Managerial Styles

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Leader vs Manager

- A question of influence
  - *Managing*: Depend on formal authority inherent in designated formal rank to obtain compliance from organizational members
  - *Leading:* Does not depend solely on formal authority to influence a group toward the achievement of goals

Management vs. Leadership

Management

- Focuses on resources
- Uses data, information, tools, materials, procedures, and ideas to communicate decisions, directions, and expectations
- Plans, organizes, coordinates, and controls activities
- Interested in planning and budgeting, organizing and staffing, and controlling and problem solving.

Manage resources, projects, and programs.

Managers make positive contributions to their organizations.

Leadership

- Focuses on people
- Uses persuasiveness, feelings, and emotions to influence others
- Demonstrates credibility and trust to elicit decisive action and commitment from others
- Interested in establishing direction, aligning people, and inspiring others

Lead people.

Leaders make positive contributions to their followers.

Leader

In 1938, Chester Bernard stated that, "leadership is the ability of a superior to influence the behavior of subordinates and persuade them to follow a particular course of action".

A recent theorist on leadership, Williams (2005), states that, "leadership is an interactive art in which the leader is dancing with the context, the problem, the faction, and the objective".

Leadership

Leadership can be formally defined as "the process of influencing the activities of an individual or a group in efforts towards the achievement of some particular goals in a given situation."

Another definition defines leadership as "Interpersonal influence exercised in a situation and directed through the communication process towards the attainment of a specialized goal(s)".

A Definition of Power

- **Power:** The capacity that *A* has to influence the behavior of *B* so that *B* acts in accordance with *A*'s wishes
    - The most important aspect of power is that it is a function of **dependence**

Power

Legitimate Power	The power possessed by managers and derived from the positions they occupy in the formal organization
Reward Power	The power that comes from the ability to promise or grant rewards
Coercive Power	The power dependent on fear of the negative results that may happen if one fails to comply
Referent Power	The power that is based on the kind of personality or charisma an individual has and how others perceive it
Expert Power	Influence due to abilities, skills, knowledge, or experience

Chapter 9

LEADERSHIP STYLES

The total pattern of leader actions as perceived by their employees, is called Leadership Style. It represents the leader's philosophy; skills and attitudes and behavior towards others.

The styles differ on the basis of motivation, power, or orientation towards people and tasks.

Theories of Leadership

- Trait Theories

- Behavioural Theories

- Contingency or Situational Theories

- Continuum of leadership behaviour

- Transactional and transformational Leadership

EARLY LEADERSHIP THEORIES

TRAIT THEORY

- **"Leaders are born, not made."**

- The trait approach to leadership was one of the earliest theories of leadership.

- This approach focuses on **the personal attributes (or traits)** of leaders, such as **physical** and **personality characteristics, competencies, and values**.

- Leadership traits are considered to be enduring characteristics that people are born with and that remain relatively stable over time.

- Trait theory – assumes the leader is different from the average person in terms of personality traits such as intelligence, perseverance, and ambition.

ASSUMPTIONS
- People are born with inherited traits.
- Some traits are particularly suited to leadership.
- People who make good leaders have the right (or sufficient) combination of traits.

TRAIT THEORY

- Trait theory of leadership differentiates leaders from non leaders by focusing on personal qualities and characteristics.

- Trait theory of leadership sought personality, social, physical and intellectual traits.

- Trait theory assumes that leaders are born.

Trait Theory

McCall and Lombardo (1983) researched both success and failure identified four primary traits by which leaders could succeed or 'derail':

- **Emotional stability and composure**: Calm, confident and predictable, particularly when under stress.

- **Admitting error**: Owning up to mistakes, rather than putting energy into covering up.

- **Good interpersonal skills**: Able to communicate and persuade others without resort to negative or coercive tactics.

- **Intellectual breadth**: Able to understand a wide range of areas, rather than having a narrow (and narrow-minded) area of expertise.

TRAIT THEORY

- **ADVANTAGES**
  1. It is naturally pleasing theory.
  2. It is valid as a lot of research has been done on it.
  3. It serves as a yardstick to assess the leadership traits.
  4. Gives detailed knowledge & understanding of the leader element in the leadership process.

