

CHP: LEADING

The nature of leadership

A glance at the shelves in your local bookstore will quickly confirm that leadership or **leading** — the process of inspiring others to work hard to accomplish important tasks — is one of the most popular management topics. As shown in figure 13.1, it is also one of the four functions that constitute the management process. Planning sets the direction and objectives; organising brings the resources together to turn plans into action; leading builds the commitments and enthusiasm needed for people to apply their talents fully to help accomplish plans; and controlling makes sure things turn out in the right way.

Leading is the process arousing enthusiasm and directing efforts toward organisational goals.

Leading –
to inspire effort
build enthusiasm
communicate the
vision
maintain
momentum

Planning –
to set the direction

Controlling –
to ensure results

Organising –
to create structures

Today's Leadership associated with **VISION** - A clear sense of the future
Visionary Leadership - A Leader who brings to the situation a clear and compelling sense of the future as well as understanding of the actions needed to get there successfully.

Example:



Kevin Michael Rudd AC is an Australian diplomat and former politician who served as the 26th prime minister of Australia from 2007 to 2010 and June 2013 to September 2013. He held office as the leader of the Australian Labor Party.

Power - Ability to get someone else to do something you want done or
To make things happen the way you want

Sources of Position Power

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

FIGURE 13.2 Sources of position power and personal power used by managers

POSITION POWER

- ❖ **Reward Power**
 - ❖ Pay Rises
 - ❖ Bonuses
 - ❖ Promotions
 - ❖ Special assignments
 - ❖ Verbal or written compliments
- ❖ **Coercive Power**
 - ❖ Threatening
 - ❖ Verbal reprimands
 - ❖ Pay penalties
 - ❖ Termination
- ❖ **Legitimate power**
 - ❖ Virtue of organizational position and status
 - ❖ Control over people in subordinate position

PERSONAL POWER

- ❖ **Expert power** - Ability to influence through special expertise
 - ❖ Knowledge
 - ❖ Understanding
 - ❖ Skills
 - ❖ Managers uses expert power - implied message is - YOU SHOULD DO WHAT I WANT BECAUSE OF MY SPECIAL EXPERTISE OR INFORMATION
- ❖ **Referent power** - ability to influence through identification
 - ❖ The Implied message is - YOU SHOULD DO WHAT I WANT IN ORDER TO MAINTAIN A POSITIVE SELF DEFINED RELATIONSHIP WITH ME

Ethics and the limits to power

On the issue of ethics and the limits to power, it is always helpful to remember Chester Barnard's *acceptance theory of authority*. He identified four conditions that determine whether a leader's directives will be followed and true influence achieved.

- The other person must truly understand the directive.
- The other person must feel capable of carrying out the directive.
- The other person must believe that the directive is in the organisation's best interests.
- The other person must believe that the directive is consistent with personal values.¹²

LEADERSHIP AND EMPOWERMENT

Empowerment: The process through which managers enables others to gain power and chive influence within the organization

Definition: Leadership refers to the ability to influence and guide others towards a common goal. It involves setting a vision, inspiring others, and making decisions to achieve objectives. Empowerment, on the other hand, is about giving power or authority to others to do something. It involves delegating responsibility, providing autonomy, and enabling individuals to take control of their work or lives.

1. **Focus:** Leadership typically focuses on **leading and directing** a group or organization. It involves aspects like decision-making, communication, and motivation. Empowerment, however, focuses on **enabling individuals or groups** to take ownership of their work, make decisions, and develop their skills and abilities.
2. **Nature of Influence:** Leadership is often hierarchical, with leaders exerting influence over their subordinates or followers. It can be formal, as in the case of a manager leading a team, or informal, where someone takes on a leadership role without a formal title. Empowerment, on the other hand, is more about sharing power and authority. It involves creating an environment where individuals feel capable and confident in their abilities.
3. **Outcomes:** The outcomes of leadership often include achieving goals, driving change, and inspiring others. In contrast, the outcomes of empowerment include increased motivation, improved performance, and a sense of ownership and responsibility.



