

Lesson 4 – Leading

EN 5106 – Fundamentals of Management &
Entrepreneurship

Level III - Semester 5

Intended Learning Outcomes

At the end of this lesson, you will be able to:

- Define the function of leading
- Distinguish leading from managing
- Describe the theories of leadership
- Know how to develop successful leaders
- Describe the theories of motivation
- Identify the types of power

The Function of Leading

Leadership is the ability to influence people toward the attainment of organizational goals

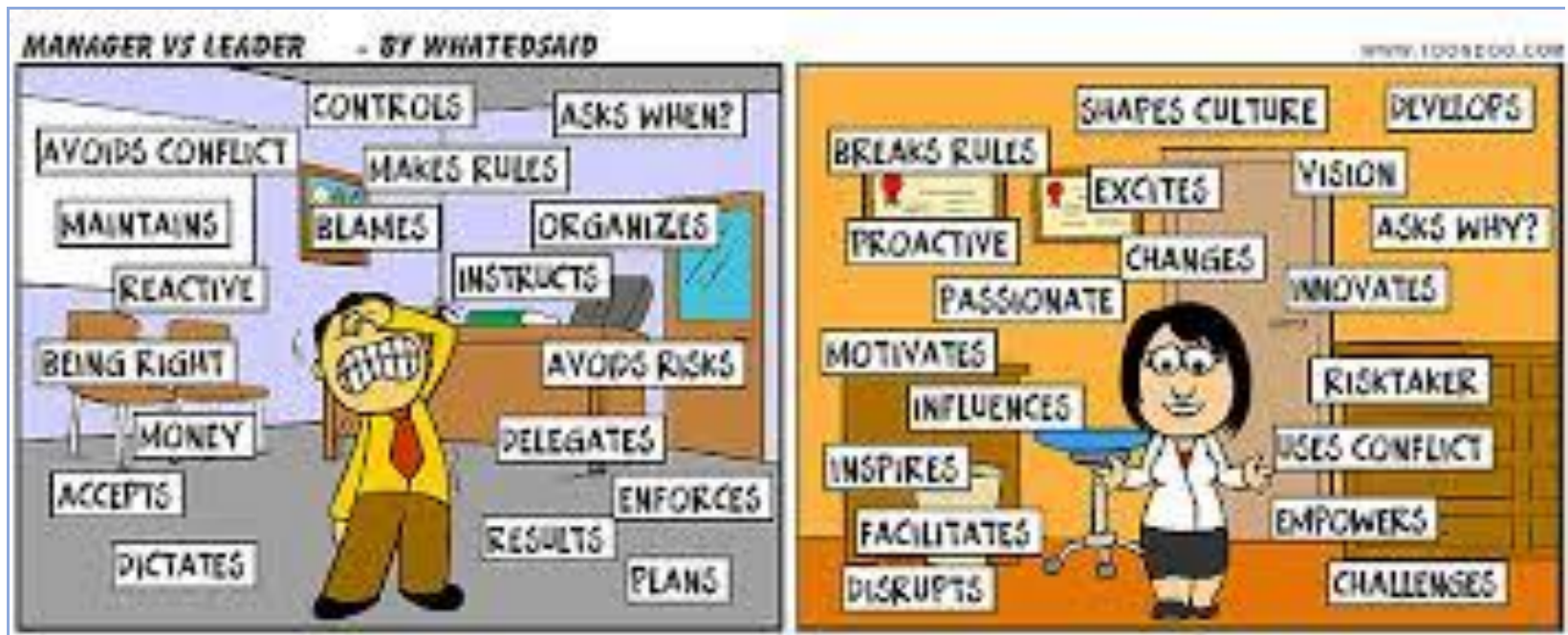


Leading vs. Managing

Managers do things right; leaders do the right things

Managing is an authority relationship; leading is an influence relationship

Managing creates stability; leading creates change



The Traits Theory of Leadership

Assumes that *leaders are born and not made*. Leadership consists of certain **inherited characteristics**, or **personality traits**, which distinguish leaders from their followers: the so-called Great Person theory of leadership [personal characteristics such as physical appearance (including a positive correlation between height and weight), speech, capacity, achievement, participation, responsibility and status]



The Behavioral Theories of Leadership

Ohio State University Study	Initiating Structure	Consideration
Michigan State University Study	Production-centered Supervisor	Employee-centered Supervisor
McGregor's Theory X and Y	Theory X	Theory Y
Blake and Mouton's Leadership Grid Theory	Concern for Production	Concern for People

The Behavioral Theories of Leadership....