- **DISADVANTAGES**
  1. Subjective judgment is bound to exist in the assessment.
  2. There are more than 100 traits identified in effective leadership which makes it a long process.
  3. There is a disagreement over which traits are more important in leadership.
  4. Physical traits are not necessarily required for effective leadership except for military.
  5. The theory is very complex.

Theories of Leadership

- Behavioural:
- Imply that **leaders can be trained** – focus on the way of doing things
  - Structure based behavioural theories – focus on the leader instituting structures – task orientated
  - Relationship based behavioural theories – focus on the development and maintenance of relationships – process orientated

THE OHIO STATE STUDIES

- In 1945 researchers from various fields conducted studies on leadership at Ohio State university.
- The research was based on a questionnaire called '**Leader Behavior Description Questionnaire'.**
- They narrowed down to two independent dimensions along which an individual's leadership behavior could be studied.

1. **Initiating Structure** – Individual's ability to define his own task as well as the subordinates tasks and also accomplish them in time. People who score high in this dimension put pressure on subordinates to meet deadlines and maintain certain level of performance.

2. **Consideration** – This refers to the extent to which a leader cares for his subordinate, respects their ideas and feelings and establishes work relations which are characterized by mutual trust and respect.

The studies revealed that the people who scored high on both the dimensions were able to achieve higher performance as well as job satisfaction.

Examples of Task Oriented and Relationship oriented behaviors

Initiating structure	Consideration
Setting performance standards, defining roles	Finding time to listen to group members
Assigning group members to particular tasks and roles	Treating members as equal
Asking group members to follow standard rules and regulations	Looking out for personal welfare of individual group members
Maintaining definite standards of performance	Consulting the group when making decisions
Pointing out and criticizing mistakes	Gets group's approval in important matters before going ahead

Behavioral Theories of Leadership

- The Managerial Grid
  - Appraises leadership styles using two dimensions
    - Concern for People
    - Concern for production
  - Places managerial styles in five categories
    - Impoverished management
    - Task management
    - Middle-of-the-road management
    - Country club management
    - Team management
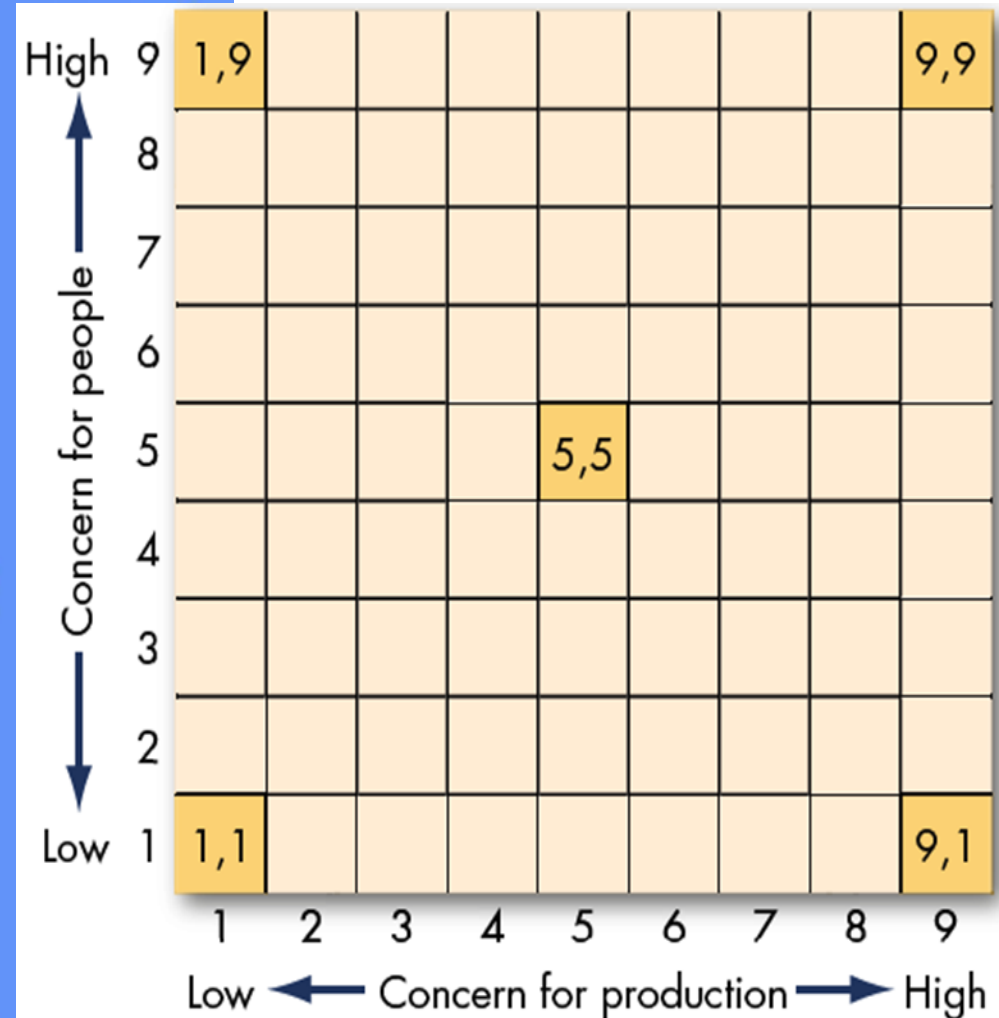
Managerial Style Grid

