new opportunities. Organizational change expert, Pritchett (1993) offered the following advice to employees involved in organizational change. This advice can be communicated by leaders to employees throughout the organization. The pieces of advice are:

Speed Up

It is natural for people faced with a new situation to be cautious and want to take things slowly. However, Pritchett advised employees to get involved, increase the pace of their work, and not be left behind. This advice is analogous to paddling a canoe: If you move faster than the current, you can control where you are going. Slowing down or remaining at the same speed of the current results in being swept wherever the current takes you.

Take the Initiative

Chart your own course instead of waiting for instructions and for people to tell you what to do. Show initiative, try to solve problems, make suggestions. Don't be afraid to take risks, and don't be afraid to make mistakes.

Spend Energy on Solutions

Instead of spending energy complaining and resisting change, accept change, and then spend your energy trying to solve problems and make the new system work. Take personal responsibility for fixing what doesn’t work and making suggestions for ways in which the system can improve.

To remove the stress associated with change, some psychologists suggest that organizations do innovative things to make work more fun. The following suggestions are for managers:

- Post baby pictures of managers so that employees can laugh at them and realize that the people making the change were not always in powerful positions.
- Create a stress-free zone where employees can go to relax for a few moments. The Brookstar Corporation in Michigan went so far as to put a punching bag in a room so that employees could take out their frustration on the bag rather than on each other.
- Give employees a surprise hour *off.* Store managers at Crate and Barrel tell one employee each week to take an hour and have fun, go shopping, or take a nap.
- Other suggestions included holding an ugly tie contest. Though we certainly have no scientific evidence that any of these techniques will work, the idea is that managers should realize the stress inherent in change and take creative measures to reduce that stress

SELF ASSESSMENT EXERCISE 1

How can you introduce change without stress in an organization?

4.0 CONCLUSION

Introducing change within an organization requires knowledge of organizational culture. The cultures need to be modified if they imbed introduction of changes within the organization. One thing is certain, employees need to be part of the change element for the r change to be effectively done. Leaders need to create a stress- free environment. This will enable those under tension to relax and adjust to the changes being introduced.

5.0 SUMMARY

In this unit you learned about leadership and culture. This concerns the assessment of change within an organization by five techniques namely; assessment of needs, determining executive direction, implementing considerations, training, and evaluation of the new culture. The unit also discussed how to maintain the new culture, which if followed, will maintain the momentum of change envisaged.

6.0 TUTOR- MARKED ASSIGNMENT

Presently, Nigeria is going through a lot of changes. Would you say in the light of what you have learnt in this unit that the organizational culture of the reformed organizations have been an impediment?

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UNIT 9 EMPOWERMENT

CONTENTS

1.0 INTRODUCTION

As discussed in unit 8 many employees are more satisfied with their jobs if they feel they have some control over what they do. As a result, many organizations are "empowering" employees to participate in and make decisions. As you will see in the present unit "empowering" employees can range from asking employees for their opinion to giving them complete decision-making control. In this unit, you will learn about factors that determine whether employers should be involved or not in making decisions.

2.0 OBJECTIVES

This unit will inform you of the factors that influence organizations to empower their employees. With this information, you will be enabled to give proper guidance to your organization during periods of change.

3.0 MAIN CONTENT

3.1 Factors in Making the Decision to Empower

In circumstances in which the quality of the decision is important, the decision affects employees, the supervisor does not have the knowledge to make the decision, and/or the employees do not trust the supervisor, employees need to be involved in decisions. The following seven factors determine when employees should be involved in decision taking (Vroom & Yetton, 1973).

Importance of Decision Quality: The first concern when making a decision is whether one decision will be better than another. For example, if a supervisor is trying to decide whether to sign a letter with blue ink or black ink, his decision probably will not make any difference to the organization. Thus, the importance of the decision quality is low and little time or effort should be spent making it.

Leader’s knowledge of the problem area: The second concern of decision making involves the extent to which leaders have sufficient information to make the decision alone. If they do, then consultation with others is desired only if leaders want their sub-ordinates to feel involved. If leaders lack sufficient knowledge to make a decision, consultation is essential. For example, it would be difficult for managers to select a benefit package without first asking their employees about the type of benefits they need.

Structure of the problem: The third concern is the extent to which a leader knows what information is needed and how it can be obtained, that is, the problem’s structure. If the leader does not know how to obtain this information, the decision-making process will require other people, and the decision will take longer to reach.

Importance of decision acceptance: The fourth decision-making concern involves the degree to which it is important that the decision be accepted by others. For example, for a supervisor to decide what hours each employee will work, it is important the employees agree with and have input in the decision making process. However, if the supervisor is deciding what he wants for lunch, whether others agree with or have input into the decision is not important (unless, of course, the choices involve onions or garlic).

Probability of decision acceptance: The fifth decision-making concern is subordinate’ acceptance. If the leader feels that he can make the decision himself but that acceptance of the decision is important, he must determine whether his subordinates will accept it. If the leader is popular and viewed as being competent, his subordinates will probably accept and follow the decision. Nevertheless, if the leader is not popular, powerful, and competent, he will probably want help from his subordinates and colleagues in making the decision, even though he has the ability to make the decision himself. This is why leaders often ask subordinates and colleagues for their opinions. The leader may already know what he will decide, but gaining the support of others by eliciting opinions and comments increases the probability that they will accept his decision when he announces it.

A colleague told me a story that provides a perfect example of the importance of considering the need for subordinate’ acceptance. At her university, the graduate college changed the way in which it administered and awarded graduate assistantships. The assistant dean was placed in charge of developing and implementing the new system.

A week prior to the end of school, the new system was announced, and the graduate faculty went crazy. The awarding of the assistantships came too late to recruit students, the new application forms did not provide the information needed by departments to make decisions, and the deadlines for paperwork were convenient for the graduate college but not for the students or the departments.

What went wrong? If we look at the Vroom-Yetton model, two problems stand out. First, the assistant dean did not have the information necessary to make the decision. She had never been involved in the financial aid process. In spite of this lack of experience and information, she chose not to consult any of the stakeholders (e.g., faculty, department chairs, and graduate students) who would be affected by the decisions. Second, although acceptance of her decision was certainly important, she did not attempt to communicate the reasons for her decisions or to try to work with the departments to increase acceptance. Furthermore, the faculty viewed the staff at the graduate college as incompetent, untrustworthy, and as making decisions beneficial to the dean’s career but not always in the best interest of the students, faculty, or university as a whole.

Subordinate trust and motivation: The sixth concern of the decision-making process is the extent to which subordinates are motivated to achieve the organizational goals and thus can be trusted to make decisions that will help the organization.

Probability of subordinate conflict: The final concern of the decision-making process involves the amount of conflict that is likely among the subordinates when various solutions to the problem are considered. If there are many possible solutions and the employees are likely to disagree about which is best, the leader will be served best by gathering information from employees and then, as in the previous situation, making the decision himself.

SELF ASSESSMENT EXERCISE 1

What reasons would you proffer for empowering employees?

4.0 CONCLUSION

Modern management thought is that employees should be empowered. It is not done haphazardly. Leaders consider many things in deciding whether to empower or not. Even when empowering it requires some special skill on the part of the leader to influence the empowerment in such a way that organizational harmony are not hampered. The essence of this unit is to inform you on the criteria used by leaders on deciding whether to empower or not. By the time you have gone through this unit you will be more able to advice organizations on when to empower their employees.

