



LEADERSHIP

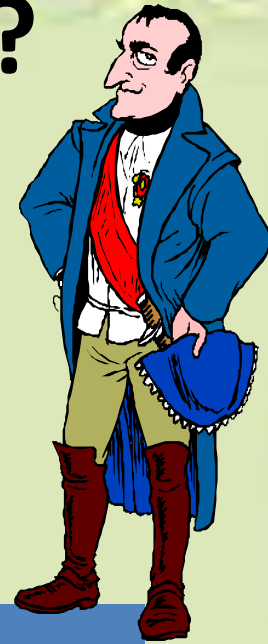
What is leadership?

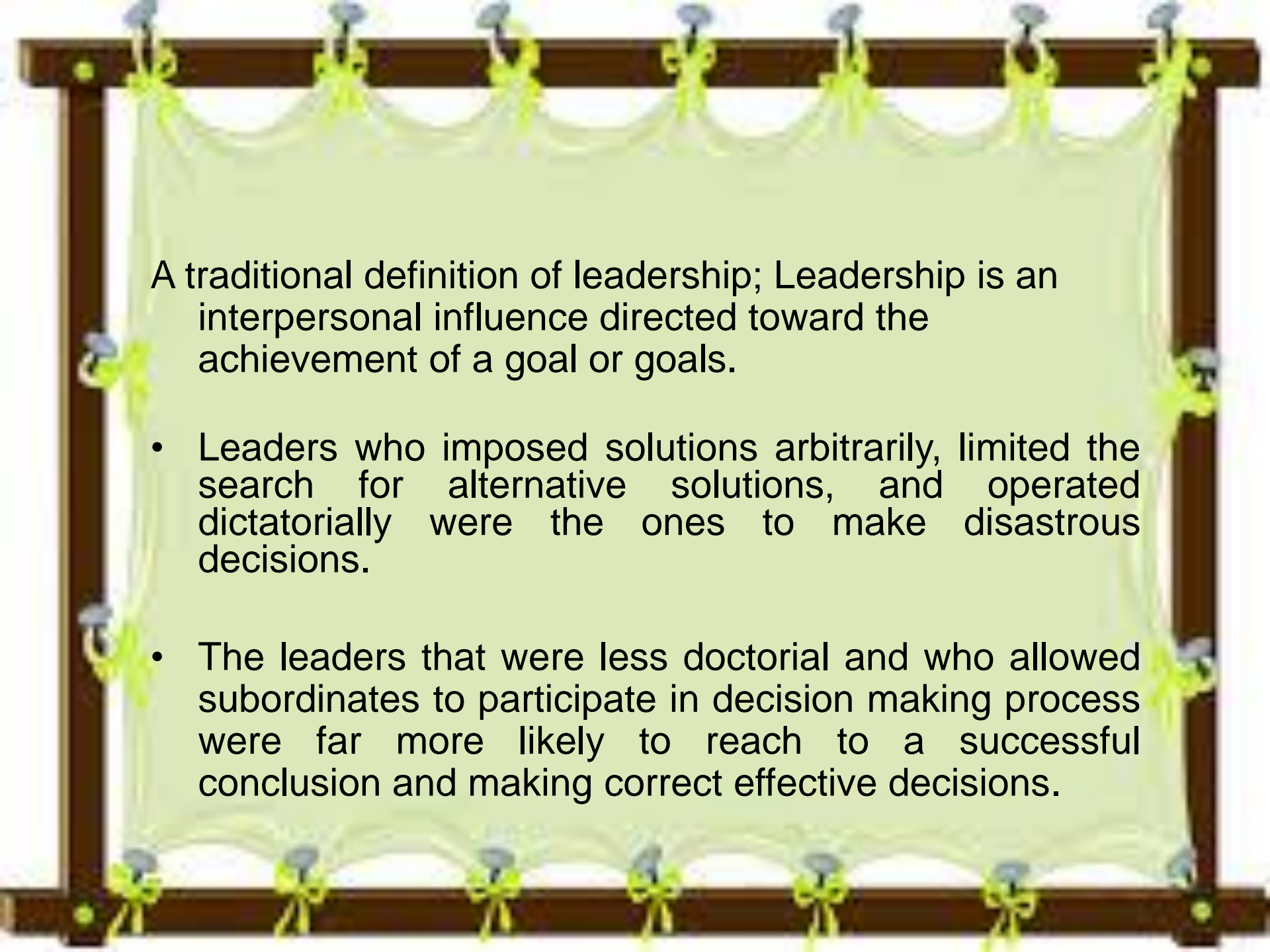
Leading people

Influencing people

Commanding people

Guiding people





A traditional definition of leadership; Leadership is an interpersonal influence directed toward the achievement of a goal or goals.