- **1,1 Managerial Style:** It is often referred to as Impoverished Management. In this style, the manager tends to put people in jobs and then leave them alone.

- **9,1 Managerial Style :** It is often referred to as Task Management. This manager has a high concern for production and a low concern for people. He or she plans the work and pushes to get it out. Those who can not fulfil the task are replaced by others who can.

- **1,9 Managerial Style: This** is called as Country Club Management because of high emphasis given to concern for people's feelings, comfort, and needs. The manager is basically interested in obtaining loyalty from the subordinates and tries to motivate them to do their work without putting pressure on them.

Managerial Style Grid

- **5, 5 Managerial Style** - It is often referred to as Middle-of-the-road Management. The manager assumes that there is an inherent conflict between the concerns for production and people. Therefore, he or she tries to compromise and balance the two dimensions.

- **9,9 managerial style** - This is referred to as Team Management. It is regarded by many as the best and the ideal style, as the one that both managers in particular and the organization in general should employ. This style focuses on people's higher level needs, involves subordinates in decision making and assumes that the goals of the people and the goals of the organization are in harmony.

Situational Theories

- Situational theories propose that leaders choose the best course of action based upon situational variable.

- Different styles of leadership may be more appropriate for certain types of decision-making.

Situational Leadership Theory

- Situational Leadership attempts to explain effective leadership within the context of the larger situation in which it occurs.
  - Fiedler's Contingency Theory.
  - House' Path–Goal Theory.
  - Vroom and Yetton's Normative Theory.
  - Hersey and Blanchard's Situational Leadership Theory.

Situational/Contingency theories of leadership

- *How do situations affect leadership?*

Fiedler, 1967

- *LEADERSHIP STYLE*
  - Task orientated
  - Relationship orientated

- *SITUATION*
  - Leader/group relations
  - Task structure
  - Position power

Situational Model

i) **Task Style:** The leader organises and defines roles for members of the work-group; the leader explains the tasks that members are to do and when, where, and how they are to do them.

ii) **Relationship Style:** The leader has close, personal relationships with the members of the group, and there is a two-way communication along with psychological and emotional support.

Leadership Styles (Lewin)

Contingency Theories of Leadership

- ## The Fiedler Model

  - ➢ Proposes that effective group performance depends upon the proper match between the leader's style of interacting with followers and the degree to which the situation allows the leader to control and influence.

  - ➢ Assumptions:

    - ❖ A certain leadership style should be most effective in different types of situations.

    - ❖ Leaders do not readily change leadership styles.

      - − Matching the leader to the situation or changing the situation to make it favorable to the leader is required.