Manager's notepad 13.2

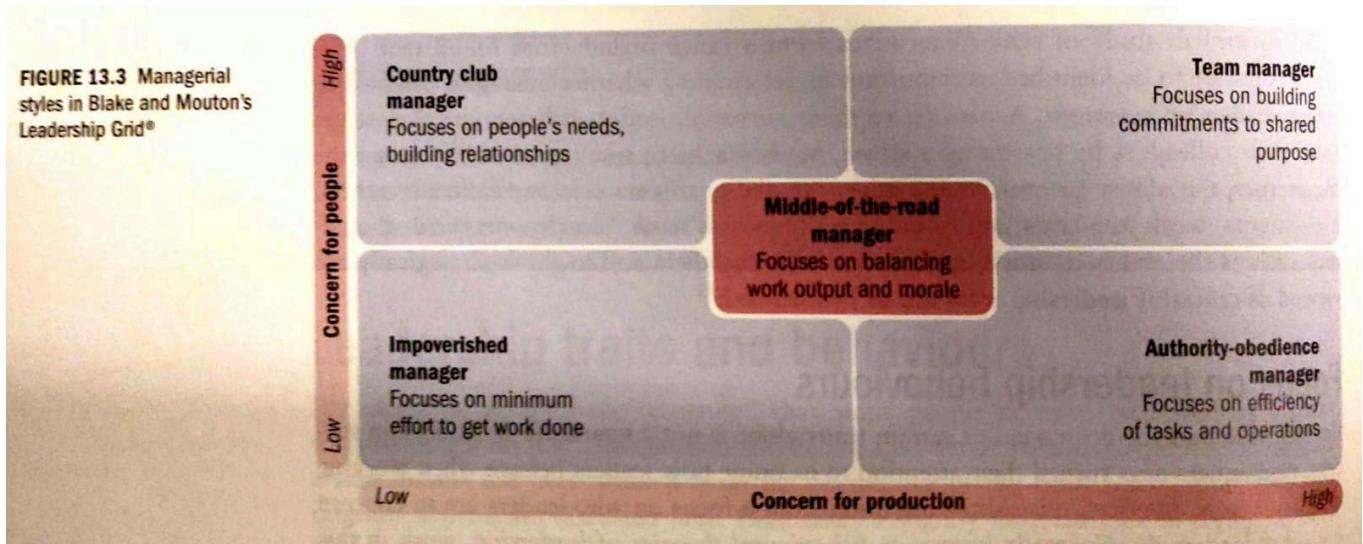
How to empower others

- Get others involved in selecting their work assignments and the methods for accomplishing tasks.
- Create an environment of cooperation, information sharing, discussion and shared ownership of goals.
- Encourage others to take the initiative, make decisions and use their knowledge.
- When problems arise, find out what others think and let them help design the solutions.
- Stay out of the way; give others the freedom to put their ideas and solutions into practice.
- Maintain high morale and confidence by recognising successes and encouraging high performance.

FOCUS ON LEADERSHIP BEHAVIOUR

A managerial style grid based on Blake and Mouton's model.

1. **Concern for People (x-axis):** This dimension ranges from low to high. It represents how much a manager prioritizes the well-being, satisfaction, and development of their team members.
2. **Concern for Production (y-axis):** This dimension also ranges from low to high. It reflects the manager's focus on achieving tasks, goals, and productivity.
3. **Five Management Styles:**
 - **Impoverished Management:** Low concern for both people and production. Minimal effort to get work done.
 - **Authority-Obedience:** High concern for production, low concern for people. Focuses on efficiency of tasks and operations.
 - **Middle-of-the-Road Management:** Balancing act. Moderate concerns in both dimensions, aiming to balance work output and morale.
 - **Country Club Management:** High concern for people, low concern for production. Prioritizes team building and relationships.
 - **Team Management:** High concern for both people and production. Committed to task purpose.



CONTINGENCY APPROACHES TO LEADERSHIP

suggest that there's no one-size-fits-all leadership style. Instead, the most effective leadership style depends on the situation.

Each of these leadership models provides a framework for understanding how different leadership styles and behaviors are effective in various situations.

Fiedler's Contingency Model:

Contingency Theory Overview:

- Fiedler's contingency theory asserts that there isn't a universally "best" leadership style. Instead, the effectiveness of leadership depends on the specific situation.
- Leaders should adapt their style based on various factors, such as interpersonal relationships, task structure, and leader-position power.

Fred Fiedler's Contribution:

- Fred Fiedler, a prominent researcher in organizational psychology, introduced contingency theory during the 20th century.
- Rather than categorizing leaders as simply "good" or "bad," Fiedler emphasized aligning leadership traits with specific challenges.
- He identified two primary leadership styles:
 - **Relationship-Oriented:** Focused on building strong relationships with team members.
 - **Task-Oriented:** Prioritized achieving tasks and goals efficiently.