- Leaders who imposed solutions arbitrarily, limited the search for alternative solutions, and operated dictatorially were the ones to make disastrous decisions.
- The leaders that were less dictatorial and who allowed subordinates to participate in decision making process were far more likely to reach to a successful conclusion and making correct effective decisions.

Managers vs. Leaders

Managers

- **Focus on things**
- **Do things right**
- **Plan**
- **Organize**
- **Direct**
- **Control**
- **Follows the rules**

Leaders

- **Focus on people**
- **Do the right things**
- **Inspire**
- **Influence**
- **Motivate**
- **Build**
- **Shape entities**

Common Activities

- Planning
- Organizing
- Directing
- Controlling



Planning

Manager

- Planning
- Budgeting
- Sets targets
- Establishes detailed steps
- Allocates resources

Leader

- Devises strategy
- Sets direction
- Creates vision



Organizing

Manager

- Creates structure
- Job descriptions
- Staffing
- Hierarchy
- Delegates
- Training

Leader

- Gets people on board for strategy
- Communication
- Networks

Directing Work

Manager

- Solves problems
- Negotiates
- Brings to consensus

Leader

- Empowers people
- Keeps people connected



Controlling

Manager

- Implements control systems
- Performance measures
- Identifies variances
- Fixes variances

Leader

- Motivate
- Inspire
- Gives sense of accomplishment

Leadership Vs Management

- Leadership is the ability to develop a vision that motivates others to move with a passion toward a common goal
- Management is the ability to organize resources and coordinate the execution of tasks necessary to reach a goal in a timely and cost effective manner

Approaches to Leadership

- Industrial psychologists have conducted considerable lab and field research on leadership:
 - Qualities and behaviors of leaders
 - Leadership styles
 - Ways of maximizing leadership abilities
- *Scientific management*
- *Human relations approach*
- *Theory X and Theory Y*

Scientific Management

- Early 20th century philosophy, associated with Frederick W. Taylor was concerned with increasing productivity - workers regarded as extensions of the machines they operated
- Goddard in his research argued that people with low intelligence should be supervised by people of greater intelligence
 - “Workers are little above the child [and] must be told what to do and shown how to do it”

Human Relations Approach

- This approach arose in the 1920's with the Hawthorne Studies, which focused attention on workers instead of production
- The Hawthorne experiments trained leaders to allow workers to set their own pace, to form social groups, and to solicit worker's opinions
- Workers are to be treated as people, not cogs in a machine

Theory X and Theory Y

McGregor (1960)

Formal expression of scientific management and human relations approaches to leadership

• *Theory X*

- Assumes people are lazy, dislike work, and must be led and directed. It is compatible with scientific management and bureaucracy

• *Theory Y*

- Assumes that people find satisfaction in their work and function best under a participatory leader. It is compatible with human relations.

Theories of Leadership

Effective leadership depends on the interaction of:

1. The traits and behaviors of the leaders
2. The characteristics of the followers
3. The nature of the situation in which the leadership occurs.

- ***Contingency theory***
- ***Path-Goal theory***
- ***Leader-member exchange (LMX)***
- ***Implicit leadership theory***

Contingency Theory

Fiedler (1978)

- **Leadership effectiveness** is determined by the interaction between the leader's personal characteristics and the situation
- Leaders are classified as
 - **Person-oriented**
 - **Task-oriented**
- Leader's style cannot change. If a mismatch exists, must either change leader or situation
- Which type will be more effective depends on the leader's degree of situational control

Contingency Theory

Fiedler (1978)

- Control depends on relationship between leader and followers, the degree of task structure, and the leader's authority (position power)
 - The **task-oriented** leader will be effective in extremely favorable or extremely unfavorable situations
 - The **person-oriented** leader will be more effective in moderately favorable situations
- Criticisms include most of research was in the lab; Fiedler offered in response the cognitive resource theory

Path-Goal Theory

House (1971)

- Focuses on the kinds of leader behaviors that allow subordinates to achieve personal and organizational goals
- Four leadership styles can be adopted to facilitate employee attainment of goals
 - ❖ Directive: The leader tells the subordinates what and how they should do a task
 - ❖ Supportive: The leader show concern and support for subordinates
 - ❖ Participative: The leader allows subordinates to participate in the decisions that effect their work
 - ❖ Achievement-oriented: The leader sets challenging goals for subordinates and emphasizes high level of job involvement

Path-Goal Theory

House (1971)

- The most effective leadership style depends on the situation and the characteristics of the subordinates
- Requires leader flexibility
 - Directive style works best with unskilled workers
 - Supportive leadership works best with highly skilled workers
- Theory is difficult to test and operationalize

Normative Decision Theory

- A leadership theory that focuses on the correct norms or standards of behaviours for leaders to follow.
- It focuses on the single aspect of leadership or decision making.
- This theory is concerned with the extent to which leaders allow their subordinates to participate in making decisions.
- This theory proposes five styles on a continuum of leader behavior ranging from *Autocratic* to *fully Participatory*.