Contingency Theories Of Leadership

- Fiedler Model (cont.)
  - model assumes that leader's style was always the same and could not change in different situations
  - three contingency factors that identify eight possible leadership situations that vary in favorability
    - *leader-member relations* - degree of confidence, trust, and respect members had for leader
    - *task structure* - degree to which job assignments were formalized and procedurized
    - *position power* - degree of influence a leader had over power-based activities

Limitations

- One of the major drawbacks in Fiedler model is that the style adopted by a particular leader is fixed. It is assumed that a leader can follow only a particular style in any given situation and the theory suggests change of a leader to fit a situation.

- Though Fiedler‟s model offers useful propositions, the practical application of the theory is highly questionable. In practice, it is generally difficult to assess how good the leader member relations are, how structured the task is, and how much position-power a leader has (Robbins, Judge, & Sanghi, 2007).

Path-Goal Theory: Brief Description

- ✓ It is about how leaders motivate followers to accomplish designated goals
- ✓ The stated goal of leadership is to enhance employee performance and employee satisfaction by focusing on employee motivation
- ✓ Emphasizes the relationship between the leader's style and characteristics of the followers and the work setting
- ✓ The leader must use a style that best meets the followers motivational needs

Major Components of Path-Goal Theory

Path-Goal Theory Suggests:

- ❖ Each type of leader behavior has a different kind of impact on subordinates motivation

- ❖ Whether or not a particular leader behavior is motivating is contingent on

  – subordinate characteristics

  – task characteristics

What is the Path-Goal Leadership Theory?

Understanding The Model

The Path-Goal Theory of Leadership belongs to a group of leadership models called contingency models. It was developed by Martin Evans and Robert House in 1971 and derived from the expectancy theory of motivation.

The theory states:

- The leader's role is to provide information, support, and other resources necessary to the subordinates (employees) to achieve their goals

- Leaders should change their leadership style and behavior depending on the situation they face so that it best fits the employee and work environment to enhance employee performance and satisfaction by focusing on employee motivation
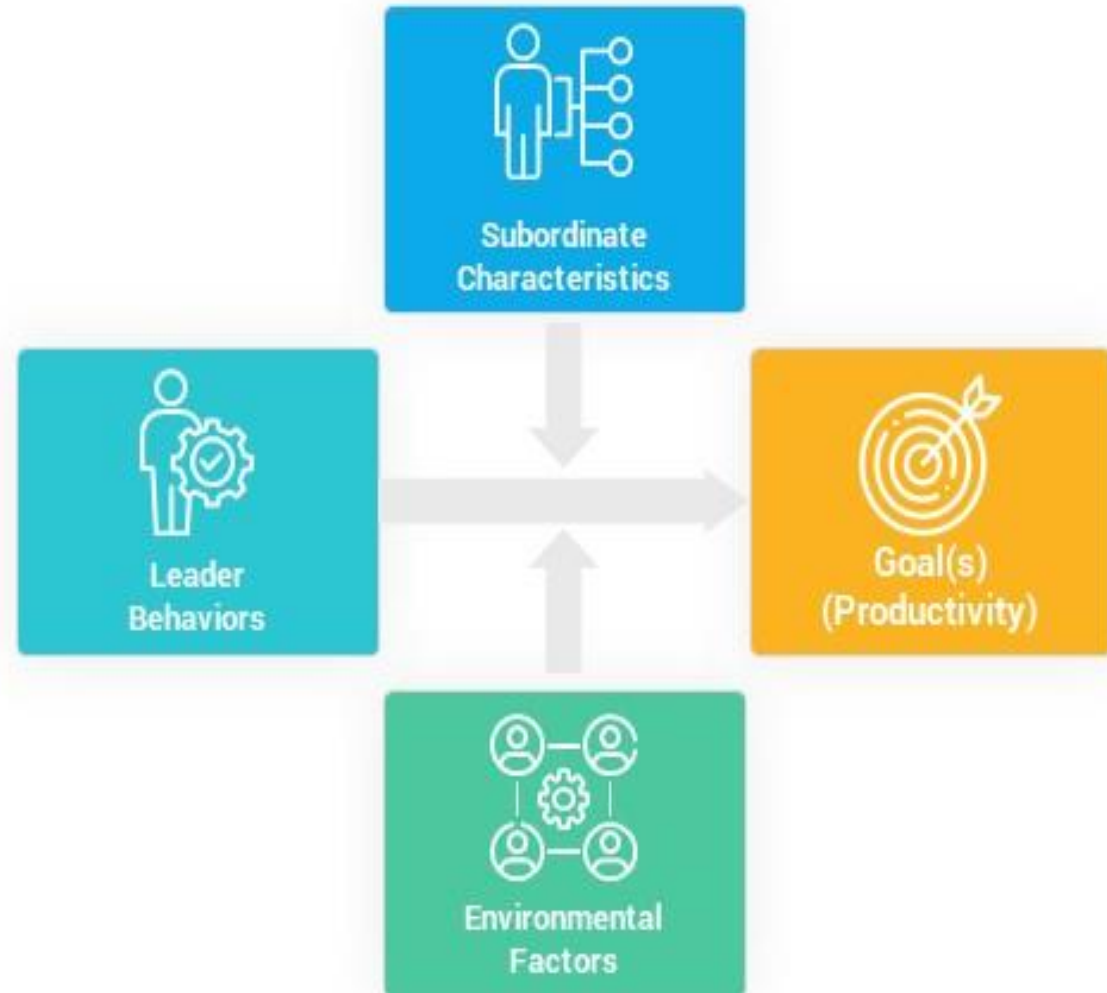
Subordinate Characteristics