Key Concepts:

- **Situational Control:** The degree of control a leader has over the situation. It depends on factors like leader-member relations, task structure, and position power.
- **Leader-Member Relations:** Refers to the quality of relationships between the leader and team members.
- **Task Structure:** Describes how well-defined and structured the tasks are.
- **Position Power:** Reflects the leader's authority and influence within the organization.

Preferred Leadership Styles:

- Based on situational control, Fiedler's theory suggests the following:
 - **Low Situational Control:**
 - Relationship-Oriented leadership is preferred when leader-member relations are poor, task structure is low, and position power is weak.
 - **High Situational Control:**
 - Task-Oriented leadership is preferred when leader-member relations are good, task structure is high, and position power is strong.

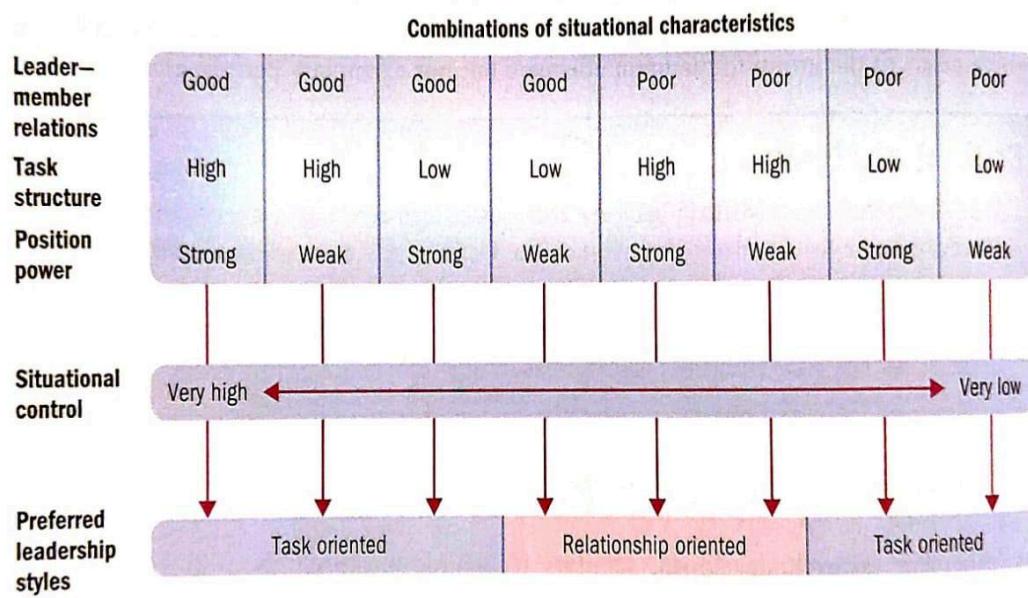
Advantages of Contingency Theory:

- **Self-Reflection:** Encourages leaders to reflect on their styles and adapt as needed.
- **Situation Focus:** Prioritizes the situation over a one-size-fits-all approach.
- **Leadership Determination:** Helps identify the best leader for specific scenarios.
- **Team Awareness:** Promotes understanding of team dynamics and context.

Fiedler's Contingency Model: Fiedler proposed that effective leadership depends on matching the leader's style with the right situation. He identified two key factors: leader-member relations and task structure. In favorable situations, where leader-member relations are good and tasks are structured, task-oriented leaders tend to perform better. In unfavorable situations, where these factors are poor, relationship-oriented leaders are more effective.

Scenario: Imagine a software development team working on a complex project. The team members have a strong rapport with their leader, and the project requirements are clearly defined. In this favorable situation, a task-oriented leader who focuses on setting goals, organizing tasks, and ensuring efficiency would be most effective in leading the team towards successful completion of the project.

FIGURE 13.4 Matching leadership style and situation: summary predictions from Fiedler's contingency theory



Hersey-Blanchard Situational Leadership Model

Overview:

The Hersey-Blanchard Situational Leadership Model was developed by Paul Hersey and Ken Blanchard in the late 1960s. It focuses on the interaction between a leader's behavior and the readiness level of their followers. The model suggests that effective leadership is contingent upon both the level of followers' development and the specifics of the task.

Key Concepts:

1. Task Behavior (Directive Behavior):

- Refers to the extent to which a leader provides clear instructions, guidance, and structure to followers.
- **High task behavior:** Leaders define roles, tasks, and processes explicitly.
- **Low task behavior:** Leaders allow more autonomy and decision-making by followers.

