

LEADERSHIP



Learning Objectives

After studying this chapter, you should be able to:

- **Describe the nature of leadership and distinguish leadership from management.**
- **Discuss and evaluate the trait approach to leadership.**
- **Discuss and evaluate models of leadership, focusing on behaviors.**
- **Identify and describe the major situational approaches to leadership.**

The Meaning of Leadership

The word leadership has come from the word **lead** which means **to guide, to conduct, to direct**. It can simply be defined as the ability to influence others

Leadership is the process of influencing others to achieve organizational goals

Bartol & Martin

Leadership is the process of influencing others to behave in preferred ways to accomplish organizational objectives

David H. Holt

Leaders

- People who can influence the behaviors of others without having to rely on force.
- People who are accepted as leaders by others.

Leadership Vs. Management

Leadership

The ability to influence a group toward the achievement of goals.

Management

Use of authority inherent in designated formal rank to obtain compliance from organizational members.



The Nature of Leadership (cont'd)

• Leadership Versus Management

Leadership	Activity	Management
Establishing direction and vision for the organization	Creating an agenda /aim	Planning and budgeting, allocating resources
Aligning people through communications and actions that provide direction	Developing a human network for achieving the agenda	Organizing and staffing, structuring and monitoring implementation
Motivating and inspiring by satisfying needs	Executing plans	Controlling and problem solving
Produces useful change and new approaches to challenges	Outcomes	Produces certainty and order and attains results

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Table 17.1

Power and Leadership

Power: the ability to affect the behavior of others

Different types of power:

- **Legitimate power** is granted through the organizational hierarchy.
- **Reward power** is the power to give or withhold rewards.
- **Coercive power** is the capability to force compliance by means of psychological, emotional, or physical threat.
- **Referent power** is the personal power that accrues to someone based on identification, imitation, loyalty, or charisma.
- **Expert power** is derived from the possession of information or expertise.



Leadership styles

- the leadership style depends on the situation, including where the organization is in its life cycle.
- **Autocratic.** The manager makes all the decisions and dominates team members. This approach generally results in passive resistance from team members and requires continual pressure and direction from the leader in order to get things done.
- **Participative.** The manager involves the subordinates in decision making by consulting team members (while still maintaining control), which encourages employee ownership for the decisions.