Leader-Member Exchange (LMX)

Graen & Schlieman (1978)

- Focuses on how the leader-follower relationship affects the leadership process
- Subordinates are of two types: “in-group” and “out-group”
 - **In-group** employees are viewed by the leader as competent, trustworthy and highly motivated
 - **Out-group** employees are viewed as incompetent, untrustworthy, and poorly motivated

Leader-Member Exchange (LMX)

Graen & Schlieman (1978)

- Two leadership styles:
 - *Supervision* - based on formal authority
 - *Leadership* - based on persuasion
- Leaders use supervision with out-group employees, and leadership with in-group members
- Leaders and in-group members establish personal relationships leading to mutual support and understanding
- High-LMX relationship groups tends to outperform low-LMX relationship groups

Implicit Leadership Theory

Lord & Maher (1993)

- Defines leadership from the standpoint of the persons being led
- Each person develops an implicit theory or image of the ideal leader based on experience
- Fit with image determines whether we perceive our boss as a good or bad leader
- No objective criteria; a leader is a good leader if she or he meets our expectations
- Usefulness of theory in workplace yet to be determined

Leadership Styles

- Authoritarian
- Democratic
- Transactional
- Transformational
- Charismatic

Leadership Styles

- ***Authoritarian leadership***
 - Results when leaders make all the decisions and tell followers what to do
 - Works best when situations require rapid and efficient job performance
- ***Democratic leadership***
 - Results when leaders and followers discuss problems and make decisions jointly

Transactional Leaders

- Identify the needs of their followers and give rewards in exchange for performance
- Consistent with Path-goal theory, transactional leader sets goals and expectations, reward effort and provide feedback
- Focus is on increasing efficiency of established routines and procedures
- Best suited to an established organization vs. an organization in flux

Transformational Leaders

- Not constrained by their followers' perceptions but are free to act to transform (change) their followers' views
- They challenge and inspire with a sense of purpose and excitement
- They create a vision and communicate it while accepting feedback and suggestions
- Score high on extroversion and agreeableness

Transformational Leaders

- Three components of transformational leadership
 - Charismatic leadership
 - Individualized consideration
 - Intellectual stimulation
- ***Charismatic leadership***
 - ❑ Characterized by broad knowledge of the field, a self-promoting personality, high energy, and a willingness to take risks
 - ❑ Communicate a vision to followers
 - ❑ Can misuse their power over others