2. Relationship Behavior (Supportive Behavior):

- Relates to the leader's interpersonal approach, empathy, and supportiveness.
- **High relationship behavior:** Leaders actively listen, provide encouragement, and build positive relationships.
- **Low relationship behavior:** Leaders focus less on personal relationships and more on task completion.

The Four Leadership Styles:

The model defines four leadership styles based on the combination of task behavior and relationship behavior:

1. Telling (S1):

- **High Task Behavior, Low Relationship Behavior:**
 - Leaders define roles and tasks individually.
 - Provide clear instructions on what, how, when, and where to perform various tasks.
 - Minimal autonomy for followers.
- **Scenario:**
 - A new employee joins a team. The leader provides step-by-step instructions for their tasks without seeking input.

2. Selling (S2):

- **High Task Behavior, High Relationship Behavior:**
 - Leaders still make decisions but encourage communication.
 - Responsive in dealing with questions and ideas.
 - Balancing task guidance with supportive interactions.
- **Scenario:**
 - A team leader explains the project goals, provides guidance, and actively listens to team members' concerns.

3. Participating (S3):

- **Low Task Behavior, High Relationship Behavior:**

- Leaders focus on relationships while decisions are made collectively.
- Encourage follower involvement in decision-making.
- Seek input and consider team members' perspectives.
- **Scenario:**
 - During a brainstorming session, the leader facilitates open discussions and encourages team members to share ideas.

4. Delegating (S4):

- **Low Task Behavior, Low Relationship Behavior:**
 - Leaders are minimally involved in decision-making.
 - Hand over responsibility for decisions and implementation.
 - Trust followers' competence and autonomy.
- **Scenario:**
 - A seasoned team works independently on routine tasks, and the leader provides minimal supervision.

Practical Application:

- Effective leaders assess the readiness level of their followers:
 - **High Readiness:** Use a delegating style.
 - **Moderate Readiness:** Apply a participating style.
 - **Low Readiness:** Shift toward telling or selling styles.
- Adaptability is key: Leaders adjust their approach based on the specific situation and the development level of their team members.

Case Study:

Imagine a project manager leading a cross-functional team:

- In the initial project phase (when team members are new), the manager adopts a telling style to provide clear instructions.
- As team members gain experience, the manager shifts to a selling style, actively engaging with them.
- Later, during project execution, the manager encourages participation and decision-making (participating style).
- For routine tasks, the manager delegates authority to team members.

- *delegating* — allowing the group to make and take responsibility for task decisions; a low-task, low-relationship style
- *participating* — emphasising shared ideas and participatory decisions on task directions; a low-task, high-relationship style
- *selling* — explaining task directions in a supportive and persuasive way; a high-task, high-relationship style
- *telling* — giving specific task directions and closely supervising work; a high-task, low-relationship style.

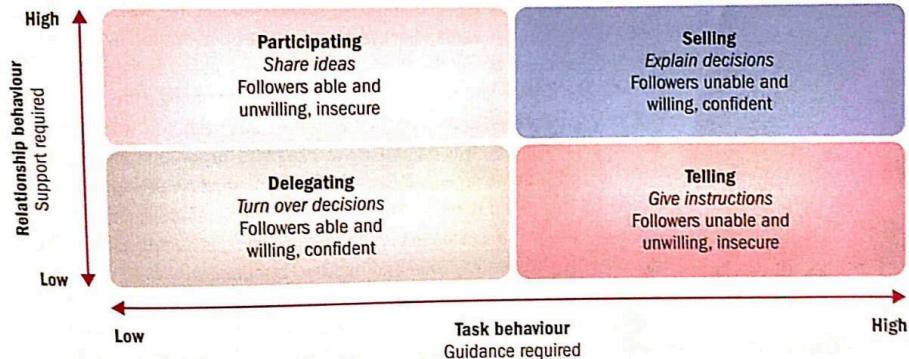


FIGURE 13.5 Leadership implications of the Hersey-Blanchard situational leadership model

Hersey-Blanchard Situational Leadership Model: This model suggests that effective leadership depends on the readiness or maturity of followers. Leaders should adapt their style based on the readiness level of their followers, which can range from low to high in terms of their ability and willingness to accomplish a task.

Scenario: Consider a new team of interns joining a marketing agency. Initially, they may have low readiness levels as they lack experience and skills in the industry. In this situation, a leader using a directive style, providing clear instructions and guidance, would be most effective. As the interns gain experience and confidence, the leader can transition to a more supportive and participative style, empowering them to take on more responsibility and contribute creatively to projects.