5.0 SUMMARY

In this unit, you learned the factors that determine whether organizations will empower their employees or not. The factors you read about were;

- Importance of decision quality.
- Leader' knowledge of the problem area.
- Structure of the problem
- Importance of decision acceptance
- Probability of decision acceptance
- Subordinate' trust and motivation.
- Probability of subordinates' conflict.

You also learned in this unit that skill is required in the application of empowerment.

6.0 TUTOR- MARKED ASSIGNMENT

How can you go about deciding whether an organization has met the criteria of using any of the factors that determine whether employees should be empowered?

7.0 REFERENCES/FURTHER READING

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UNIT 10 THE HUMAN FACTOR IN ENTERPRISES PART 1

CONTENTS

1.0 INTRODUCTION

Management and leadership are often thought of as synonyms. Although it is true that effective managers will almost certainly be effective leaders and that leading is essential. As indicated in previous units, managing involves doing careful planning, setting up an organizational structure that will aid people in achieving plans, and staffing the organizational structure with people who are as competent as possible. You will see in this unit that the measurement and correction of activities of people through controlling is also an important function of management. However, all these managerial functions accomplish little if managers do not know how to lead people, and to understand the human factor in their operations in such a way as to produce desired results.

In a basic sense, leadership relates to follower ship and one must discover why people follow. People tend to follow those in whom they see a means of satisfying their own needs. The task of managers is to encourage people to contribute effectively and willingly toward the accomplishment of enterprise goals, and to satisfy their own needs in the process.

Thus, the broad function of leading has to do with the interpersonal aspect of managing. This is where the behavioural sciences can make their major contribution to managing. In attempting to analyze the pertinent knowledge in this area, it is useful to consider managing as it relates to the human factor, motivation, leadership, and communication.

2.0 OBJECTIVES

In this unit, you will learn about the factors leaders in industries should be aware of in managing employees. These range from some basic assumptions about man to the complex. By the time, you go through the unit you will have a better appreciation of what it takes to lead people with divergent views and needs.

3.0 MAIN CONTENT

3.1 The Human Factor in Enterprises

All organized effort is undertaken to achieve enterprise objectives; in general, the objective is to produce and make available some kind of goods or services. This effort is by no means restricted to business activity; it also applies to universities, hospitals, charitable associations, and governments. It is obvious that while the enterprise objectives may be primary in these various organizations, the individuals involved also have needs and objectives that are especially important to them. It is, through the function of leading that managers help people see that they can satisfy their own needs, and utilize their potential, while at the same time they are contributing to the aims of the enterprise. This requires an understanding of the roles assumed by people, their individuality, their dignity, and their holistic nature.

3.1.1 People Assume Different Roles

Individuals are much more than a productive factor; they are members of a social entity; they are consumers of the produced goods and services, and thus they virtually influence demand; they are members of families, schools, and churches; and they are citizens. In these different roles, the influence they exercise establishes laws that govern managers, ethics that guide behavior, and a tradition of human dignity that is a major characteristic of our society. In short, managers and the people they lead are interacting members of a broad social system.

3.1.2 There Is No Average Person

People act in different roles and are also different from one another. There is no average person. Yet, in an organized enterprise, this assumption is often made. Firms develop rules, procedures, work schedules, safety standards, and position descriptions--- all with the implicit assumption that people are alike. Of course, this uniformity is necessary largely in organized efforts, but it is equally important to acknowledge that people are unique-they have different needs, different ambitions, different attitudes, different desires for responsibility, different levels of knowledge and skills, and different potentials.

The complexity and individuality of people must be clearly understood, before the generalizations about motivation, leadership, and communication may be applied by managers. This means that principles and concepts – although generally true-have to be adjusted to fit the specific satisfied, but managers do have considerable latitude in making individual arrangements. Although it is true that position requirements are usually derived from enterprise and organization plans, this does not necessarily exclude the possibility of "engineering' the job to fit the person in a specific situation. This is one of the alternatives suggested by Fiedler (1965) for making better use of management talent already existing in the enterprise.

3.1.3 Personal Dignity is Important

Managing involves achieving enterprise objectives. Certainly, results are important, but in achieving them, the means must never violate the dignity of people. The concept of individual dignity, derived from ethical philosophy, means that people must be treated with respect, no matter what their position in the organization. The president, vice president, manager, first-line supervisor, and worker all contribute to the aims of the enterprise. Each is unique, with different abilities and aspirations, to be sure, but all are human beings and all deserve to be treated as such.

3.1.4 The Whole Person Must Be Considered

One cannot talk about the nature of people unless one considers the whole person, not just separate and distinct characteristics such as knowledge, attitudes, skills, or personality traits. A person has all these to different degrees. Moreover, these characteristics interact with each other, unpredictably. The human being is a total person influenced by inputs received from external factors such as family, neighbours, school, churches, union or trade associations, political associations, and fraternal groups. People cannot divest themselves of the impact of these forces when they come to work. Managers must recognize these facts and be prepared to deal with them.

3.2 Models of People

In order to understand the complexity of people, several models have been developed. A model is an abstraction of reality. It includes variables that are considered important, but it also leaves out those factors less critical for explaining phenomena. Managers, whether they consciously know it or not, have in their mind a model of individual and organizational behavior that is based on assumption about people. These assumptions and their related theories influence managerial behavior.

Over they years, various views about the basic nature of people have been suggested. To deal with all of them would mot be practicable here. Thus, we focus on selected models by Schein, Porter and his colleagues and on McGregor's classic assumptions about people. In addition, organizational behaviour models on a macro level by Davis and Miles are examined.

3.2.1 From the Rational-Economic View to Complex Person

Edgar H. Schein developed four conceptions about people. First, he noted the concept of rational-economic man, based on the assumption that people are primarily motivated by economic incentives. Since these incentives are controlled by the enterprise, these assumptions is based on a belief that people are essentially passive and are manipulated, motivated, and controlled by the organization. This assumption is essentially similar to that listed as Theory X by McGregor, discussed in the next unit.

Schein's second model, social man, is based on assumptions which suggest that motives fall into five classes in a hierarchy ranging from simple needs for survival, such as safety and security, to the highest needs of self-actualization with maximum use of a person's potential. According to this conception, people are self-motivated – they want to be and can be mature.

The third model, self – actualizing man, is based on assumptions that suggest that motives fall into classes, in a hierarchy ranging from simple needs for survival, such as safety and security, to the highest needs of self-actualization with maximum use of a person's potential. According to this conception, people are self-motivated – they want to be and can be mature.

The fourth model, complex man, presents Schein's own view of people. The underlying assumptions he makes are that people are complex and variable and have many motives that combine into a complex motive pattern. In addition, people are able to learn new motives and to respond to different managerial strategies.

3.2.2 Contrasting Views and Models of People

Because the understanding of the behaviour of people is so dependent on their nature, it is no surprise that many attempts have been made to categorize the basic views about the underlying nature of people. Lyman W. Porter, Edward E. Lawler, III, and J. Richard Hackman identified six such models. In addition, they discussed the assumptions of McGregor's Theory X and Theory Y.

Rational or emotional? According to the rational view, people are seen as behaving rationally: they collect and evaluate information systematically and make decisions based on an objective analysis of the different alternatives available. A manager with this view probably would try to interact with people on a rational basis, but would tend to ignore their feelings, their emotions, and the human side of their emotional view holds that people are ruled primarily by their emotions, some of which are uncontrollable. A manager with this view might, for example, play the role of amateur psychiatrist by trying to unearth the underlying psychological causes of employee's behavior.