Leader Behaviors

Goal(s) (Productivity)

Environmental Factors

Path Goal Theory

Path-Goal Theory:
Four Types of Behavior

- *Directive behavior* lets subordinates know what tasks need to be performed and how they should be performed.

- *Supportive behavior* lets subordinates know that their leader cares about their well-being and is looking out for them.

- *Participative behavior* enables subordinates to be involved in making decisions that affect them.

- *Achievement-oriented behavior* pushes subordinates to do their best. Includes setting difficult goals for followers, expecting high performance, and expressing confidence.

Path Goal Theory

Leadership Style	Workplace Characteristics	Employee Characteristics
Directive	■ Unstructured interesting tasks ■ Clear formal authority ■ Good group cohesion	■ Inexperienced Employees ■ They believe that they lack power ■ Expect leader to direct them
Supportive	■ Simpler, more predictable tasks ■ Unclear or weak formal authority ■ Poor group cohesion	■ Experienced confident employees ■ They believe that they have power ■ They reject close control
Participative	■ Unstructured complex tasks ■ Formal authority could be either clear on unclear ■ Group cohesion could be good or poor	■ Experienced, confident employees ■ They believe they have power ■ They reject close control, preferring to exercise power over their work
Achievement Oriented	■ Unstructured, complex or unpredictable tasks ■ Clear, formal authority ■ Group cohesion could be good or poor	■ Experienced, confident employees ■ They think, they lack some power ■ They accept the idea of the leader setting their goals and have a lot of respect for the leader

ACCORDING TO THE PATH GOAL THEORY, LEADERS NEED TO SUPPORT TEAM MEMBERS TO ACHIEVE WORK GOALS AND HAVE A RESPONSIBILITY TO PROVIDE THEM WITH THE NECESSARY INFORMATION

Path Goal Theory: Strengths

▼ **It specifies four conceptually distinct varieties of leadership**

▼ **Explains how task and subordinate characteristics affect the impact of leadership**

▼ **The framework provided in path-goal theory informs leaders about how to choose an appropriate leadership style.**

▼ **It attempts to integrate the motivation principles into a theory of leadership.**

▼ **Provides a practical model**

Path-Goal Theory

Cons

- This is a very complex theory that incorporates many aspects of leadership

- Research only partially supports the theory

- Fails to explain adequately the relationship between leader behavior and subordinate motivation

- Treats leadership as a one way street, places a majority of the responsibility on the leader

Continuum of leadership behaviour

In 1958, Robert Tannenbaum and Warren H-Schmidt formulated a continuum describing the decision-making authority dimension of leadership. It has two polar ends with varying amounts of leader subordinate decision-making authority. Between the two extremes of autocratic to laissez-faire fall a number of leadership styles, with the style selected dependent upon forces in the leader. the operating group, and the situation.