House Path-Goal Leadership Theory:

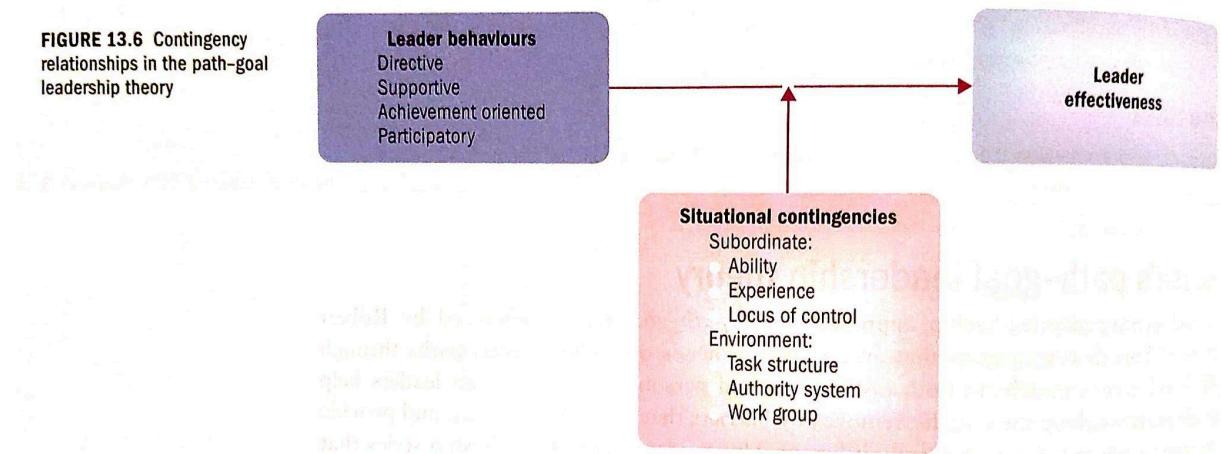
1. Leader Effectiveness:
 - At the top Right of the diagram, we have “Leader effectiveness.” This represents how effective a leader is in achieving organizational goals and influencing their team.
2. Situational Contingencies:

- The middle box is labeled “Situational Contingencies.” These are external factors that impact leadership effectiveness. They include:
 - **Subordinate Factors:**
 - Skills and experience of team members.
 - **Environmental Factors:**
 - Task structure (how well-defined tasks are) and the work group dynamics.
 - **Task Structure:**
 - Refers to the authority system and how tasks are organized.

3. Leader Behaviors:

- The third box is labeled “Leader Behaviours.” These are the actions and approaches that leaders take. They include:
 - **Directive Leadership:**
 - Involves giving clear instructions and guidance to subordinates.
 - **Supportive Leadership:**
 - Focused on building positive relationships and providing emotional support.
 - **Participative Leadership:**
 - Encourages team involvement in decision-making.
 - **Achievement-Oriented Leadership:**
 - Sets challenging goals and expects high performance.
- This theory focuses on the leader's role in motivating and guiding followers to achieve goals. It suggests that leaders should clarify the path to goals, remove obstacles, and provide rewards. The leader's style should complement the follower's needs and the task at hand.
- When to use it: When leaders want to motivate their team by clarifying goals and removing barriers to success.

FIGURE 13.6 Contingency relationships in the path-goal leadership theory



House Path-Goal Leadership Theory: This theory focuses on how leaders motivate their followers to achieve goals by clarifying the path to success. Leaders adapt their style based on the characteristics of the task, the followers, and the environment. They provide support, guidance, and rewards to help followers reach their goals.

Scenario: Imagine a sales team facing challenging market conditions and tough sales targets. The leader adopts a supportive and participative style, offering encouragement and assistance to overcome obstacles. They also clarify the path by providing training and resources to improve sales techniques. Additionally, the leader rewards high-performing team members with incentives to motivate them and reinforce desired behaviors.

Vroom-Jago Leader-Participation Model:

which provides a structured approach for leaders to decide how much participation subordinates should have in making decisions.

1. Decision Effectiveness:

- The model focuses on decision effectiveness, which is influenced by two factors:
 - **Decision Quality:** How good the decision is.
 - **Decision Acceptance:** The extent to which subordinates accept and support the decision.