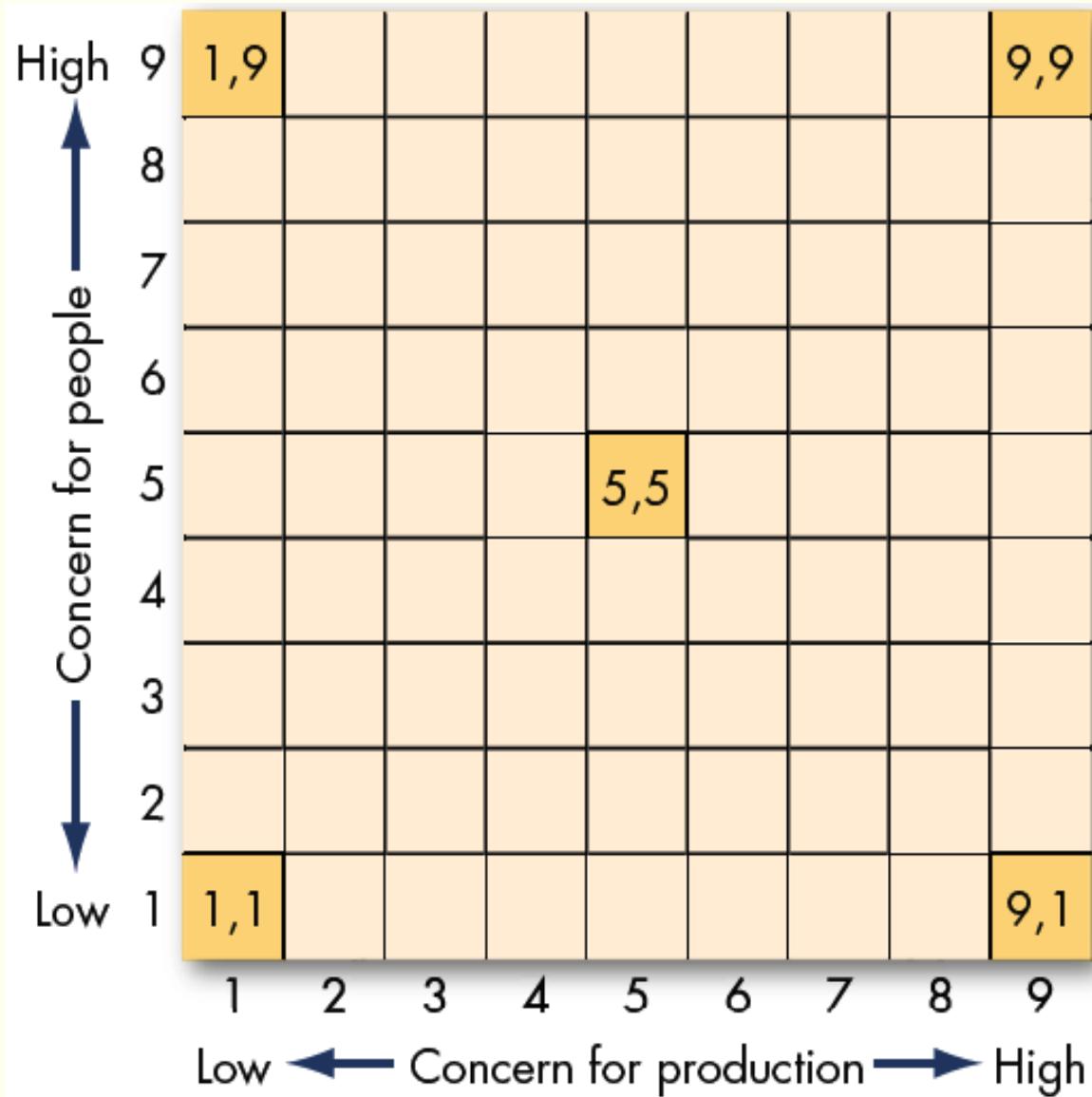
- A good participative leader encourages participation and delegates wisely, but never loses sight of the fact that he or she bears the crucial responsibility of leadership
- **Laissez-faire** (also called free-rein). In this **hands-off approach**, the leader encourages team members to function independently and work out their problems by themselves, although he or she is available for advice and assistance. The leader usually has little control over team members, leaving them to sort out their roles and tackle their work assignments without personally participating in these processes

Different theories of leadership

- **Managerial Grid**

The managerial grid model developed by Robert Blake and Jane Mouton, identifies five leadership styles with varying two factors

- Concerns for people
- Concerns for production:



The Managerial Grid

(Blake and Mouton)

A nine-by-nine matrix outlining 81 different leadership styles.

- The **impoverished style**, located at the lower left-hand corner of the grid, point (1, 1), is characterized by low concern for both people and production; its primary objective is for managers to stay out of trouble.
- The **country club style**, located at the upper left-hand corner of the grid, point (1, 9), is distinguished by high concern for people and a low concern for production; its primary objective is to create a secure and comfortable atmosphere where managers trust that subordinates will respond positively.
- The **authoritarian style**, located at the lower right-hand corner of the grid, point (9,1), is identified by high concern for production and low concern for people; its primary objective is to achieve the organization's goals, and employee needs are not relevant in this process.

- The **middle-of-the-road style**, located at the middle of the grid, point (5, 5), maintains a balance between workers' needs and the organization's productivity goals; its primary objective is to maintain employee morale at a level sufficient to get the organization's work done.
- The **team style**, located at the upper right-hand of the grid, point (9, 9), is characterized by high concern for people and production; its primary objective is to establish cohesion and foster a feeling of commitment among workers.