3.2.3 Behaviouristic or phenomenological View

The behaviouristic view is that people's behaviour is controlled by their environment. Managerial strategies based on this theory would suggest changing the environment to get the desired behaviour from subordinates. Directly opposed is the phenomenological view, which holds that people are unpredictable, unique, subjective, and relative, but with potential. A manager adopting this model would probably have to understand the complex functioning of the brain of the subordinates, because it is there that thoughts originates. Since this is not possible, people cannot be understood through scientific and behavioural observation alone.

Economic or self-actualizing? The economic view of man, assume that people are motivated by economic factors. Thus, it is assumed that people act rationally to get satisfaction from monetary rewards. Managers with this view probably would see money as the prime (if not the only) way to elicit contributions from subordinates. Furthermore, these managers would create an environment in which peoples' primary concern is self-interest. In contrast, the self-actualizing view holds that people want to increase their competence, they want to develop, and they strive to use their potential. A manager adhering to this model would establish an environment in which people could exercise self-direction and reach their full capabilities.

4.0 CONCLUSION

This unit tends to answer some questions that leaders in industry have been asking themselves over the years and are still asking, "Who am I working with?" That is, what is the character, needs, views about life, basic psychological motives of the employee? In this unit, you learnt about attempts by different scholars to answer the question of the human factors in an enterprise. These divergent views of man may not absolutely be correct in all cases but enable us to appreciate that man has some characteristics that they bring to the work place that a good leader should be aware of.

5.0 SUMMARY

In this unit, you learnt some basic assumptions about man in an industrial setting. The unit taught that;

- People assume different roles in the work place and should have these roles satisfied.
- That there is no average person.
- That leaders should be aware that individuals value their dignity.
- When taking decisions the whole person should be considered.

In this unit, you also learnt about the models of man by Schein as being Rational vs. Economic man; Social man; Self-actualizing man; Complex man. In this unit, the work of Porter, Lawler & Hackman (1975) on six models of man were treated as Rational vs. Emotional model; Behavioural vs. Phenomenological; Economic vs. Self-actualizing.

6.0 TUTOR -MARKED ASSIGNMENT

Which model of man best suits the worker in the public sector?

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UNIT 11 THE HUMAN FACTOR IN ENTERPRISES PART 2

CONTENTS

1.0 INTRODUCTION

The nature of people has been expressed in two sets of assumptions developed by McGregor (1960) and commonly known as Theory X and Y. This requires some thought on the perception of human nature. McGregor identified two sets of assumptions – two theoretical constructs- about the nature of people. He called one "Theory X" and another "Theory Y". Why did he choose these terms? Apparently, he wanted a neutral terminology without any connotation of being 'good" or bad." A leader just needs to be aware that such people exist and be careful in dealing with people. Knowledge of the assumptions will enable you to know the type of tasks and supervision to give to employees to achieve maximum results. Do not assume that one assumption is better than the other.

2.0 OBJECTIVES

In this unit, you will learn about two (2) assumptions of the nature of humans that they bring to the industry. Both assumptions are good, as you will learn.

3.0 MAIN CONTENT

3.1 Two Assumptions about Human Nature

Theory X Assumptions: The traditional assumptions, according to McGregor, about the nature of people are included in Theory X as follows:

1. Average human beings have an inherent dislike of work and will avoid it if they can.
2. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, and threatened with punishment to get them to put forth adequate effort toward the achievement of organization objectives.
3. Average human beings prefer to be directed, wish to avoid responsibility, have relatively little ambition, and want security above all.

Theory Y assumptions: The assumptions under theory Y are seen by McGregor as follows:

1. The expenditure of physical effort and mental effort in works is as natural as play or rest.
2. External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives. People will exercise self-direction and self-control in the service of objectives to which they are committed.
3. Commitment to objectives is a function of the rewards associated with their achievement.
4. Average human beings learn, under proper conditions, not only to accept but also to seek responsibility.
5. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organization problems is widely, not narrowly, distributed in the population.
6. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.

That these two sets of assumptions are fundamentally different is evident. Clearly, theory X is pessimistic, static, and rigid. Control is primarily external, that is, imposed on the subordinate by the superior. In contrast, Theory Y is optimistic, dynamic, and flexible, with organizational demands. There is little doubt that each set of assumptions will affect the way managers carry out their managerial functions and activities. Before further examination of the implications of the theories, however, a few misconceptions should be clarified.

Misunderstanding of the theories McGregor was apparently concerned the Theory X and Theory Y might be misinterpreted. The following points will clarify some of the areas of misunderstanding and serve to keep the discussion in proper perspective. First, Theory X and Theory Y assumptions are just that: they are assumptions only. They are not prescriptions or suggestions for managerial strategies. Rather, these assumptions must be tested against reality. Furthermore, these assumptions are intuitive deductions and are not based on research.

Second, Theories X and Y do not imply hard or soft management. The hard approach may produce resistance and antagonism. The soft approach may result in laissez faire management and is not congruent with Theory Y. Instead, the effective manager recognizes the dignity and capabilities, as well as the limitations, of people and adjusts behaviour as demanded by the situation. Third, Theories X and Y are not to be viewed as being on a continuous scale, with X and Y on opposite extremes. They are not a matter of degree; rather they are completely different views of people.

The fourth area of potential misunderstanding is that the discussion of Theory Y is not a case for consensus management, nor is it an argument against the use of authority. Instead, under Theory Y, authority is seen as only one of the many ways a manager exerts leadership. Fifth, different tasks and situations require a variety of approaches to management. At times, authority and structure may be effective for certain tasks, as found in the research by Morse and Lorsch(1970). They suggest that different approaches are effective in different situations. Thus, the productive enterprise is one that fits the task requirements to the people and the particular situation.

3.2 Managerial Implications of Theories X and Y Stated in a Simplified Manner

The managerial process involves:

1. Setting objectives and developing plans to achieve them
2. Implementing the plans through leadership
3. Controlling and appraising performance against previously set standards

These key managerial activities are selected to illustrate the possible effects of Theory X and Theory Y on managerial actions.

In “Theory X,” the superior assumes that people dislike work and must be forced to put effort. Consequently, the superior tends to take a directive, authoritarian role in the goal-setting process. Such a manager sets objectives for subordinates with little opportunity for their participation. Similarly, plans originate on the upper levels of the organization and are transmitted downward. The enterprise atmosphere, then, is not conducive to exploring alternative objectives or plans. Because of limited opportunities for subordinates to participate in goal setting and action planning, there is low commitment to objectives and plans.

Leadership, because of the limited view of employees, tends to be autocratic in Theory X. In leading subordinates, authority is seen as the only means to get things done. Although people may follow orders, hidden resistance and suspicion are frequent. Superiors issue orders, but may neglect coaching subordinates. The communication flow is one-way; from the top down with little feedback. Moreover, subordinates have only limited information regarding factors bearing on their jobs.

The control and appraisal functions are carried out rigidly, with standards imposed externally that allow little opportunity for individual self-direction. The superior assumes a domineering role in the appraisal, acting as a judge rather than as a coach. The appraisal meeting may be marked by low trust between the superior and subordinate, with the table focus on faultfinding rather than on finding ways to prevent undesirable deviations in the future. With Theory X assumptions actuating the appraisal meeting, there is little opportunity for self-control and self-development.

"Theory Y" is based on assumptions that people want to work, are capable of exercising self-direction, and like to assume responsibility.

These assumptions affect the setting of objectives and development of plans. For example, subordinates, after thinking about their jobs, set their own objectives and reach agreement about them with their superiors. In fact, there is a great deal of subordinate participation in setting goals and developing plans for their achievement. Moreover, alternative plans are also explored and evaluated. Because of their active involvement in the managerial process, people are committed to challenge, yet realistic goals.