Continuum of leadership behaviour

- **Autocratic:** In the continuum of leader authority, the autocratic end represents the manager who makes decisions and announces them to the group. The total interacting relationship and work setting have been determined by the manager and he or she provides hardly any opportunity for a subordinate to participate.
- **Consultative:** Here the manager makes the decision concerning the work activity, its purpose, how it is to be done, when and by whom, and invites questions from subordinates.
- **Participative:** This style indicates that the manager identifies purposes, problems and means by which activities should be carried out; presents a tentative decision already made, that is subject to change or presents the problem to subordinates, gets suggestions, and then makes the decision. Here, the area of decision making freedom for subordinates is much greater and the use of authority by the manager is much lesser than with autocratic and consultative style.

Continuum of leadership behaviour

- **Democratic:** In the democratic style of leadership, the manager defines the limits of the situation and problem to be solved and asks the group to make decisions.

- **Laissez-Faire:** This style at the far end of the continuum is called free rein, wherein subordinates are permitted to function within limits set by the manager's superior. There is no interference by the manager, who may participate in decision-making, but attempts to do so with no more influence than any other member of the group.

Continuum of leadership behaviour

Factors Affecting Style

The leader decision authority style adopted by the manager depends a great deal on factors such as:

i.   Importance of results,

ii.   Nature of the work,

iii.   Characteristics of workers, and

iv.   Personal characteristics of the manager.

Leader Member Exchange Theory

- This theory is propounded by George Graen and his associates.
- The LMX theory argues that because of time pressures, leaders establish a special relationship with a small group of their subordinates.
- There individuals make up 'in group'. They are trusted by the leaders.
- Leaders give attention to them & they receive special privileges.
- Other subordinates fall into the 'out group'. They get less of the leader's time & have superior subordinate relations based on formal authority.

Leader-Member Exchange (LMX) model

- Leaders do not have same relationships with all subordinates

- These relationships may develop over time
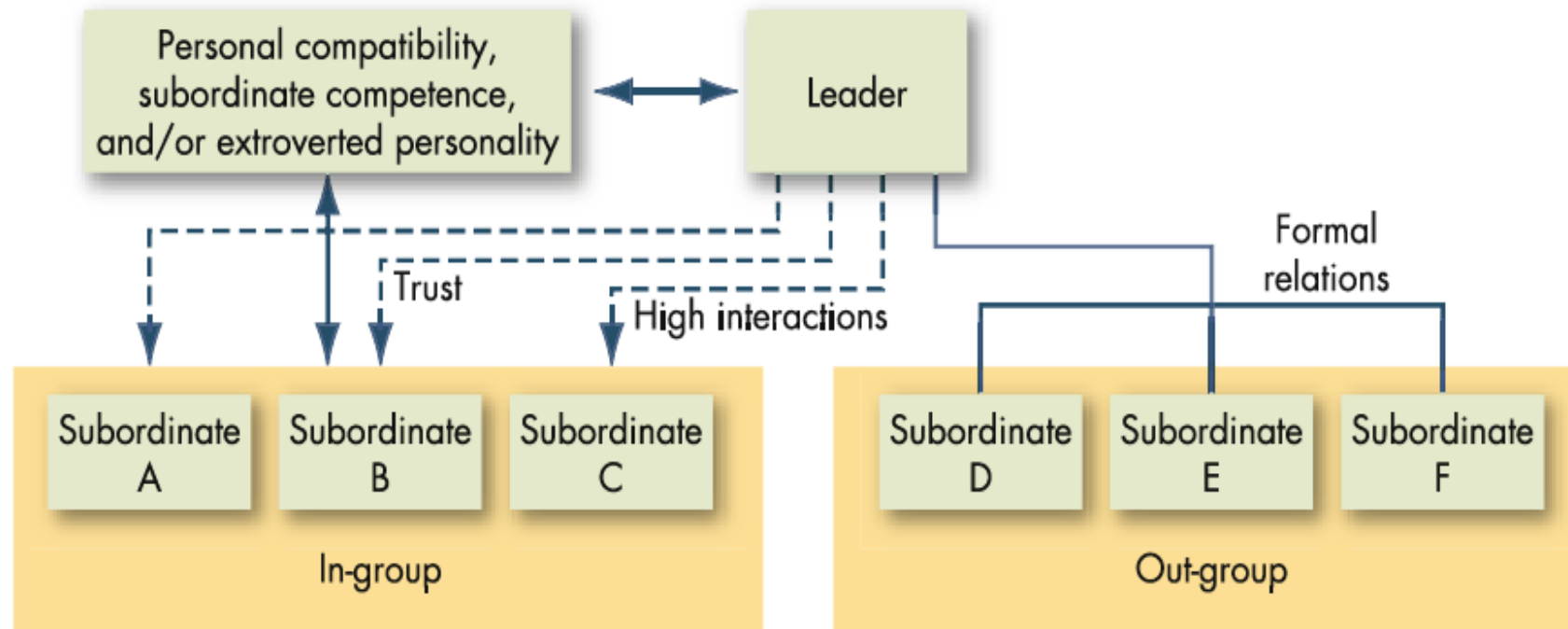
Leader-Member Exchange (LMX) Theory