The Iowa Leadership Study

- The **authoritarian (autocratic) style** - The manager alone exercises authority to decision-making
- The **democratic style** - The leadership functions are shared with members of the group
- A **laissez-faire (genuine) style** - The manager observes that members of the group are working well on their own

The Situational Theories of Leadership

Emphasizes the situation as the dominant feature in considering the characteristics of effective leadership (leadership style will vary as of the leadership situation varies)

Favorability of leadership situation – Fiedler

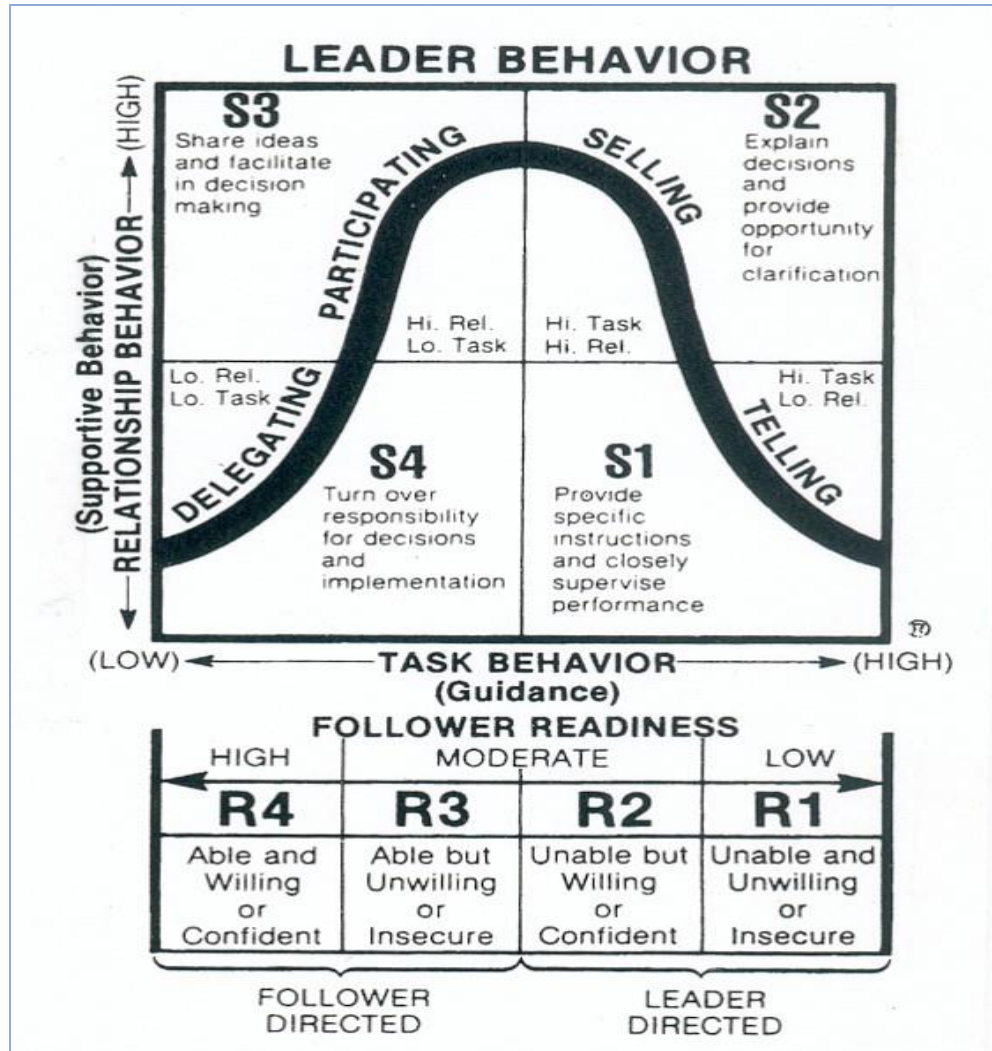
Path-goal theory – House, and House and Dessler

Readiness level of followers – Hersey and Blanchard



The Situational Theories of Leadership....