Leadership with Theory Y assumption is participative, flexible, and adaptive to the needs of the particular enterprise. The emphasis is in teamwork, utilizing the talents of group members. People seek responsibilities and feel accountable for results. Because of their involvement, people are committed to high performance. Communication flows several ways: from the top of the organization down to individual members, from the bottom toward the top of the organization hierarchy, and even crosswise from department to department whenever necessary. Moreover, frequent feedback provides for accuracy of the transmitted information. People in such an environment have the data necessary to make effective decisions.

Control, according to Theory Y, is internal and primarily self-control. Subordinates, setting their standard jointly with superiors, are committed to working toward their goals. Although standards are not changed lightly, they are adjusted if environmental changes demand it; it would be absurd to pursue standard that are obsolete or inappropriate in light of changed realities. The superior assumes the role of a coach who assists the team's objectives. The appraisal meeting is characterized by trust. Both superiors and subordinates learn from past mistakes, but the focus is on future important. Consequently, the environment in which Theory Y assumptions prevail is conducive to self-development, with an emphasis on problem solving rather than on faultfinding.

SELF ASSESSMENT EXERCISE 1

Which of the theories should be encouraged over the other?

4.0 CONCLUSION

You learned in this unit that there are two types of people that managers should be aware of in the industry. One set of people are self directed and are known as "Y" .The other are people who need to be directed called "X". These are assumptions and should not be used in employing or firing staff. Some works may need staff to be directed while the same staff may be required to use their initiative in another task in the same organization.

5.0 SUMMARY

In this unit, the way individuals approach their work is taken into consideration. If they wait until they are directed they are regarded as Theory X. However, if they use their initiative they are regarded as Theory Y. The theory does not tell us that one theory is better than the other.

6.0 TUTOR- MARKED ASSIGNMENT

What will you consider as the best conditions to use any of the theories of leadership?

7.0 REFERENCES/FURTHER READINGS

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UNIT 12 THE HUMAN FACTOR IN ENTERPRISES PART 3

CONTENTS

1.0 INTRODUCTION

1.1 Behavioural Models

Davis (1977) identifies three behavioural models that deal with people within the enterprise context. Specifically, he shows how assumptions and related theories influence managerial behavior. Moreover, he suggests that each of these models emphasized certain periods in our history. The behavioural models are the autocratic, the custodial, and the supportive. The unit suggested that no theory of man is enough to explain all about man in the industry thus an eclectic approach is suggested. Also discussed is the perception that people hold in the organization.

2.0 OBJECTIVES

In this unit, you will learn that the models of man that enable leaders to organize institutions are influenced by the period in history they were developed. As such, we should be sure that the same prevailing circumstances exist before using any of the theories as enunciated.

3.0 MAIN CONTENT

3.1 The Behavioural Models

The following models are explained under the behavioural model

The Autocratic Model: The autocratic model prevailed for a long time, especially during the industrial revolution. The dominant force was power: managers saw authority as the only means to get things done, and employees were expected to follow orders. The result was high dependency of subordinates on their boss. This dependent relationship was possible because employees at that time lived on the subsistence level, performance under the autocratic model was, as one might expect, minimal.

The Custodial Model: The custodial model became popular in the 1920s and 1930s in the United States. The managerial orientation was toward the use of money to pay for employee benefits. This model depended on the availability of economic resources of the firm and the ability to pay for those benefits. While employees hoped to obtain security, at the same time they became highly dependent on the enterprise. Rather than producing up to their capacity, however, employees' contributions may be described as passively cooperative.

The Supportive Model: The supportive model of organizational behavior depends on managerial leadership rather than on the use of power or money. The aim of managers is to support employees in their achievement of results. The focus is on participation and involvement of individuals in the managerial process. This model is similar to Theory Y, as discussed by McGregor (1960) and to Likert & Likert (1976) principle of supportive relationship.

3.1.1 Toward an Eclectic View of behavioral Models

Which of these many views of individual is valid? Earlier in this course it was noted that Schein (1973) suggested four conceptions of people, ranging from the rational-economic view to a view that stresses complex motivations. Porter and colleagues presented six different views about the nature of individuals. McGregor grouped assumptions into Theory X and Theory Y. Davis's organizational behaviour approach identified autocratic, model. Which model, then, is valid?

It appears that no single model is sufficient to explain the full range of individual and organizational behavior. People are different – there is no average person. Moreover, people also behave differently in diverse situations; and to complicate matters, they even behave differently in similar situations at different times. In some situations, people are induced to contribute to the aims of the enterprise. Yet to assume that people can be manipulated ignore their intelligence. Economic rewards certainly are important in an enterprise, but people often want more than money from a job. They usually want to develop their capabilities, their cost pretence, and their potential as well.

The effective manager will take an eclectic approach by drawing from different models that describe the nature of people. At the very least, one must recognize that people are different and do not fit neatly into one conceptual model. They must be treated with respect and dignity must be considered as whole persons, and they must be seen in the context of their total environment in which they assume different roles. It is important to realize that different situations require a variety of managerial approaches for utilizing most effectively and efficiently the most valuable resource of the enterprise, namely, people.

3.2 Perception in the Enterprise Environment

People's perceptions of reality are influenced by many factors, such as background, past experiences, interests, attitudes, and rigid views about the nature of people. It is important for a manager to understand some common perceptual fallacies in other to achieve increased personal awareness which, in turn, should result in better managing.

Perception pertains to information received from the environment. It includes, for example, seeing the factory, hearing the noise of the machines, feeling the heat from the furnace, tasting the food in the cafeteria, and smelling the fumes of the engine exhaust. The concern here is not with all of our senses; rather, the focus will be on those particularly relevant for managing.

3.2.1 Tendencies in Perception

What one perceives is not necessarily the real world. People see things from their own perspectives. Perspective may be distorted by various factors. First, there is the object or event being perceived. Thus, objects or events with outstanding characteristic are more easily noticed than unobtrusive ones. Then there are the characteristics and tendencies of perceivers, who may be unduly influenced by first impressions or who perceive who may project their own faults onto others. Finally, perception is also affected by the physical and social environment. A reprimand in front of the group, for example, will be perceived differently from one made in the privacy of the office.

The characteristics of the perceiver-the focus of our discussion –do influence the process of perception. In "selective perception," some information is processed, while other data are ignored. Frequently, outstanding characteristics are noted while less obvious factors are overlooked. There is also a tendency to disregard the unpleasant and to be more receptive to the positive and pleasant. Thus, some managers seem to be unable to face up the problems, unpleasant decisions, and realities of organizational life. At times, however, selective perception can serve as a useful "defense" when, for example, a manager tunes out disturbing conversation next door in order to concentrate on the task at hand.

Selective perception is influenced largely by a person's background. For instance, students in a college-level business policy course may take different views when analyzing a complex case. Students majoring in accounting and finance often identity finance-related problems as critical issues.

SELF ASSESSMENT EXERCISE 1

Do you agree that human behaviour in the industry is better explained by an eclectic approach? Explain.

4.0 CONCLUSION

It is obvious that human behaviour changes with time. This Davis captured in his theory. This suggests that human behaviour in the industry is ever dynamic and not dynamic, as some models of man in the industry will suggest. In this unit, you also learned that no one theory could explain all human tendencies in the industry.

5.0 SUMMARY

In this unit, you learned that human behaviour in the industry can be classified into, autocratic, the custodial, and the supportive. Each of these depends on particular periods in the industrial development of man. This unit enabled you to realize that no one theory can answer all the questions about the most appropriate behaviour of employees. As such, an eclectic approach is suggested.

