

Leadership

Important points to be noted in this week's content as given below:

The Leadership Process

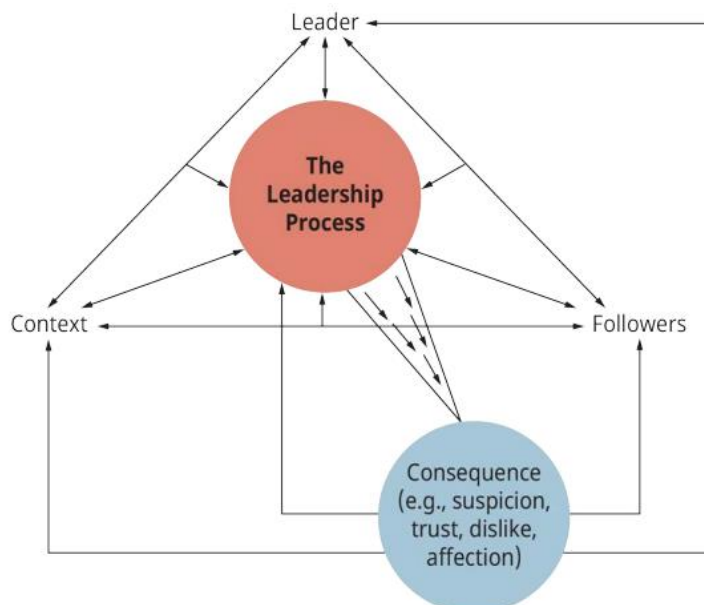
1. What are the processes associated with people coming to leadership positions?

Leadership is a process, a complex and dynamic exchange relationship built over time between leader and follower and between a leader and the group of followers who depend on each other to attain a mutually desired goal.¹⁰ There are several key components to this “working relationship”: the leader, the followers, the context (situation), the leadership process per se, and the consequences (outcomes) (see Exhibit 13.3).¹¹ Across time, each component interacts with and influences the other components, and whatever consequences (such as leader-follower trust) are created influence future interactions. As any one of the components changes, so too will leadership.

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Leaders are people who take charge of or guide the activities of others. They are often seen as the focus or orchestrator of group activity, the people who set the tone of the group so that it can move forward to attain its goals. Leaders provide the group with what is required to fulfil its maintenance and task-related needs. (Later in the chapter, we will return to the “leader as a person” as part of our discussion of the trait approach to leadership.



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The Process

The process of leadership is separate and distinct from the leader (the person who occupies a central role in the group). The process is a complex, interactive, and dynamic working relationship between leader and followers. This working relationship, built over time, is directed toward fulfilling the group's maintenance and task needs. Part of the process consists of an exchange relationship between the leader and follower. The leader provides a resource directed toward fulfilling the group's needs, and the group gives compliance, recognition, and esteem to the leader. To the extent that leadership is the exercise of influence, part of the leadership process is captured by the surrender of power by the followers and the exercise of influence over the followers by the leader.¹⁹ Thus, the leader influences the followers and the followers influence the leader, the context influences the leader and the followers, and both leader and followers influence the context.

Types of Leaders and Leader Emergence

3. How do leaders influence and move their followers to action? Leaders hold a unique position in their groups, exercising influence and providing direction. Leonard Bernstein was part of the symphony, but his role as the New York Philharmonic conductor differed dramatically from that of the other symphony members. Besides conducting the orchestra, he created a vision for the symphony. In this capacity, leadership can be seen as a differentiated role and the nucleus of group activity. Organizations have two kinds of leaders: formal and informal. A formal leader is an individual who is recognized by those outside the group as the official leader of the group. Often, the formal leader is appointed by the organization to serve in a formal capacity as an agent of the organization. Jack Welch was the formal leader of General Electric, and Leonard Bernstein was the formal leader of the symphony. Practically all managers act as formal leaders as part of their assigned role. Organizations that use self-managed work teams allow members of the team to select the individual who will serve as their team leader. When this person's role is sanctioned by the formal organization, these team leaders become formal leaders. Increasingly, leaders in organizations will be those who "best sell" their ideas on how to complete a project—persuasiveness and inspiration are important ingredients in the leadership equation, especially in high-involvement organizations.²² Informal leaders, by contrast, are not assigned by the organization. The informal leader is that individual whom members of the group acknowledge as their leader. Athletic teams often have informal leaders, individuals who exert considerable influence on team members even though they hold no official, formal leadership position. In fact, most work groups contain at least one informal leader. Just like formal leaders, informal leaders can benefit or harm an organization depending on whether their influence encourages group members to behave consistently with organizational goals. As we have noted, the terms leader and manager are not synonymous. Grace Hopper, retired U.S. Navy admiral, draws a distinction between leading and managing: "You don't manage people, you manage things. You lead people."²³ Informal leaders often have considerable leverage over their colleagues.