Hersey and Blanchard's Situational Leadership Model



Modern Theories of Leadership

Transformational Approach

Designed for:
**Non-routine, complex and
adaptive challenges**

- Focus on people, possibilities and the future
- Based on commitment and accountability
- Strategic, multidimensional and open new pathways of thought and action

RESULT:
Exceptional Performance

Transactional Approach

Designed for:
**Technical and
routine challenges**

- Focus on systems, process and structure
- Based on priorities and problem solving
- Tactical, linear and return to full action

RESULT:
Improvement

7 Principles to Developing Leadership

(1) Development of a strategy for leadership development for each of the three levels of leadership – operational, strategic and team

(2) Selection of those with high potential for becoming effective leaders

(3) Training for leadership identify your business training needs in the leadership context and assign them priorities

7 Principles to Developing Leadership

(4) Career development through giving a person the right job at the right time

(5) Line managers as leadership developers by developing the individual's potential and sharing their knowledge of leadership

(6) Corporate culture that is valued at all levels and should encourage a climate of self development in leadership

(7) The chief executive who should be leading from the front and who owns the problem of growing leaders

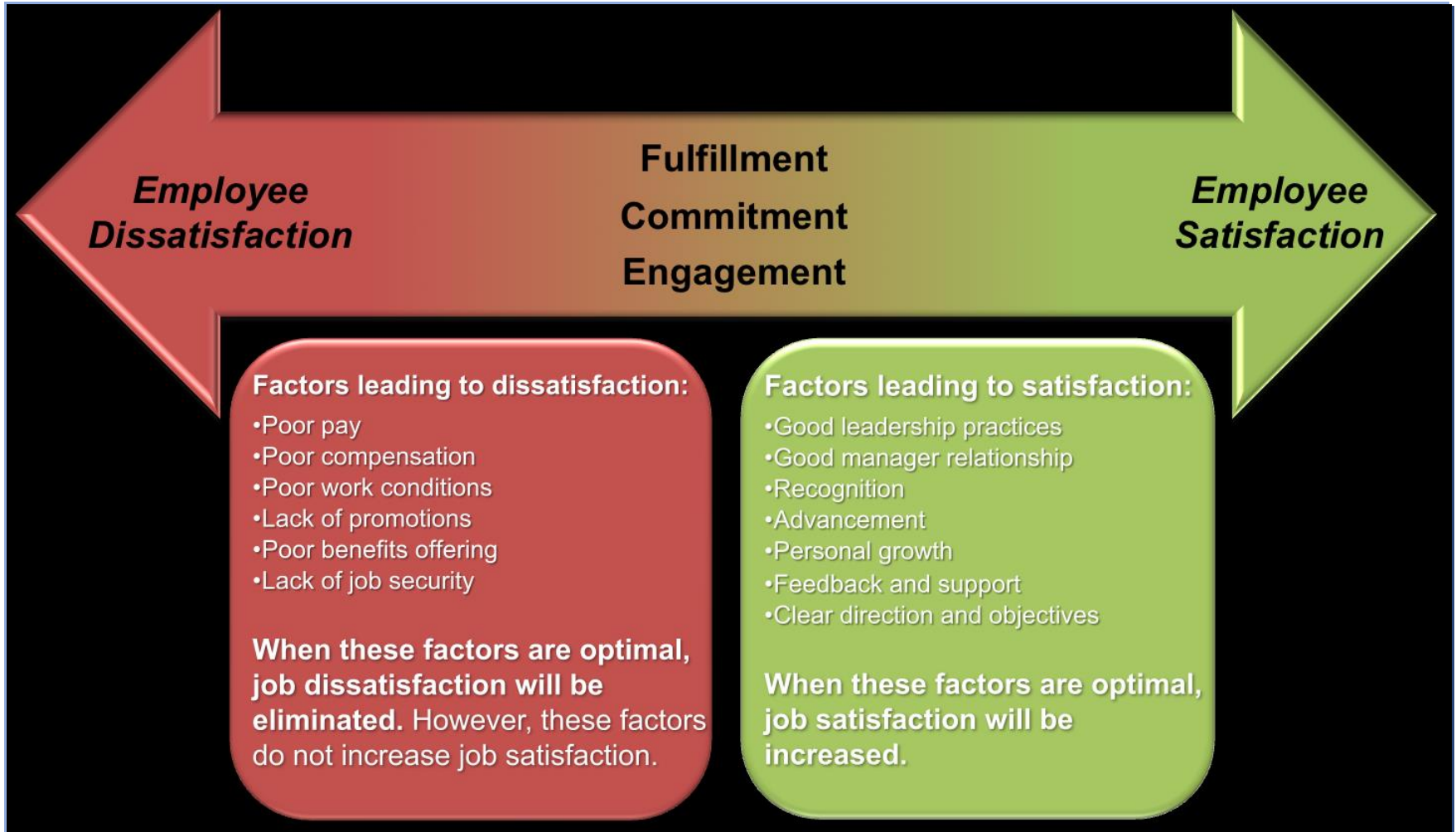
Theories of Motivation - Maslow's Hierarchy of Needs Theory