Types of Power

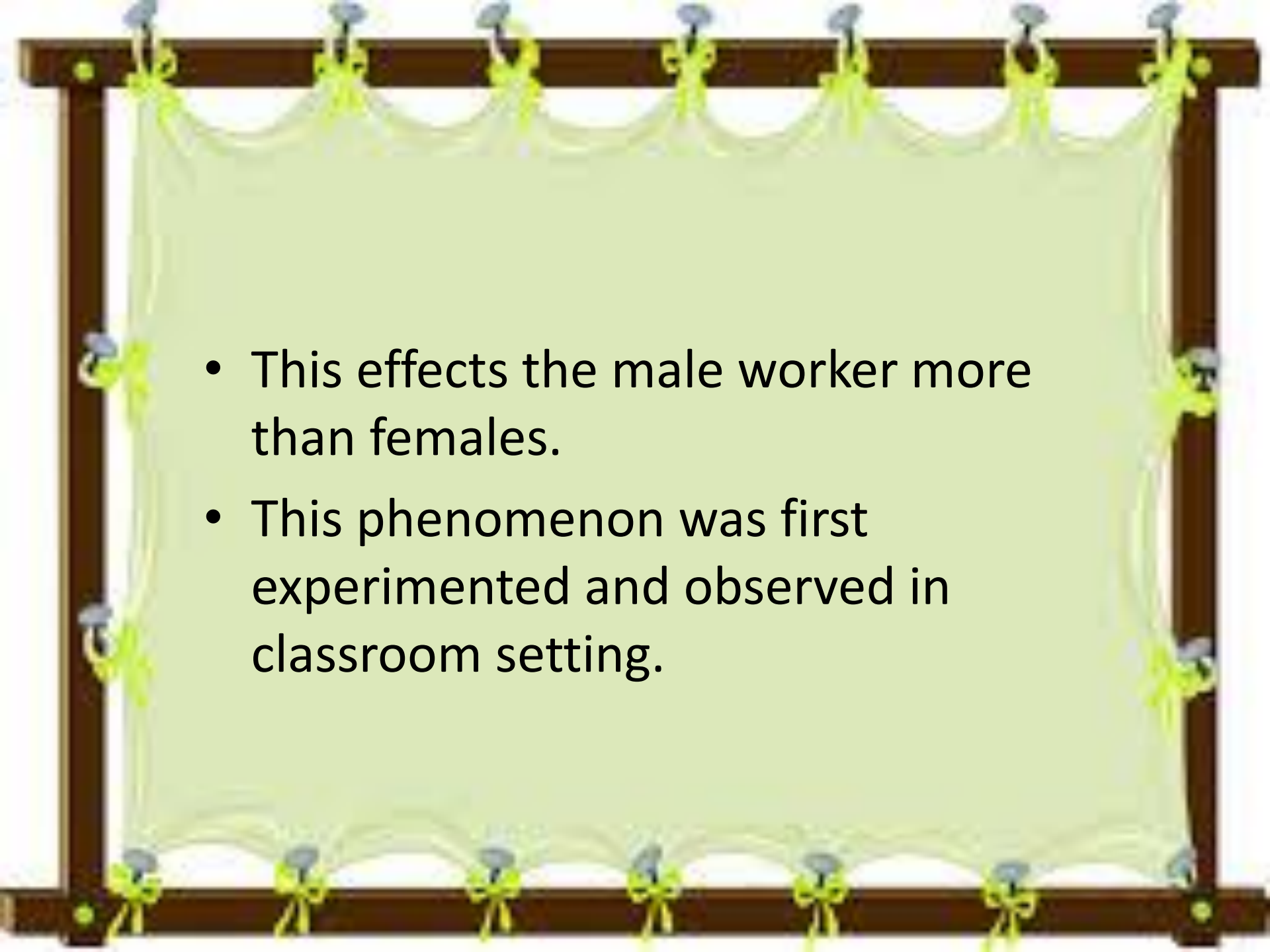
- Formal Organizational or Position power
 - *Reward*
 - *Coercive*
 - *Legitimate*
- Personal power
 - *Referent*
 - *Expert*

Uses of Power

- Research has shown these types of leadership power to be effective, in order:
 1. *Expert*
 2. *Legitimate*
 3. *Referent*
- High and mid-level leaders show a great personal need for power
- Need for power is higher in effective managers
- The most effective managers do not seek power for personal gain, but rather are directed toward the organization and goal accomplishment

Pygmalion Effect

- The **Pygmalion Effect** is a self-fulfilling prophecy in which managers' expectations about their employees' job performance can influence that performance
- Based on the story of Pygmalion, King of Cyprus, who carved an ivory statue of his ideal woman, and fell in love with it
In answer to his prayers, she came to life and he named her Galatea

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- This effects the male worker more than females.
 - This phenomenon was first experimented and observed in classroom setting.

The Functions of Leadership

- Based on the Ohio State Studies of the late 1940's, leadership functions grouped into two dimensions
 - ❖ *Consideration*
 - Leadership behaviors that involve awareness of and sensitivity to the feelings of subordinates
 - ❖ *Initiating structure*
 - Leadership behaviors concerned with organizing, defining, and directing the work activities of subordinates

Successful Managers & Execs

- Less people-oriented and more work-oriented
- College attendance is important
 - Major and grades predict promotion rates
- Big Five factors highly related to performance
 - ✓ *Conscientiousness* – sense of control
 - ✓ *Emotional stability* – intellectual flexibility
 - ✓ *Agreeableness* – Team and talent cohesion
 - ✓ *Extraversion* – leader dominance
 - ✓ *Openness to experience* – team risk taking