2. Vaynerchuk has been quoted as saying that if you live for Friday, get a different job. How does this apply to successful entrepreneurs? **CONCEPT CHECK 1.** What are the processes associated with people coming to leadership positions? Chapter 13 Leadership 415 roles of informal leaders have not included the total set of management responsibilities because an informal leader does not always exercise the functions of planning, organizing, directing, and controlling. However, high-involvement organizations frequently encourage their formal and informal leaders to exercise the full set of management roles. Many consider

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such actions necessary for self-managing work teams to succeed. Informal leaders are acknowledged by the group, and the group willingly responds to their leadership

Paths to Leadership

People come to leadership positions through two dynamics. In many instances, people are put into positions of leadership by forces outside the group. University-based ROTC programs and military academies (like West Point) formally groom people to be leaders. We refer to this person as the designated leader (in this instance the designated and formal leader are the same person). Emergent leaders, on the other hand, arise from the dynamics and processes that unfold within and among a group of individuals as they endeavor to achieve a collective goal. A variety of processes help us understand how leaders emerge. Gerald Salancik and Jeffrey Pfeffer observe that power to influence others flows to those individuals who possess the critical and scarce resources (often knowledge and expertise) that a group needs to overcome a major problem.²⁴ They note that the dominant coalition and leadership in American corporations during the 1950s was among engineers, because organizations were engaged in competition based on product design. The power base in many organizations shifted to marketing as competition became a game of advertising aimed at differentiating products in the consumer's mind. About 10–15 years ago, power and leadership once again shifted, this time to people with finance and legal backgrounds, because the critical contingencies facing many organizations were mergers, acquisitions, hostile takeovers, and creative financing. Thus, Salancik and Pfeffer reason that power and thus leadership flow to those individuals who have the ability to help an organization or group [overcome its critical contingencies]. As the challenges facing a group change, so too may the flow of power and leadership. Many leaders emerge out of the needs of the situation. Different situations call for different configurations of knowledge, skills, and abilities. A group often turns to the member who possesses the knowledge, skills, and abilities that the group requires to achieve its goals.²⁵ People surrender their power to individuals whom they believe will make meaningful contributions to attaining group goals.²⁶ The individual to whom power is surrendered is often a member of the group who is in good standing. As a result of this member's contributions to the group's goals, he has accumulated idiosyncrasy credits (a form of competency-based status). These credits give the individual a status that allows him to influence the direction that the group takes as it works to achieve its goals.²⁷ It is important to recognize that the traits possessed by certain individuals contribute significantly to their emergence as leaders. Research indicates that people are unlikely to follow individuals who, for example, do not display drive, self-confidence, knowledge of the situation, honesty, and integrity

Not all forms of power are equally effective (see Exhibit 13.5), nor is a leader's total power base the simple sum of the powers at his disposal. Different types of power elicit different forms of compliance: Leaders who rely on coercive power often alienate followers who resist their influence attempts. Leaders who rely on reward power develop followers who are very measured in their responses to [what?]; the use of rewards often leads people to think in terms of "How much am I getting?" or "How much should I give?" or

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“Am I breaking even?” The use of referent power produces identification with the leader and his cause. The use of rationality, expert power, and/or moralistic appeal generally elicits commitment and the internalization of the leader’s goals.