6.0 TUTOR- MARKED ASSIGNMENT

What characteristics will enable you to identify when human behaviours fall into any of the models discussed above.

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UNIT 13 LEADERSHIP BEHAVIOUR AND STYLE PART 1

CONTENTS

1.0 INTRODUCTION

The earlier discussions of theories of leadership show that it is difficult to separate theories of what leadership is, and depends upon, from the behaviour or styles of leaders. As a result Fiedler (1964) for example, found it important to develop his theory of leadership to postulate two basic styles: task-oriented leadership and leadership- oriented toward people and interpersonal relationship.

Nevertheless, a number of researches have concentrated primarily on the behaviour of leaders on the assumption that ability to lead and willingness to follow are based on leadership styles.

In this unit, you are going to learn about various styles of leaders that they bring to an organization. Some of the things that they bring concern autocratic behaviours in which they do not consult any person but impose themselves on every one. In the democratic leadership, style each person is allowed to air his view. The leader may accept or not accept the opinions suggested. Another type of leadership is the *laissez faire* in which subordinates do as they like.

Likert (1961) proposed four systems of leadership namely; exploitative vs. authoritative; benevolent vs. authoritative; consultative; and participative. Each of these has its idiosyncrasies. However, Likert (1961) stated that participative leadership style is the best. By the time, you read the materials you will be able to draw your own conclusion. Another leadership style you will read about is the immaturity-maturity continuum of Argyris (1957) and managerial grid of Blake and Mouton (1964).

2.0 OBJECTIVES

This unit gives you the opportunity to learn how leaders go about the art of leadership. Many approaches are discussed. The type to use depends on the situation as assessed by the leader. In effect no one style of leadership is the best.

3.0 MAIN CONTENT

3.1 Leadership Styles

The following styles are discussed;

- **Styles Based on Use of Authority**

Some earlier explanations of leadership styles classified them on the basis of how leaders use their authority. Leaders were seen as applying three basic styles. The autocratic leader was seen as one who commands and expects compliance, who is dogmatic and positive, and who leads by the ability to withhold or give rewards and punishment. The democratic, or participative, leader consults with subordinates on proposed actions and decisions and encourages participation from them. This type of leader was perceived to be on a spectrum ranging from the person who does not take action without subordinate' concurrence to the one who makes decisions but consults with subordinates before doing so.

The third type of leader uses his or her power very little, if at all, giving subordinates a high degree of independence, or "free rein," in their operations. Such leaders depend largely on subordinates to set their own goals and the means of achieving them, and they perceive their role as one of facilitating the operations of followers by furnishing them information and acting primarily as a contact with the group's external environment.

There are variations from his simple classification of leadership styles. Some autocratic leaders are seen as "benevolent autocrats." Although they listen considerately to their followers' opinions before making a decision, the decision is their own. They may be willing to hear and consider subordinates' ideas and concerns, but when a decision is to be made, they may be more autocratic than benevolent.

A variation of the participative leader is the person who is supportive. Leaders in this category may look upon only consulting with followers and considering carefully their opinions but also doing all they can to support subordinates in accomplishing their duties. As will be seen below, this is the cornerstone of Likert's (1961) approach to leadership and managing.

Those who subscribe to these three styles of leadership are likely to recognize that the use of any style will depend on the situation. A manager may be highly autocratic in an emergency; one can hardly imagine a fire chief meeting with his crew to consider the best way of fighting a fire. Managers may also be autocratic when answers to certain questions, such as the daily volume of shipments a plant should make to customers.

A leader may gain considerable knowledge and a better commitment on the part of persons involved by consulting with subordinate. We saw how this was true in developing verifiable objectives under systems of managing by objectives. Furthermore, a manager dealing with a group of research scientist may give them considerable free rein in developing their experiments. But the same manager might be quite autocratic in enforcing compliance protective covering to be worn when handling certain dangerous chemicals.

- **Likert's Systems of Management**

Rensis Likert of the University of Michigan has seriously studied the patterns and styles of leaders and managers for three decades. In the course of these researches, Likert (1961) has developed certain concepts and approaches important to understanding leadership behaviour. He is a proponent of participative management. He sees the effective manager as strongly oriented to subordinates, relying on communication to keep all parties working as a unit. All members of the group, including the manager or leader, adopt a supportive relationship in which they feel a genuine common interest in terms of needs, values, aspirations, goals, and expectations. Since it appeals to human motivations, Likert (1961) sees this approach as the most effective way to lead a group.

As guidelines for research and for the clarification of his concepts, Likert has postulated four systems of management:

- **System 1 management is described as "exploitive-authoritative"**. These managers are highly autocratic, have little trust in subordinates, motive people through fear and punishment with occasional rewards, engage only in downward communication, limit decision making to the top, and display similar characteristics.

- **System 2 management is called "benevolent-authoritative".** These managers have a condescending confidence and trust in subordinates, motivate with rewards and some fear and punishment, permit some upward communication, solicit some ideas and opinions from subordinates, and allow some delegation of decision making but with close policy control.

- **System 3 management is referred to as "consultative".** These managers have substantial but not complete confidence and trust in subordinate, usually try to make constructive use of subordinates' ideas and opinions, use for motivation rewards with occasional punishment and some participation, engage in communication flow both down and up, make broad policy and general decisions at the top with specific decisions at lower levels, and act consultatively in other ways.

- **System 4 management is seen by Likert as the most participative of all and referred to it as "participative-group".** System 4 managers have complete trust and confidence in subordinate and constructively use them, give economic rewards on the basis of group participation and involvement in such areas as setting goals and appraising progress toward goals, engage in much communication down and up and with peers, encourage decision making throughout the organization, and otherwise operate with themselves and their subordinates as a group.

In general, Likert has found that those managers who applied the system 4 approach to their operations had greatest success as leaders. Moreover, he found that departments and companies managed by the system 4 approach were most effective in setting goals and achieving them and were generally more productive. He ascribes this mainly to the extent of participative ness in management and the extent to which the practice of supportive relationships is maintained.

Argyis's Immaturity-Maturity Continuum

Similar in some respects to Likert's systems of management is the immaturity-maturity continuum model of Chris Argyis (1957) of Yale and Harvard. His research has been focused primarily on the problem of coexistence of individual and organizational needs. He agrees with other behavioural scientists that people have strong self-actualization needs, and he makes the point that organization controls leave the employee feeling submissive and dependant. Argyris asserts that the operational techniques employed in large-scale enterprise often ignore the social and egoistic needs of the employee. Paired with this assumption is a second that maintains the inability of one person to motivate another. Having what Argyris calls "Psychological energy," subordinates will attach top priority to the satisfaction of their own needs. The greater the disparity between individual needs and company needs, the more an employee is likely to reflect dissatisfaction, apathy, conflict, tension, or subversion. In this conception, the technique of achieving motivation would involve offering job challenge and opportunity to employees who may need training to take advantage of the changed environment.

From this position, Argyris (1957) argues that the effective leader or manager will help people move from a state of immaturity, or dependence, toward a state of maturity. His position is that if an organization does not provide people with opportunities for maturing and for being treaded like mature individuals, they will become frustrated and anxious and will act inconsistently with organizational goals.

3.1.1 The Managerial Grid

One of the most widely known approaches to dramatizing leadership styles is the managerial grid, developed some years ago by Robert Blake and Jane Mouton. Building on previous research that showed the importance of a manager's having concern both for production and for people, Blake and Mouton devised to dramatize this concern. This grid is used widely throughout the world as a means of managerial training and of identifying various combinations of leadership styles.