The Managerial Grid model suggests that competent leaders should use a style that reflects the highest concern for both people and production—point (9, 9), team-oriented style.

Great Man Theory

- Leaders are born, not made.
- This approach emphasized that a person is born with or without the necessary traits of leaderships.

Early explanations of leadership studied the “traits” of great leaders

- **“Great man” theories (Gandhi, Lincoln, Napoleon)**
- **Belief that people were born with these traits and only the great people possessed them**

Great Man Theory

- Great Man approach actually emphasizes “charismatic” leadership. charisma being the Greek word for gift.
- No matter what group such a natural leader finds himself in, he will always be recognized for what he is.
- According to the great man theory of leadership, leadership calls for certain qualities like commanding personality, charm, courage, intelligence, persuasiveness and aggressiveness.

Trait Theories

trait theories of leadership

Theories that consider personality, social, physical, or intellectual traits to differentiate leaders from nonleaders.

Leadership Traits:

- Ambition and energy
- The desire to lead
- Honesty and integrity
- Self-confidence
- Intelligence
- Job-relevant knowledge
- extraversion
- assertiveness
- good communication skills
- above-average height
- vocal
- attractiveness
- courage

Trait Theories

Limitations:

- No universal traits that predict leadership in all situations.
- Unclear evidence of the cause and effect of relationship of leadership and traits.
- Better predictor of the appearance of leadership than distinguishing effective and ineffective leaders.

Behavioral Theory

In contrast with trait theory, behavioral theory attempts to describe leadership in terms of **what leaders do**, while trait theory seeks to explain leadership on the basis of **what leaders are**.

- ❖ Behavioral theories of leadership are based upon the belief that great leaders are made, not born.
- ❖ Consider it the opposite of the Great Man theories. **Rooted in behaviorism**, this leadership theory focuses on the actions of leaders not on mental qualities or internal states.
- ❖ According to this theory, people can learn to become leaders through teaching and observation.

Behavioral Theory

Theories proposing that specific behaviors differentiate leaders from non leaders.

- Pattern of actions used by different individuals determines leadership potential
- Behavioral studies focus on identifying critical behavioral determinants of leadership that, in turn, could be used to train people to become leaders
- Examples
 - **Autocratic, democratic and laissez-faire**
 - **Michigan Studies: Employee centered versus task centered**

Behavioral Leadership Studies

- *The University of Michigan Studies* sought to identify the behavioral characteristics of leaders related to performance effectiveness
 - **Employ centered**
 - **Job centered**
- *The Ohio State Studies* sought to identify independent dimensions of leader behavior
 - **Initiating structure**
 - **Consideration**

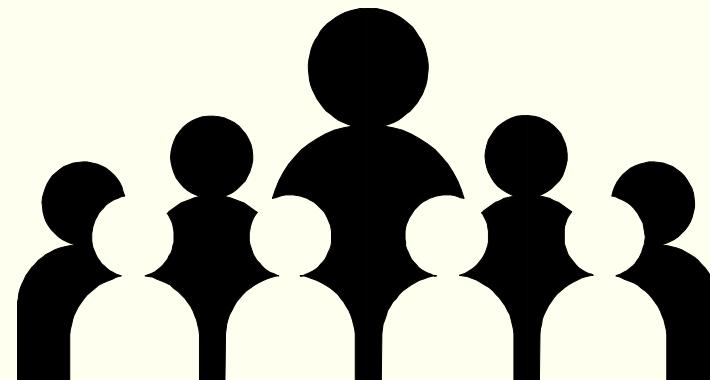
University of Michigan Studies (likert)

Job centered leadership behavior

The behavior of leader who have close attention to the job & work procedures involved with the job

Employ centered leadership behavior

The behavior of leader who develop cohesive work groups & ensure employee satisfaction