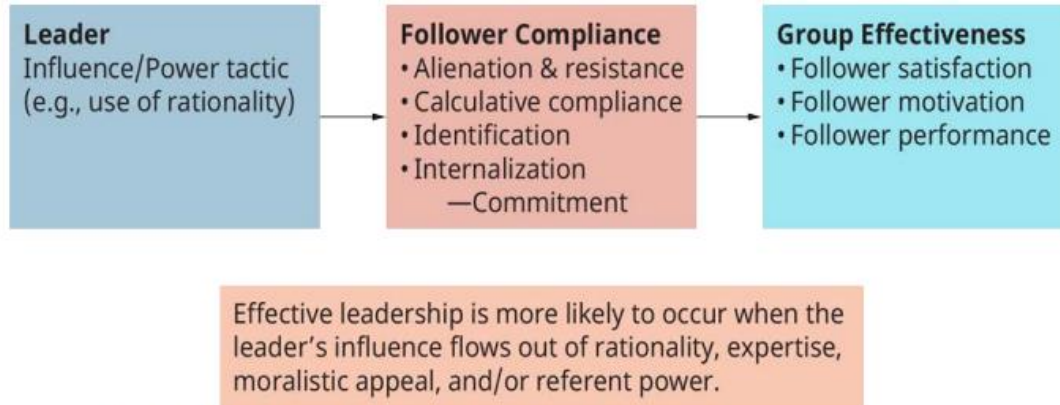


Exhibit 13.5 The Leader-Follower Power Relationship

Leaders who use referent and expert power commonly experience a favorable response in terms of follower satisfaction and performance. Research suggests that rationality is the most effective influence tactic in terms of its impact on follower commitment, motivation, performance, satisfaction, and group effectiveness.³⁰

Reward and legitimate power (that is, relying on one’s position to influence others) produce inconsistent results. Sometimes these powers lead to follower performance and satisfaction, yet they also sometimes fail. Coercive power can result in favorable performance, yet follower and resistance dissatisfaction are not uncommon.

Influence-Based Leadership Styles

Many writers and researchers have explored how leaders can use power to address the needs of various situations. One view holds that in traditional organizations members expect to be told what to do and are willing to follow highly structured directions. Individuals attracted to high-involvement organizations, however, want to make their own decisions, expect their leaders to allow them to do so, and are willing to accept and act on this responsibility. This suggests that a leader may use and employ power in a variety of ways.

The Tannenbaum and Schmidt Continuum

In the 1950s, Tannenbaum and Schmidt created a continuum (see [Exhibit 13.6](#)) along which leadership styles range from authoritarian to extremely high levels of worker freedom.³⁴ Subsequent to Tannenbaum and Schmidt’s work, researchers adapted the continuum by categorizing leader power styles as *autocratic* (boss-centered), *participative* (workers are consulted and involved), or *free-rein* (members are assigned the work and decide on their own how to do it; the leader relinquishes the active assumption of the role of leadership).³⁵



Exhibit 13.7 Leadership Behavior and the Uses of Power Source: Modified from J. P. Muczyk and B. C. Reimann. 1987. The case for directive leadership. *Academy of Management Executive*, 1:304.