The grid dimensions: The grid has two dimensions. As Blake and Mouton have emphasized, their use of the term "concerned about production or "how" they are concerned about people, and not such things as "how much" they production they are concerned about getting out of a groups.

"Concern for production" is conceived as the attitudes of a supervisor toward a wide variety of things, such as the quality of policy decisions, procedures and processes, creativeness of research, quality of staff services, work efficiency, and volume of output.

"Concern for people" is likewise interpreted in a broad way. It includes such elements as degree of personal commitment toward goal achievement, maintaining the self-esteem of workers, responsibility based on trust rather than obedience, maintaining good working conditions, and having satisfying interpersonal relations.

3.1.2 The Four Extreme Styles

Blake and Mouton recognize four extremes of basic styles. **The 1.1 style (referred to by some authors as "impoverished management")**, under this style, managers concern themselves very little with either people or production and have minimum involvement in their job; to all intents and purpose, they have abdicated their job and only mark time or act as messengers communicating information from superiors to subordinates. **The 9.9 style at the other extreme**: The 9.9 managers display, in their actions, the highest possible dedication both to people and to production. They are the real "team managers" who are able to mesh the production needs of the enterprise with the needs of individuals.

The 1.9 management (culled by some "country club management"): The 1.9 managers have little or no concern for production but are concerned only for people. They promote an environment where everyone is relaxed, friendly, and happy and on one is concerned about putting forth coordinated effort to accomplish enterprise goals.

The 9.1 managers (**sometimes referred to as "autocratic**): The 9.1 managers are automatic in their style of leadership.

Using these four extremes, every managerial technique, approach, or style can be placed somewhere on the grid. Clearly 5.5 managers have medium concern for production and for people. They obtain adequate, but not outstanding, morale and production. They do not set goals too high, and they are likely to have a rather benevolently autocratic attitude toward people.

As is clear, the managerial gird is a useful device for identifying and classifying managerial styles. But it does not tell us why a manager falls in one part or another of the gird. To find this out, as Blake and Mouton readily admit, one has to look to underlying causes. These may be found in such things as the personality of the leader or of followers, the ability and training of managers, the enterprise environment, and other situational factors that influence how both leader and followers act.

SELF ASSESSMENT EXERCISE 1

Is it possible for a leader to combine many attributes of a leader as described above?

4.0 CONCLUSION

It can be seen that this unit has enumerated several attributes of leadership. These range from the well-known autocratic leadership to the democratic as well as the *laissez faire*. An interesting aspect of this unit is the consensus that no theory can best explain the leadership style that best suits all organizations. You learned from the unit that the type of leadership style used depends on the situation prevailing in the organization As such, leaders must study their organization and know the leadership style that best suits their organization.

5.0 SUMMARY

This unit shows that styles exist in leadership and the environment prevailing in the organization determines the type of leadership. You should be able to apply the right style for you to be a good leader.

6.0 TUTOR -MARKED ASSIGNMENT

If leadership styles depend on organizational environment, what criteria will you use in determining the type of style that is appropriate for any organization of your choice?

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UNIT 14 LEADERSHIP BEHAVIOUR AND STYLE PART 2

CONTENTS

1.0 INTRODUCTION

Tannenbaum and Schmidt (1973) in their concept of leadership continuum have characterized the situational and contingent nature of leadership styles. They see leadership as involving a variety of styles, ranging from one that is highly boss-centered to one that is highly subordinate-centered. These vary with the degree of authority a leader or manager grants to subordinates.

Thus, instead of suggesting a choice between the two styles of leadership –authoritarian or democratic- this approach offers style, with no suggestion that one is always right and another is wrong.

In this unit, you will also learn about the path goal approach by House. This approach assumes that the best way to lead is by helping subordinates to enterprise goals and personal goals.

2.0 OBJECTIVES

In this unit, you will learn about the leadership theory that assumes that there is no absolute autocrat or democrat in leadership. Instead, leaders oscillate between the two, depending on the organizational environment.

You will also learn that leaders that help subordinates to achieve organization and personal goals are more apt to succeed.

Furthermore, you will learn some behaviours a leader may cultivate for him to achieve some success. These are awareness of all that is happening in the organization, empathy for subordinates, objectivity in dealing with subordinates and self-knowledge that involve control of self by leaders.

3.0 MAIN CONTENT

3.1 Leadership as Continuum

The concept of the continuum recognizes that an appropriate style of leadership depends on situations and personalities. Tannenbaum and Schmidt (1973) saw the most important elements that might influence a manager's style along this continuum as;

(1) The forces operating in the manager's personality, including his or her value system, confidence in subordinates, inclination toward leadership styles, and feelings of security in uncertain situations;
(2) Forces in subordinates that will affect the manager's behavior;
(3) Forces in the situation, such as organization values and traditions, how effectively subordinate work as a unit, the nature of a problem and whether authority to handle it can be safely delegated, and the pressure of time.

In 1973, Tannenbaum & Schmidt talked about "organizational environment" and "societal environment". This was done to emphasize the open-system nature of leadership styles and the various impacts both of the enterprise organizational environment and of the social environment outside the enterprise. In this way, they put increased emphasis on the interdependency of leadership style and environmental forces, such as labor unions, greater pressures for social responsibility, the civil rights movement, and the ecology and consumer movements, that challenge the right of managers to make decisions or handles their subordinates without considering interest outside the organization.

3.2 The Path Goal Approach to Leadership Effectiveness

Robert House (1971), building on various motivational and leadership theories of others proposed the path goal approach to leadership effectiveness. According to this theory the most effective leadership style is one where leaders, or managers, take various steps to design situations where the latent and aroused motivation of group members are responded to effectively. House (1971) has supported this theory by his own research and finds considerable support for it from the research of such motivational scholars as Vroom and Porter; and Lawler and such leadership researchers as Fiedler.

In essence, the path goal approach finds that the most effective leaders are those who help subordinates achieve both enterprise goals and their personal goals, particularly achievement and reward goals such as money, promotion, interesting tasks, and opportunities for growth and development. Leaders do this by defining position and task roles clearly, by removing obstacles to performance, by enlisting the assistance of group members in setting goals, by promoting group cohesiveness and team effort, by increasing opportunities for personal satisfaction in work performance, by reducing unnecessary stresses and external controls, by making reward expectations clear, and by doing other things that meet people's expectations.

Research indicates that the path goal approach is especially valid for upper-level positions and professional tasks, where the behaviour of leaders can have considerable influence on designing an environment for performance. Its application to routine production jobs is not nearly as clear, probably because what managers can do for these tasks is seen as redundant and because they cannot do much to make such tasks more satisfying.

As can be seen from this simplified description of the path goal theory, what the effective leader does in a structured role situation is no more than be good manager.

3.3 Cultivated Behaviours of Leaders

As a leader cultivates certain behaviour, he can improve the interpersonal relationships with his followers. This is an area where the contributions of psychologists aid us. It becomes even more important than mere knowledge because certain behavioural patterns can be learned and used with skill. These behaviours are discussed below:

- **Awareness**

One of the most striking observations about some managers is that they seem to be concerned only with the routine of their jobs and execute them unimaginatively and with a lack of apperception of what they can do to be better managers and leaders. Being aware of the factors that make for leadership effectiveness and of the way in which styles are contingent on a range of situational consideration should help any manager learn to be a more effective leader.

To be sure, the body of leadership theories and research is so large that no manager can be expected to be familiar with it all. However, there is no reason why any manager cannot learn and appreciate the essentials of motivation and leadership outlined in this unit and the preceding ones.