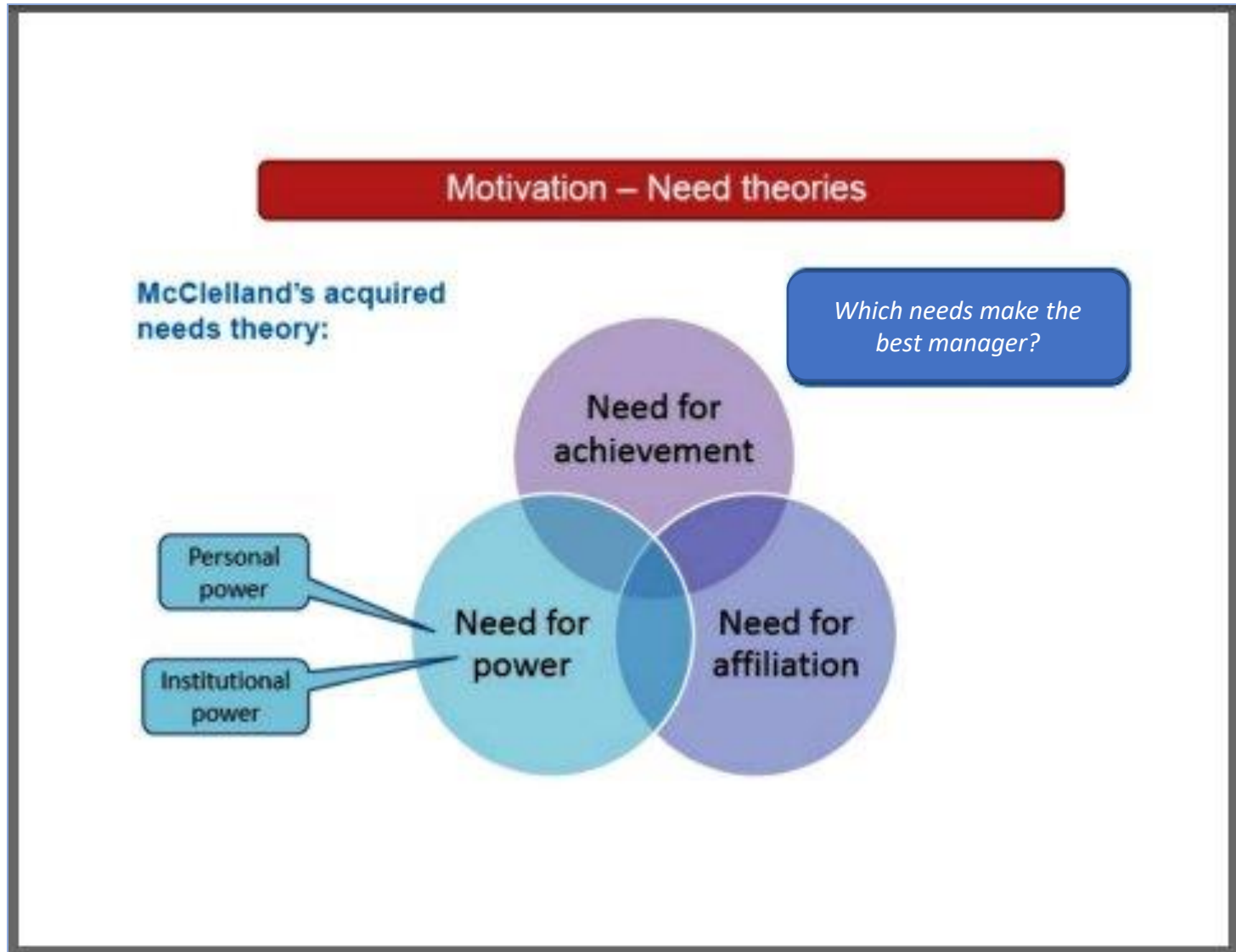
Theories of Motivation - Alderfer's ERG Theory