2. Leader's Decision Path:

- The leader starts by considering three key factors:
 - **Time Pressure:** Is there urgency to make the decision?
 - **Acceptance by Subordinates:** Is their buy-in critical for successful implementation?
 - **Information/Expertise:** Do followers possess crucial information or expertise?
- Based on these factors, the leader follows one of the paths:
 - **High Time Pressure + Low Acceptance Importance:**
 - **Authority Decision:** The leader decides independently.
 - **High Time Pressure + High Acceptance Importance:**
 - **Authority Decision:** Even though acceptance is critical, time pressure takes precedence.
 - **Low Time Pressure + Critical Acceptance Importance:**
 - **Consultative Decision:** The leader consults with subordinates before deciding.
 - **Low Time Pressure + Non-Critical Acceptance Importance:**
 - **Group Decision:** The leader involves the group in decision-making.

3. Followers' Decision Path:

- For followers, the key consideration is whether they possess information or expertise crucial for implementation.
- If yes, regardless of time pressure, a **consultative or group decision** is recommended.

4. Outcome:

- The model aims for effective decisions that balance quality and acceptance.
- The final outcome may involve group consensus or leader authority, depending on the context.

- **When to use it:** When leaders need to make decisions and want to involve their team appropriately based on the situation

$$\text{Decision effectiveness} = \text{Decision quality} \times \text{Decision acceptance}$$

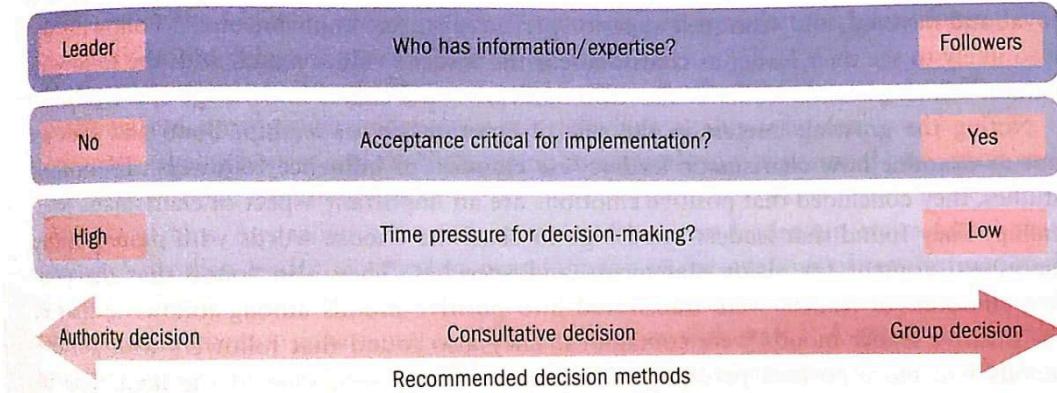


FIGURE 13.7 Leadership implications of the Vroom-Jago leader-participation model

Vroom-Jago Leader-Participation Model: This model emphasizes the importance of decision-making styles in leadership effectiveness. Leaders choose the level of follower participation in decision-making based on the nature of the problem, the team's capabilities, and time constraints.

Scenario: In a fast-paced technology startup, a critical decision needs to be made regarding the adoption of a new software platform. The leader assesses the complexity of the decision, the expertise of team members, and the urgency of the situation. Based on these factors, they involve the team in decision-making through brainstorming sessions and discussions to gather diverse perspectives and insights. Ultimately, the leader makes the final decision after weighing input from the team.

1. Transformational Leadership:

- Transformational leadership focuses on inspiring and motivating followers to achieve extraordinary outcomes. Leaders who employ this style often have a clear vision and are charismatic. They encourage innovation, foster a sense of belonging, and empower their followers to reach their full potential.
- **Example:** Elon Musk, the CEO of Tesla and SpaceX, is often cited as an example of a transformational leader. He has a grand vision for the future of sustainable energy and space exploration, and he inspires his teams to work tirelessly toward those goals.

2. Transactional Leadership:

- Transactional leadership is more focused on the exchange between leaders and followers. Leaders who use this style set clear expectations, provide rewards for good performance, and apply corrective actions when necessary. It's based on a transactional relationship where followers are rewarded for meeting predetermined goals.
- **Example:** A manager who offers bonuses or promotions to employees who meet specific sales targets is employing transactional leadership. The rewards act as incentives for employees to achieve the set goals.