Furthermore, as is true in every area of management, knowing and being knowledgeable are not enough. A manager must also have the ability to apply this knowledge to practice.

- **Empathy**

Empathy is "the imaginative projection of one's own consciousness into another being." As commonly used, it is the ability to place one's self in the position of another, simulating that person's feelings, prejudices, and values.

Managers without empathy have objects, ambitions, values, and biases like other people, and they often assume that their subordinates have the same ones. It is not likely they would have. People widely differ in every respect but one: They all are guided less by reason than by emotion, and the causes of emotion are deeply personal. Therefore, leaders could not be more wrong than to assume that their followers feel as they do. This wrong assumption underlies paternalism. Many managers provide subordinates with benefits they like themselves. The big difference is that they have freedom to choose, while their followers may value the freedom to choose more than they value any "given benefits." Then they are charged with a lack of appreciation.

As managers contemplated their subordinates with a view to understanding their feelings and attitudes, they are severely handicapped. Outside of their work, they know very little about subordinate-their personal relationships, economic and health conditions, ambitions, spiritual values, and loyalties. We hardly know ourselves that well, let alone our subordinate!

Placing ourselves in the position of subordinates is but half the problem; even then, would we know what their reactions to issues would be? Yet a forthright and conscientious effort to understand subordinates is much better than none. The mere practice of asking, "How would I react in their position? Is an attempt to learn, and with practice may come a skill.

- **Objectivity**

Managers should strive to observe and trace the causes' of events unemotionally. Even though they must depend heavily on subordinates and often become emotional about them, it is important to evaluate from a distance, determine the actual causes of results, and take intelligent steps to correct poor ones and encourage good ones.

This is a tightrope to walk, particularly if empathy is overemphasized, because empathy requires an attitude opposite to remoteness and

unemotional analysis. A neat balance between empathy and objectivity is difficult to achieve, but each has its place in effective leadership.
To cultivate objectivity by schooling one's self to analyze before taking action, a leader needs strong willpower. With determination, one can overcome a natural tendency toward snap judgment, anger, vituperation, or undue exuberance, even though the folk rule of counting to ten must be followed. Restraint and the habit of analysis are learned behaviour.

- **Self-Knowledge**

The injunction to "know thyself" is used in the context to making people aware of why they behave as they do and also what they do to draw forth impossible to empathize or to be objective without self-knowledge. The plain fact is that some people irritate others unwittingly by their habitual attitude, words, or actions. Of course, in other cases, this may be their intention! In some situations, this may be the correct technique to obtain a desired response. More usually, friendliness, cooperation, and approval get better results. It is well to know what one is doing.

Managers – like everyone else – should therefore learn the effects on others of their attitudes and habits so that they can correct those which elicit negative responses; that is, they should cultivate self-knowledge and put it to work intelligently by watching for favorable and unfavorable reactions to their behaviour and by identifying causes. They can make discreet inquiries, either direct or indirect, to learn the cause of an observed response. This is a matter in which T group can help.

One major point should be remembered here: people do not all respond in the same way to anything. People are different; not all are irritated by the same thing. Furthermore, people respond differently at different times of the same stimulus depending on their immediate interior climate. Some personalities clash with few but please the many; some, conversely, seem bad-tempered but are amenable to certain personalities they find congenial. These variations in people explain, in part, why the much-publicized sensitively training often demonstrates essentially that people respond differently to the same stimulus.

3.4 Environmental and Systems Problems in Leadership

Pleased as one must be with the apparent progress that has been made in understanding leadership, it is nonetheless important to realize that there is still much that is not known about this activity. Not only must old ground be still cultivated but also there are also many areas that have not yet been adequately researched. Some of these will be stressed in this section. As will be seen, all of them dramatize the importance of a contingency, situational, and open-system approach to leadership.

SELF ASSESSMENT EXERCISE 1

Critically examine some organizations and determine the leadership style of the manager.

4.0 CONCLUSION

In this unit, you learned that though autocratic and democratic leadership exists as types of leadership, effective leaders evaluate the organizational environment before deciding the leadership style to use. Furthermore, you also learned that there are some behaviours a leader may cultivate for him to achieve some success. These are awareness of all that is happening in the organization, empathy for subordinates, objectivity in dealing with subordinates and self-knowledge that involve control of self by leaders. Consequently, it was suggested that a good manager keeps an open mind and tackle events according to the situation prevailing at particular time.

5.0 SUMMARY

This unit concerns some leadership styles that as managers you should adopt in your organization. It is suggested here that there is no strict application of styles in all situations. Rather, you should evaluate the prevailing environment to decide the best leadership style to utilize. Moreover, having decided on the leadership style to adopt there are some behaviours you should cultivate to enhance the prospect of your style impacting positively on your organization. These cultivated behaviours are awareness of all that is happening in the organization, empathy for subordinates, objectivity in dealing with subordinates and self-knowledge that involve control of self by leaders.

6.0 TUTOR- MARKED ASSIGNMENT

What explanation of leadership style appears to be the best for you and why is it so?

7.0 REFERENCES/FURTHER READINGS

House, R.J. (1971). A path goal theory of leadership effectiveness. *Administrative Science Quarterly 16(3)321-338*

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UNIT 15 DIFFERENCES IN MEN AND WOMEN LEADERSHIP STYLES

CONTENTS

1.0 INTRODUCTION

Much has been written about the double standard and other barriers to women in management. A related question that has consumed both academic and popular writers is whether men and women have the same leadership abilities.

The answer suggested by a comprehensive meta-analysis might surprise you. On the average, women in management positions are somewhat better leaders than men in equivalent positions, according to the study. This project, "Transformational, Transactional and *Laissez Faire* Leadership Styles: a Meta-Analysis Comparing Women and Men," statistically combines the results of 45 published and unpublished studies on leaders in business, academics and other areas to examine whether the typical leadership styles of men and women differ. The meta-analysis revealed relatively small sex differences, which is to be expected since the men and women compared are in equivalent roles with relatively similar responsibilities Eagly, Johannesen-Schmidt & Engen (2003)

The differences in male and female managerial behaviour are in the discretionary aspects of behaviour, because all managers have to carry out basic tasks required by their roles. The implications of the findings are encouraging for female leadership when you consider that all aspects of leadership style on which women exceed men relate positively to effectiveness.

2.0 OBJECTIVE

By the end of this unit, learners should be able to discuss the difference between males and females in leadership styles.

3.0 MAIN CONTENT

3.1 Differences in Leadership Style: Translational Versus Transactional Styles

Today many women occupy very important corporate positions hitherto assumed to be the preserve of men. Women have thus made their way up the corporate ladder to positions of authority, power, and leadership. As more and more women gained a foothold in management ranks, the debate over the differences and similarities between the leadership styles of men and women gained momentum.

Eagly *et al.* (2003) entered the debate by declaring that women are more apt to use a transformational style of management, that is a more charismatic style which encourages subordinates to transform their own self-interest into the interest of the group through concern for a broader goal, rather than the transactional style traditionally favoured by men, which is more power and position based, and is seen as a series of transactions with subordinates - exchanging rewards and punishment for specific performance. A transformational leadership style may be especially congenial to women because this way of leading is relatively androgynous and has some nurturing, feminine aspects. A considerable body of research has shown that women can be disliked and distrusted in leadership roles, especially when they exert authority over men, appear to be extremely competent or use a dominant style of communication. Transformational behaviour may lessen suspicion of female leaders and alleviate problems of lesser authority and legitimacy that they sometimes face.