- **Existence needs** are concerned with sustaining human existence and survival and cover physiological and safety needs of a material nature
- **Relatedness needs** are concerned with relationships to the social environment and cover love or belonging, affiliation and meaningful interpersonal relationships of a safety or esteem nature
- **Growth needs** are concerned with the development of potential and cover self-esteem and self-actualization

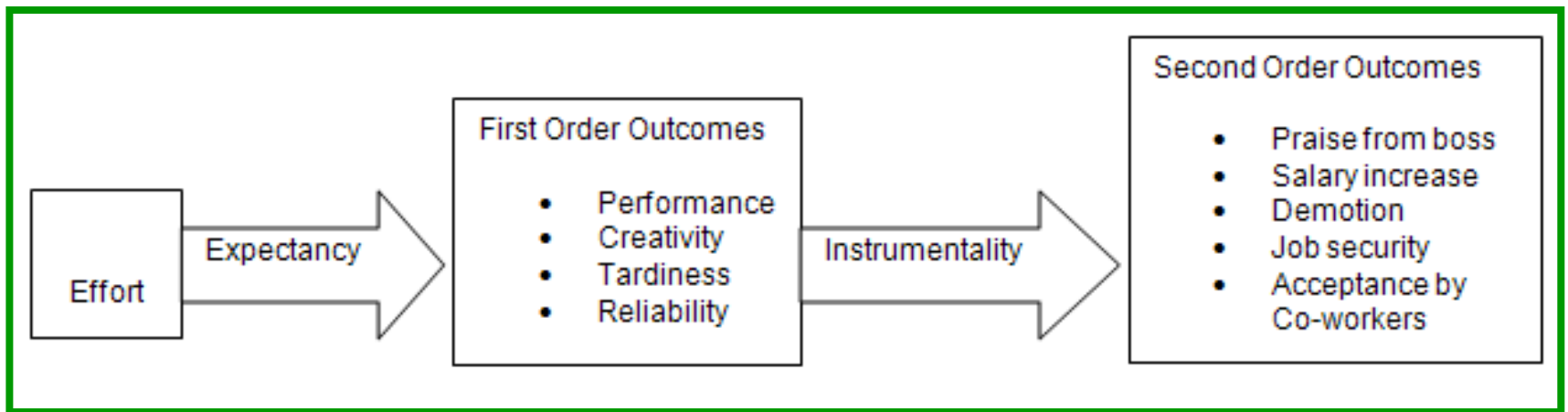
Theories of Motivation - Herzberg's Two-factor Theory