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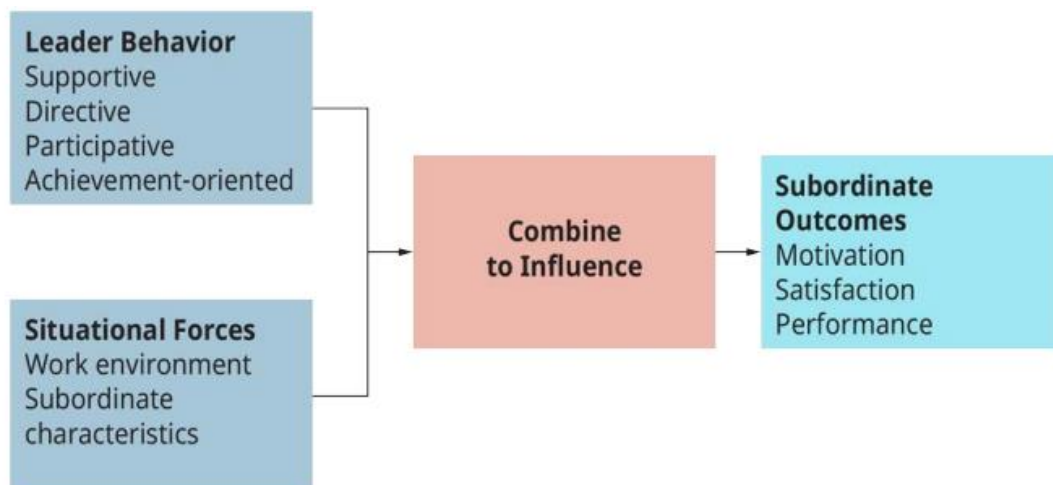
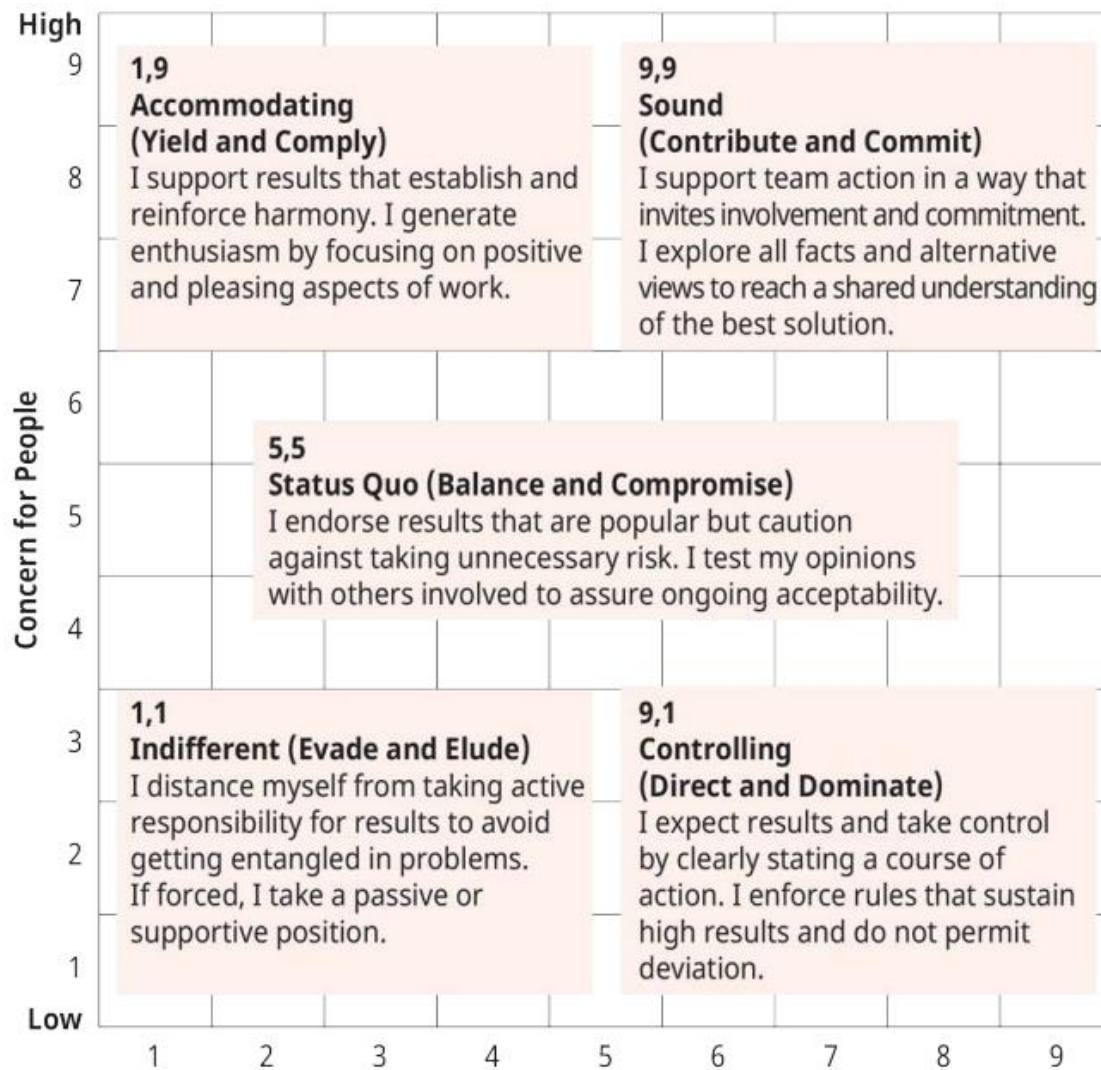