3. Moral Leadership:

- Moral leadership emphasizes ethical behavior, integrity, and the well-being of both individuals and the community. Leaders who practice moral leadership prioritize doing what is right, even if it's not the easiest or most profitable option. They set a positive example and encourage their followers to act ethically.
- **Example:** Mahatma Gandhi is often cited as a paragon of moral leadership. He led India to independence from British rule through nonviolent resistance and civil disobedience, inspiring millions to follow his example of peaceful protest and moral integrity.

4. Green Leadership:

- Green leadership, also known as sustainable leadership or eco-leadership, focuses on environmental sustainability and social responsibility. Leaders who embrace green leadership seek to minimize their organization's environmental impact, promote eco-friendly practices, and contribute positively to their communities and the planet.
- **Example:** Patagonia's CEO, Yvon Chouinard, exemplifies green leadership. Under his leadership, Patagonia has implemented numerous environmentally friendly practices, such as using recycled materials in

their products, donating a percentage of their profits to environmental causes, and advocating for conservation efforts.

CHANGE LEADERSHIP

1. Change Leadership Overview:

- Change leadership involves guiding an organization or team through transitions and transformations.
- Effective change leaders understand that change can be unsettling and anxiety-inducing for individuals.
- The goal is to facilitate positive change while managing the emotional impact on people.

2. The Diagram:

- The diagram illustrates the contrast between **change management** and **change leadership**.
- It consists of three key stages:

■ Status Quo:

- Represents the current state where people may be unaware of issues or in denial.
- They defend and protect the existing way of doing things.

■ Anxiety (Immunity):

- This stage is marked by anxiety and resistance to change.
- People tend to avoid or discourage actions that challenge the status quo.

■ Clarity:

- In this stage, change leaders promote clarity and understanding.
- They counter anxiety by helping people see opportunities and develop new practices.

3. Key Points:

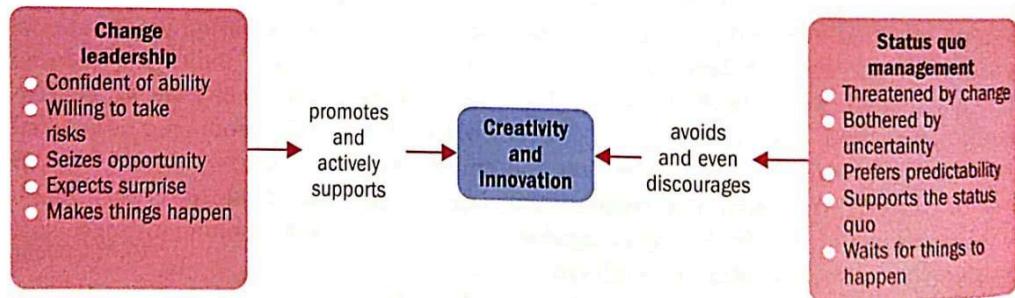
- **Managing Anxiety:** Change leaders must navigate anxiety resulting from new behaviors.
- **Support During Anxiety:** When people support each other during anxious periods (associated with learning new behaviors), short-term performance gains can occur.

Change leadership

A **change agent** tries to change the behaviour of another person or social system.

A **change agent** is a person or group who takes leadership responsibility for changing the existing pattern of behaviour of another person or social system. Change agents make things happen, and part of every manager's job is to act as a change agent in the work setting. This requires being alert to situations or to people needing change, being open to good ideas and being able to support the implementation of new ideas in actual practice. Figure 18.2 contrasts a *change leader* with a 'status quo manager'. The former is forward-looking, proactive and embraces new ideas; the latter is backward-looking, reactive and comfortable with habit. The new workplace demands change leadership at all levels of management.

FIGURE 18.2 Change leadership versus status quo management



The process of organizational development (OD) and its various stages.

Organizational development is a science-based methodology that aims to improve an organization's effectiveness by assessing and altering its current operations. It focuses on both the structured (hard) aspects (such as goals and systems) and the softer aspects (such as people and culture) within a business.

Here are the key stages of organizational development:

1. Entering and Contracting:

- In this initial stage, the organization recognizes an issue that needs improvement. Examples include customer complaints, external factors impacting the organization, or declining innovation.
- A collaborative relationship is established with the leader or manager ("client") who will be involved in the process.
- The problem is explored, and expectations and project scope are determined.

2. Diagnosing:

- During this phase, relevant data is gathered and organized to analyze the underlying situation.
- Understanding the current organizational climate and system functioning is crucial for designing effective interventions.

- Collaboration with stakeholders helps identify the root causes of the problem.
- The diagnosis is then communicated to stakeholders, emphasizing key insights that motivate change.