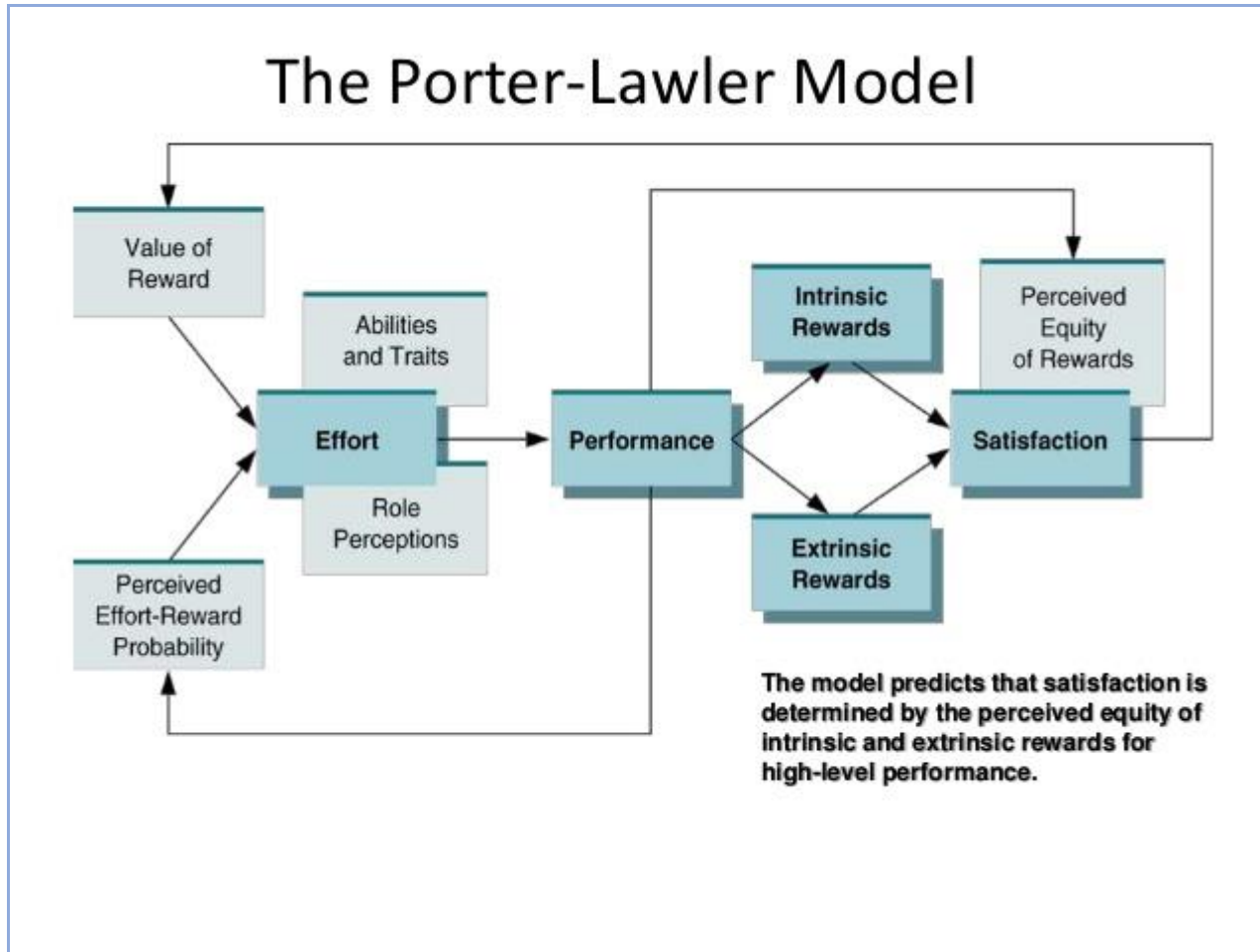
Theories of Motivation - McClelland's Achievement Motivation Theory



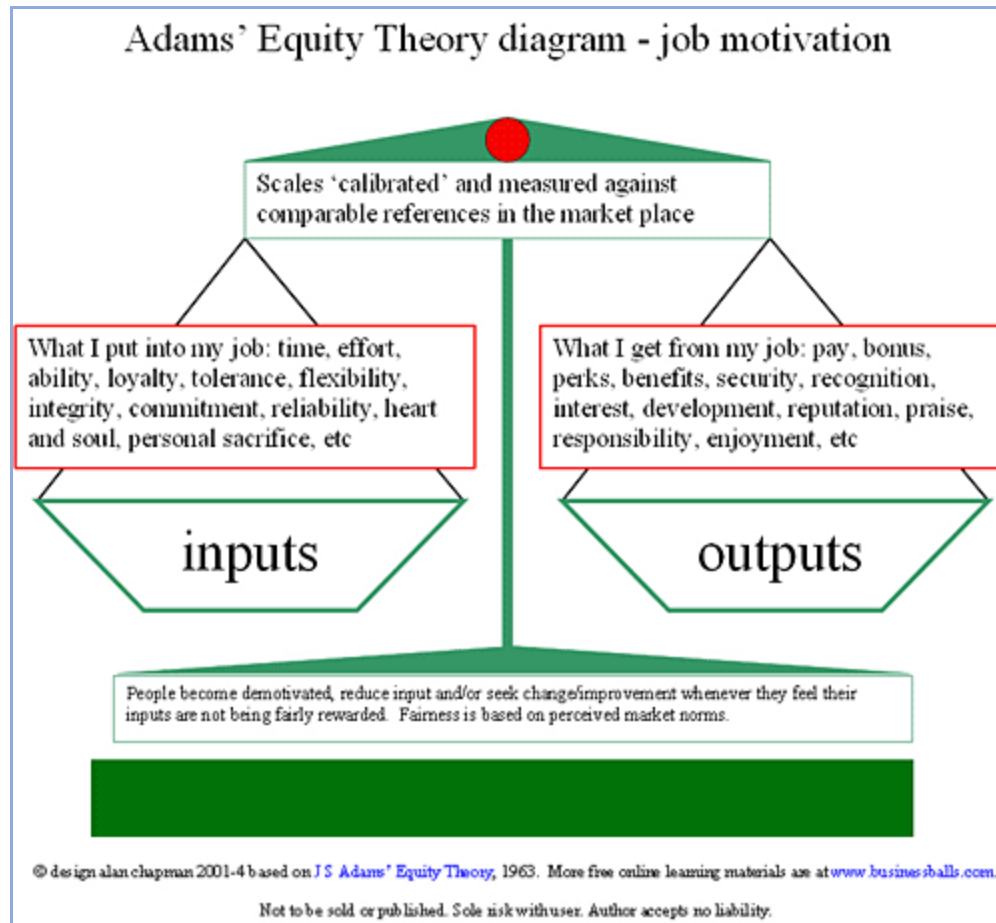
Theories of Motivation - Expectancy Theory