In-Group

- Members are similar to leader
- In the leader's inner circle of communication
- Receives more time and attention from leader
- Gives greater responsibility and rewards

Out-Group

- Managed by formal rules and policies
- Receive less of the   leader's attention / fewer exchanges
- More likely to retaliate against the organization

Transactional Theory of Leadership

The transactional theory of leadership was first discussed by Max Weber in 1947 and was later developed by **Bernard M Bass** in *1981*. There are several assumptions that underlie the transactional theory, which are as follows:

i. People perform their best when the chain of command is definite and clear.

ii. Workers are motivated by rewards and punishments.

iii. Obeying the instructions and commands of the leader is the primary goal of the followers.

iv. Subordinates need to be carefully monitored to ensure that expectations are met.

v. Under the transactional theory of leadership, the leaders guide or motivate their followers in the direction of established goals by clarifying role and task requirements.

Transactional Theory of Leadership

The characteristic features exhibited by transactional leaders are as follows:

(i) **Contingent Reward:** The leader links the goals of the organization to rewards and clearly specifies the expectations, provides the needed resources and set goals for the subordinates.

(ii) **Management by Exception (Active):** The leader actively monitors the performance of the subordinates, watches and searches for deviations from rules and standards, and take corrective actions to prevent mistakes.

(iii) **Management by Exception (Passive):** In terms of passive management, a leader intervenes only if standards are not met and even use punishments for poor performances.

(iv) **Laissez-Faire:** the leader gives an environment to subordinates, where they can take decisions. In this form, the leader himself abdicates from responsibilities and avoids making decisions, due to which the followers lack the direction.

Transformational Leadership

- Transformational theories (also known as "Relationship theories") focus upon the connections formed between leaders and followers.
- These leaders motivate and inspire people by helping group (team) members see the importance and higher good of the task.
- Transformational leaders are focused on the performance of group members, but also want each person to fulfill his or her potential.
- These leaders often have high ethical and moral standards.

Transformational leadership

- **Idealized Influence** – Providing a role model for high ethical behavior, instills pride, gains respect and trust

- **Inspirational Motivation** – articulating a vision that is appealing and inspiring to followers.

- **Intellectual Stimulation** – challenging assumptions, takes risks and solicits followers' ideas. Leaders with this style stimulate and encourage creativity in their followers. They nurture and develop people who think independently.

- **Individualized Consideration** – the degree to which the leader attends to each follower's needs, acts as a mentor or coach to the follower and listens to the follower's concerns and needs.

Transformational-Charismatic leadership

Transformational leadership

1. in essence - inspiring and stimulating followers to develop themselves
2. successful transformational process may reduce attribution of charisma to leader
3. tends to do things to empower followers, make them less dependent on the leader
4. mutuality in leader-follower relationship - both leader and follower "transformed" simultaneously, influence process is reciprocal

Charismatic leadership

1. in essence - being charismatic is to be perceived by followers as extraordinary;
2. followers are dependent on the leader for guidance and inspiration
3. usually engage in behaviors that foster an image of extraordinary competence and thus increase follower dependence
4. influence processes are primarily intended to align followers' vision with that of the leader

Mittal, R. (2015). Charismatic and transformational leadership styles: A cross-cultural perspective. *International Journal of Business and Management*, 10(3), 26.