Exhibit 13.11 The Path-Goal Leadership Model (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

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Behaviour Dimensions According to the path-goal theory, there are four important dimensions of leader behaviour, each of which is suited to a particular set of situational demands.

Supportive leadership—At times, effective leaders demonstrate concern for the well-being and personal needs of organizational members. Supportive leaders are friendly, approachable, and considerate to individuals in the workplace. Supportive leadership is especially effective when an organizational member is performing a boring, stressful, frustrating, tedious, or unpleasant task. If a task is difficult and a group member has low self-esteem, supportive leadership can reduce some of the person's anxiety, increase his confidence, and increase satisfaction and determination as well.

- **Directive leadership**—At times, effective leaders set goals and performance expectations, let organizational members know what is expected, provide guidance, establish rules and procedures to guide work, and schedule and coordinate the activities of members. Directive leadership is called for when role ambiguity is high. Removing uncertainty and providing needed guidance can increase members' effort, job satisfaction, and job performance. Chapter 13 Leadership 431

- **Participative leadership**—At times, effective leaders consult with group members about job-related activities and consider their opinions and suggestions when making decisions. Participative leadership is effective when tasks are unstructured. Participative leadership is used to great effect when leaders need help in identifying work procedures and where followers have the expertise to provide this help.

- **Achievement-oriented leadership**—At times, effective leaders set challenging goals, seek , emphasize excellence, and demonstrate confidence in organizational members' ability to attain high standards. Achievement-oriented leaders thus capitalize on members' needs for achievement and use goal-setting theory to great advantage. Cross-Cultural Context Gabriel Bristol, the CEO of Intelinfluence Live, a full-service customer contact centre.

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Key Terms

charisma A special personal magnetic charm or appeal that arouses loyalty and enthusiasm in a leader-follower relationship.

charismatic leader A person who possesses legitimate power that arises from “exceptional sanctity, heroism, or exemplary character.”

consideration A “relationship-oriented” leader behavior that is supportive, friendly, and focused on personal needs and interpersonal relationships.

contingency theory of leadership A theory advanced by Dr. Fred E. Fiedler that suggests that different leadership styles are effective as a function of the favorableness of the leadership situation least preferred.

designated leader The person placed in the leadership position by forces outside the group.

emergent leader The person who becomes a group’s leader by virtue of processes and dynamics internal to the group.

formal leader That individual who is recognized by those outside the group as the official leader of the group.

great man theory of leadership The belief that some people are born to be leaders and others are not.

informal leader That individual whom members of the group acknowledge as their leader.

initiating structure A “task-oriented” leader behavior that is focused on goal attainment, organizing and scheduling work, solving problems, and maintaining work processes.

leadership A social (interpersonal) influence relationship between two or more persons who depend on each other to attain certain mutual goals in a group situation.

Least-preferred coworker (LPC) The person with whom the leader least likes to work.

path-goal theory of leadership A theory that posits that leadership is path- and goal-oriented, suggesting that different leadership styles are effective as a function of the task confronting the group.

transformational leader A leader who moves and changes things “in a big way” by inspiring others to perform the extraordinary.

visionary leader A leader who influences others through an emotional and/or intellectual attraction to the leader’s dreams of what “can be.”

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Summary of Learning Outcomes

13.1 The Nature of Leadership

1. What is the nature of leadership and the leadership process?

Leadership is a primary vehicle for fulfilling the directing function of management. Because of its importance, theorists, researchers, and practitioners have devoted a tremendous amount of attention and energy to unlocking the secrets of effective leadership. They have kept at this search for perhaps a greater period of time than for any other single issue related to management.