3. Intervening and Taking Action:

- Based on the diagnosis, strategic planning occurs.
- Interventions are designed and implemented to address the identified issues.
- These interventions may involve changes in processes, structures, or behaviors.
- The goal is to improve organizational effectiveness and performance.

4. Evaluation:

- After implementing interventions, the organization evaluates their impact.
- Links are created with ongoing management processes to ensure sustainability.
- Continuous feedback and adjustments are made as needed.

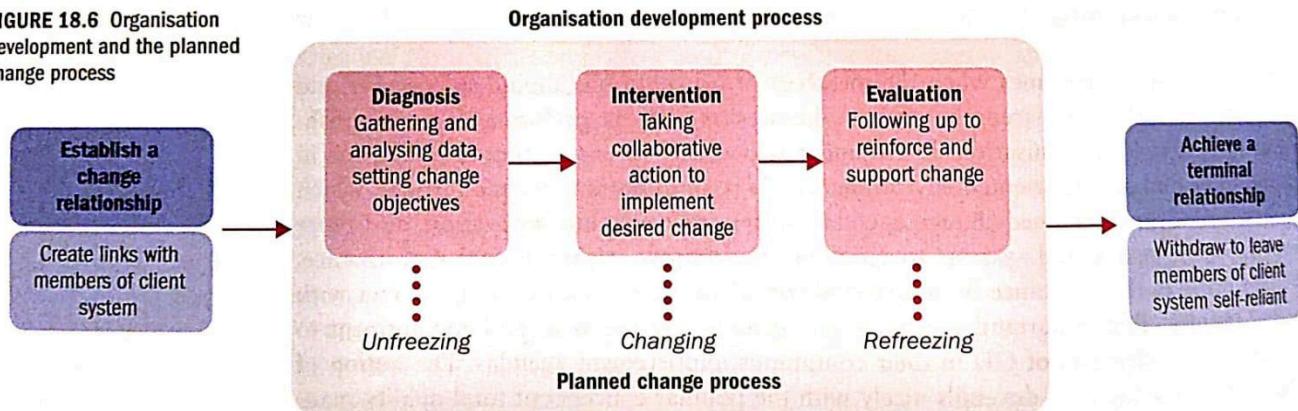
5. Termination:

- Once the desired outcomes are achieved, the process concludes.
- The organization reestablishes its independence in managing the changes.

How organisation development works

Figure 18.6 presents a general model of OD and shows its relationship to Lewin's three phases of planned change. To begin the OD process successfully, any consultant or facilitator must first *establish a working relationship* with members of the client system. The next step is diagnosis — gathering and analysing data to assess the situation and set appropriate change objectives. This helps with unfreezing as well as pinpointing appropriate directions for action. Diagnosis leads to active intervention, wherein change objectives are pursued through a variety of interventions, a number of which are discussed shortly.

FIGURE 18.6 Organisation development and the planned change process



In organizational development, "unfreezing," "changing," and "freezing" are stages of a process known as the Lewin's Change Model, developed by psychologist Kurt Lewin.

1. Unfreezing:

- This stage involves preparing the organization for change by creating awareness of the need for change and overcoming resistance to it. It requires breaking down existing mindsets, routines, and behaviors that may hinder the change process.
- Strategies for unfreezing may include communication about the reasons for change, creating a sense of urgency, involving key stakeholders, and addressing concerns and resistance.

2. Changing:

- In this stage, the actual change is implemented. It involves introducing new processes, structures, systems, or behaviors to achieve the desired objectives. This stage often requires significant planning, coordination, and support to ensure a smooth transition.
- Strategies for changing may include training and development, restructuring, implementing new technology, redesigning processes, and providing support and resources to employees.

3. Refreezing:

- Once the desired change has been implemented, the organization enters the refreezing stage, where the new behaviors, processes, or structures become the new norm and are reinforced. This stage aims to stabilize the changes and integrate them into the organizational culture.
- Strategies for refreezing may include recognizing and rewarding desired behaviors, updating policies and procedures, providing ongoing support and training, and embedding the changes into organizational systems and practices.

The Lewin's Change Model suggests that change is a process that involves more than just implementing new practices or structures. It recognizes the importance of preparing the organization for change, managing the change process effectively, and consolidating the changes to ensure they are sustained over time. Each stage is essential for successful organizational development and transformation.

FIGURE 18.3 Lewin's three phases of planned organisational change