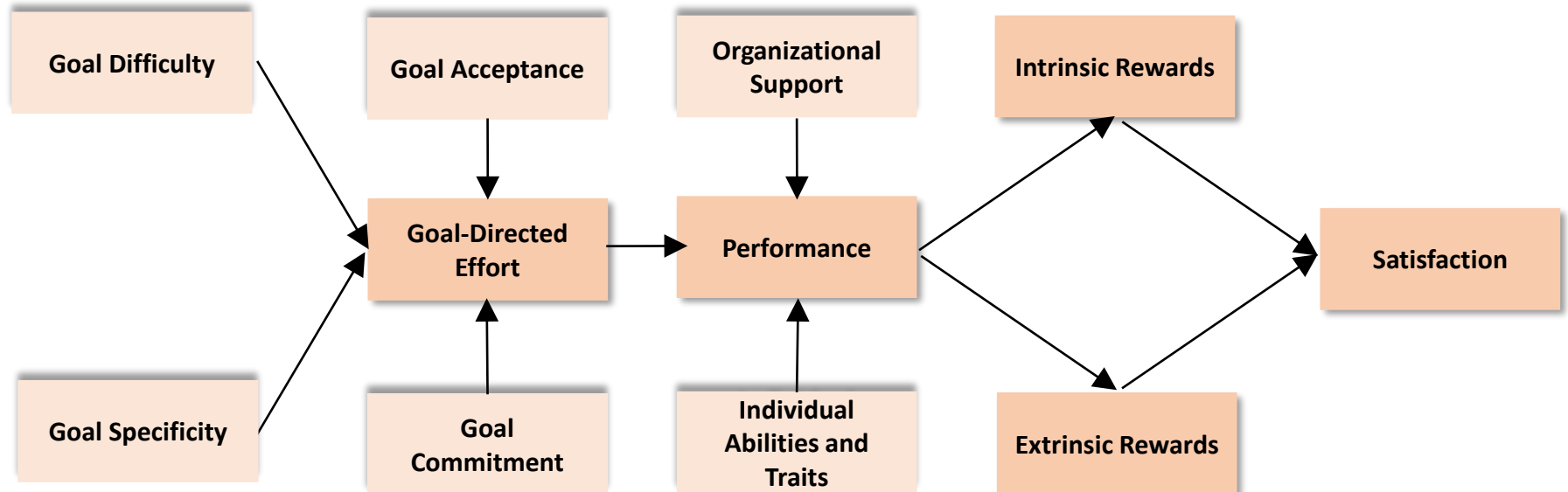
Theories of Motivation - Porter and Lawler's Theory



Theories of Motivation - Equity Theory



Theories of Motivation - Lock's Goal Setting Theory



Types of Power in Organizations

- **Reward power** (*ability to control resources and rewards on others*)
- **Coercive power** (*the source of power depends on fear*)
- **Legitimate power** (*gives the legitimate right to the agent to influence the others*)
- **Expert power** (*the extent to which others attribute knowledge and expertise of the power holder*)
- **Referent power** (*comes from the desire on the part of the other persons to identify the agent holding power*)

Questions and Answers ??//

Thank you very much!