13.2 The Leadership Process

2. What are the processes associated with people coming to leadership positions?

Organizations typically have both formal and informal leaders. Their leadership is effective for virtually identical reasons. Leadership and management are not the same. Although effective leadership is a necessary part of effective management, the overall management role is much larger than leadership alone. Managers plan, organize, direct, and control. As leaders, they are engaged primarily in the directing function.

This OpenStax book is available for free at <http://cnx.org/content/col12833/1.8>

13.3 Types of Leaders and Leader Emergence

3. How do leaders influence and move their followers to action?

There are many diverse perspectives on leadership. Some managers treat leadership primarily as an exercise of power. Others believe that a particular belief and attitude structure makes for effective leaders. Still others

13.4 The Trait Approach to Leadership

4. What are the trait perspectives on leadership?

13.5 Behavioral Approaches to Leadership

5. What are the behavioral perspectives on leadership?

It is clear that effective leaders are endowed with the “right stuff,” yet this “stuff” is only a precondition to effective leadership. Leaders need to connect with their followers and bring the right configuration of knowledge, skills, ability, vision, and strategy to the situational demands confronting the group.

13.6 Situational (Contingency) Approaches to Leadership

6. What are the situational perspectives on leadership?

We now know that there is no one best way to be an effective leader in all circumstances. Leaders need to recognize that how they choose to lead will affect the nature of their followers' compliance with their influence tactics, and ultimately impacts motivation, satisfaction, performance, and group effectiveness. In addition, the nature of the situation—contextual demands and characteristics of the follower—dictates the type of leadership that is likely to be effective. Fiedler focuses on leader traits and argues that the favorableness of the leadership situation dictates the type of leadership approach needed. He recommends selecting leaders to match the situation or changing the situation to match the leader. Path-goal theory focuses on leader behavior that can be adapted to the demands of a particular work environment and organizational members' characteristics. Path-goal theorists believe both that leaders can be matched with the situation and that the situation can be changed to match leaders. Together, these theories make clear that leadership is effective when the characteristics and behavior of the leader match the demands of the situation.

13.7 Substitutes for and Neutralizers of Leadership

7. What does the concept of “substitute for leadership” mean?

Characteristics of followers, tasks, and organizations can substitute for or neutralize many leader behaviors. Leaders must remain aware of these factors, no matter which perspective on leadership they adopt. Such awareness allows managers to use substitutes for, and neutralizers of, leadership to their benefit, rather than be stymied by their presence.

13.8 Transformational, Visionary, and Charismatic Leadership

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13.8 Transformational, Visionary, and Charismatic Leadership

8. What are the characteristics of transactional, transformational, and charismatic leadership?

In recent years, there has been a renewed interest in key leader traits and behaviors. As organizations face increasing amounts of chaos in their external environments, searches for “the right leader” who can bring about major organizational transformations has intensified. This search once again focuses our attention on a set of “key” motives, knowledge, skills, and personality attributes. Emerging from this search has been the identification of the charismatic and transformational leader.

13.9 Leadership Needs in the 21st Century

9. How do different approaches and styles of leadership impact what is needed now?

Leadership in the high-involvement organization differs dramatically from that in the traditional and control-oriented organization. Leaders external to the team have as one of their primary roles empowering group members and the teams themselves to self-lead and self-manage. Leaders internal to the team are peers; they work alongside and simultaneously facilitate planning, organizing, directing, controlling, and the execution of the team’s work.

Although we know a great deal about the determinants of effective leadership, we have much to learn. Each theory presented in this chapter is put into practice by managers every day. None provides the complete answer to what makes leaders effective, but each has something important to offer.

Finally, our understanding of leadership has many shortcomings and limitations. The existing literature is largely based on observations from a Western industrialized context. The extent to which our theories of leadership are bound by our culture, limiting generalization to other cultures, is largely unknown. Cross-cultural leadership research will no doubt intensify as the global economy becomes an ever more dominant force in the world.