Successful Managers & Execs

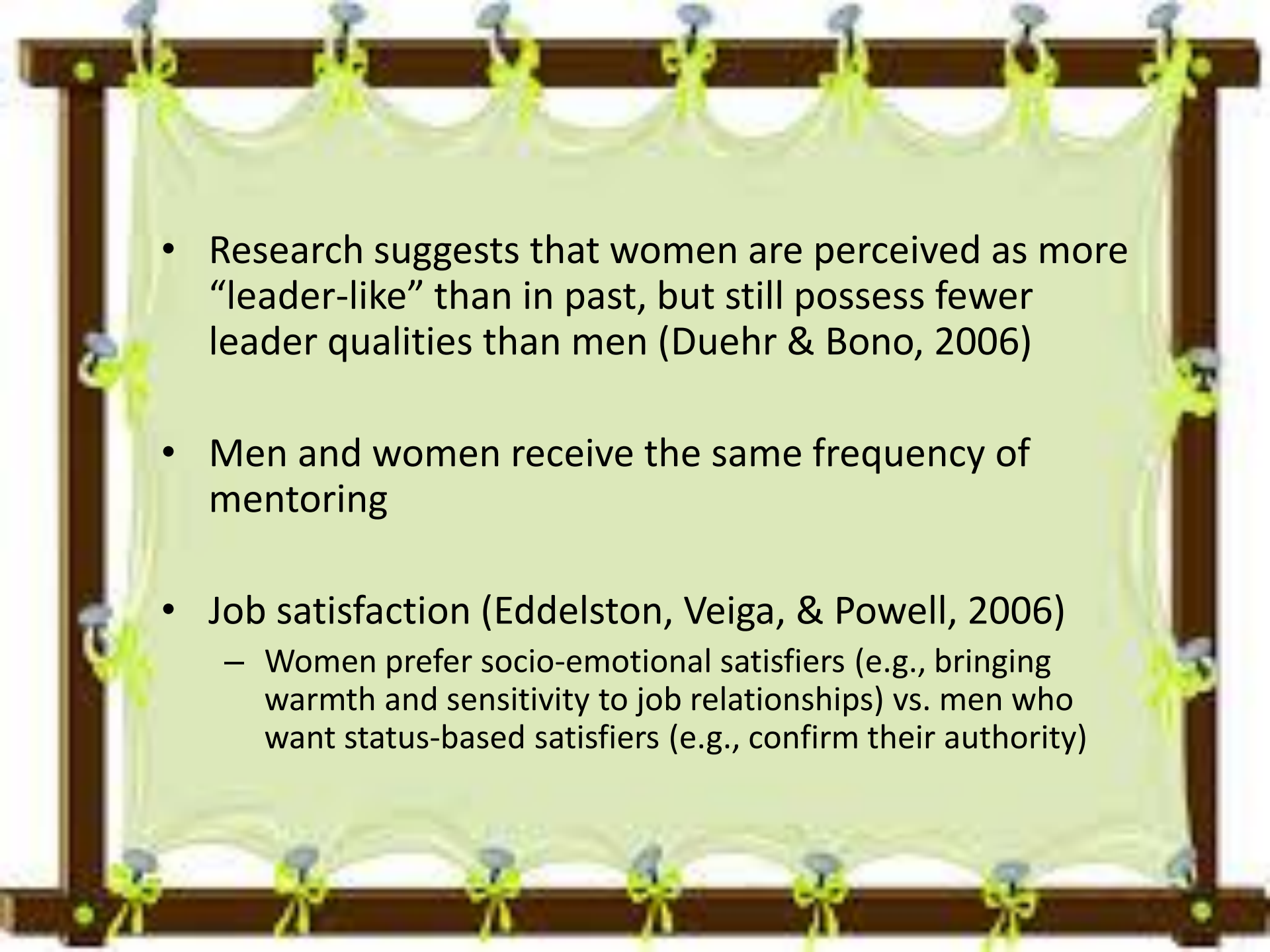
- High leadership motive pattern (McClelland, 1975)
 - High need for power and achievement
 - Low need for affiliation
 - Considerable self-control
 - Greater need to influence people than to be liked
- Good at self-promotion and acquiring the sponsorship of a mentor

Unsuccessful Executives

- Typically fail because of personality factors rather than job performance
- Tend to be lacking in consideration behaviors - insensitive, arrogant, and aloof
- Abrasive and domineering leadership style
- Flaws or fallacies in thinking (Sternberg, 2003)
 - Unrealistic optimism
 - Egocentrism
 - Omniscience
 - Omnipotence
 - Invulnerability

Women in Management

- Women are rated more effective in situations requiring mentoring, rewarding & supporting; men rated more effective at delegation, inspiration and problem solving
- Women exhibiting stereotypically male behaviors seen as “too tough” and “unfeminine” rather than competent

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- Research suggests that women are perceived as more “leader-like” than in past, but still possess fewer leader qualities than men (Duehr & Bono, 2006)
 - Men and women receive the same frequency of mentoring
 - Job satisfaction (Eddelston, Veiga, & Powell, 2006)
 - Women prefer socio-emotional satisfiers (e.g., bringing warmth and sensitivity to job relationships) vs. men who want status-based satisfiers (e.g., confirm their authority)