Another reason women may favour a transformational style is that such a leader operates more like an excellent teacher than a traditional boss does. Women's past socialization may give them more ability to lead by teaching -- that is, by developing and nurturing workers' abilities and inspiring them to be outstanding contributors. Transformational leadership strengthens organizations by inspiring followers' commitment and creativity.

Leadership researchers found that, in contrast, "transactional" leaders appeal to subordinates' self-interest by forming exchange relationships, based on using reward and punishment as incentives. The researchers also distinguished a laissez faire style that is marked by an overall failure to take responsibility for managing. In Eagly's *et al.* 2003 study, women also scored higher than men on one measure of transactional leadership -- rewarding employees for good performance.

"That is the only aspect of transactional leadership that is associated with positive outcomes," Eagly and associates noted. Men scored higher than women did on the other transactional aspects, such as using punishment, and on laissez faire leadership -- behaviours that do not appear to produce more organizations that are effective. "Giving women equal access to leadership roles obviously would increase the size of an organization's pool of potential managers," Eagly said. "What people may not realize is that adding women to that pool likely increases the proportion of candidates with superior leadership skills."

3.1.1 Causes of Differences in Leadership Styles

In synthesizing 45 leadership studies, the researchers conclude that the causes of the sex differences in leadership may lie in several factors. Throughout the nineties, the debate has continued to be fueled by articles on both sides of the Atlantic, arguing issues of both leadership style and progress, or lack of it, for women in terms of the "glass ceiling." During the same period, this topic was of great interest in the popular and business press, organizational specialists and social scientists have been intensely engaged in answering the questions of relationship between gender and leadership. In fact, more than 170 scientific studies of gender and leadership style and more than 86 scientific studies of gender and leadership effectiveness have been published in the last fifteen years. In general these studies have suggested that women tend to lead in a more democratic and participative fashion, while men display a more autocratic style. In addition, these studies suggest that men tend to be more tasks oriented in their leadership approach, while women tend to focus more on the maintenance of relationships.

3.1.2 Shortcoming of Studies on Gender Differences in Leadership

Despite this great volume of research, the information the research has provided is actually quite meager. The reason is simple - it is very difficult to study gender differences in leadership accurately. Much of what has been reported in the popular press is based on interviews and anecdotes. Most of the more scientific studies suffer from methodological problems that seriously limit their usefulness and generalizability. These shortcomings have included:

- The use of small numbers of participants (limiting generalizability);
- Narrow definitions of leadership (oversimplifying the subject matter);
- Reliance on self report data (people often do not see themselves as others see them);
- Use of subjects who are not in current leadership roles (e.g., trying to infer gender differences in organizational leadership from experiments on college students); and
- Uncontrolled differences between groups (often the men and women being compared differ with regard to job function, position within the organization, job experience, and type of organizational culture). When differences are found, it is unclear whether they are gender differences per se, or a reflection of these organizational differences. This is perhaps the most serious limitation of most studies.

3.2 Male and Female Differences in Leadership Practices and Behaviour

Male and female managers were perceived to differ in leadership practices and behaviors. In addition, all four groups (self, boss, peers, and direct reports) perceived these differences in a similar way. There seemed to be no differences in the ratings based on the gender of the person doing the rating, that is, both men and women reported similar perceptions of the behavior of the individual being rated. However, previous research suggesting that men are more autocratic and women are more democratic was not supported. In a similar fashion, the notion that men are more oriented did not hold up.

The findings of the studies include:

- Women scored higher on leadership scales measuring an orientation toward setting high standards of performance and the attainment of results.
- Men scored higher on scales assessing an orientation towards strategic planning and organizational vision.
- Women were seen as operating with more energy, intensity, and emotional expression, and as having a greater capacity to keep others enthusiastic and involved. Men were seen as more likely to maintain

a low-key, understated and quiet interpersonal demeanor through the control of emotional expression.

- Women were rated higher on people-oriented leadership skills, while men were rated higher on business-oriented leadership skills.
- Bosses saw men and women as equally effective overall. Peers and direct reports rated women as slightly more effective than the men.

3.2.1 Reasons Why Men and Women Differ in Leadership Styles

While research work on sex differences tells us something about how men and women differ in leadership roles, it does not tell us why. With regard to the results orientation / visioning orientation differences, one possibility is that female managers feel more vulnerable in their positions and consequently focus on achieving results to prove their worth. They may have a strong need to ensure that the job is done. In contrast, men may feel freer to engage in the luxury of visioning and strategic thinking, which are riskier endeavors.

3.2.2 Leadership Effectiveness

With regard to leadership effectiveness, all three-observer groups rated women higher on people-oriented skills. Bosses and peers rated men higher on business-oriented skills, while direct reports did not. This discrepancy may reflect a lack of opportunity for direct reports to observe such behaviors relative to the other observer groups. Findings on these two effectiveness measures also follow gender stereotypic expectations to some extent. Bosses did not rate men and women differently in terms of general effectiveness. Thus, although bosses reported gender differences in leadership styles and practices, they did not see one group as more generally effective (i.e., current effectiveness, potential, credibility) than the other. Peers and direct reports tended to see women as slightly more generally effective than men. This may reflect the positive impact of people-oriented skills for these two constituencies.

3.2.3 Potential Developmental Opportunities for Both Individuals and Organizations

These findings suggest a number of potential developmental opportunities for both individuals and organizations. Research has suggested that strategic thinking is one of the leadership behaviours most predictive of observer rated effectiveness. In addition, the ability to design a strategic vision is often sought after in senior level management positions. Female managers may benefit from additional training in strategic analysis and planning coupled with an increased focus on the persuasive skills needed to sell ideas. The significant interest in how interpersonal factors may affect teams and team -building, coaching and mentoring, sensitivity to diversity, and executive derailment suggests that male managers may benefit from additional training in interpersonal, relational skills that focus on empathy, listening skills, sensitivity to interpersonal differences, and the ability to give effective and constructive feedback.

Finally, it is important to emphasize that although consistent differences in the perceptions of leadership practices of men and women managers evident, at least from the boss' perspective, the genders were equal with respect to overall effectiveness.

Our basic premise that there is no one right way to lead. Success in leadership positions is based on a fine alchemy between the environment (most notably country and company culture), the role the individual is to play (finance vs. and recognition systems. Research shows that higher standards are often imposed on women to attain leadership roles and to retain them. Because transformational leadership constitutes skillful leadership, women may be more skillful leaders than men because they have to meet a higher standard.

4.0 CONCLUSION

In this unit, you learned that leadership skill is not the exclusive reserve of any of the sexes. However, females tend to use the transformational leadership style .This enables them to use their natural charismatic skills to motivate employees towards working for the organization. In effect in organizations where the transformational leadership is most suitable in women may excel. Males make use of transactional leadership style. Consequently when measured on transformational leadership skills they may not do very well. In other words, gender may not be the issue but the appropriate leadership style for the particular organization depending on the environment within the organization.

5.0 SUMMARY

This unit shows you that women have leadership skills just like men. The skills they possess involve the use of charisma and team- building while males are more comfortable with power to use punishment and reward in controlling employees towards meeting organizational goals.

6.0 TUTOR- MARKED ASSIGNMENT

In the light of facts presented on gender differences in leadership style agree that females are most effective leaders.

7.0 REFERENCE/FURTHER READING

Eagly,A.,Johannesen-Schmidt,M. C. & Engen, M.C.(2003). Transformational, Transactional and Laissez Faire Leadership Styles: a Meta-Analysis Comparing Women and Men Psychological Bulletin (Vol. 129, No. 3) 123-133.