Ohio State Studies

Initiating Structure Behavior

The behavior of leaders who define the leader-subordinate role so that everyone knows what is expected, establish formal lines of communication & determine how tasks will be performed

Consideration Behavior

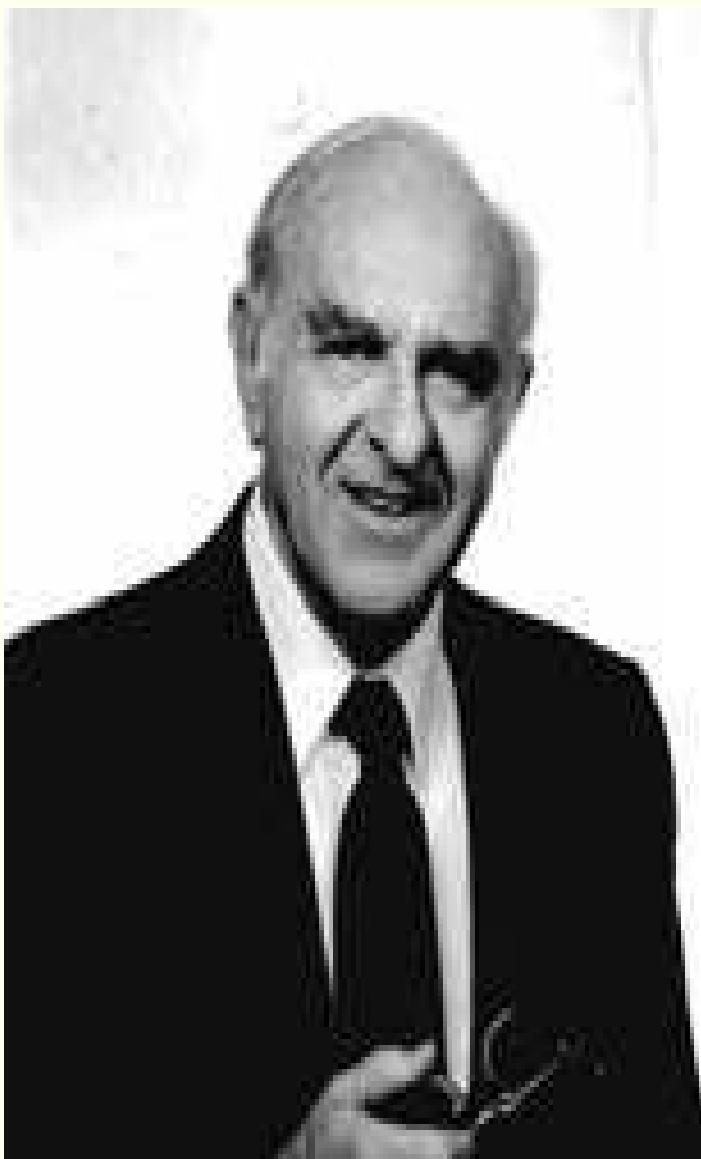
The behavior of leaders who are concerned for subordinates and attempt to establish a warm, friendly & supportive climate.



Contingency Theory of Leadership

- While trait and behavior theories do help us understand leadership, an important component is missing: the environment in which the leader exists.
- Contingency theories of leadership focus on particular variables related to the environment that might determine which particular style of leadership is best suited for the situation. **According to this theory, no leadership style is best in all situations.**
- *Success depends upon a number of variables, including the leadership style, qualities of the followers and aspects of the situation.*

The Fiedler Contingency Model



- The Fiedler Contingency Model was created in the mid-1960s by Fred Fiedler.
- The model states that there is no one best style of leadership. Instead, a leader's effectiveness is based on the situation.
This is the result of two factors

1. Leadership style 2. Situational favorableness"

1. Leadership Style

Fiedler believed that leadership style is fixed, and it can be measured using a scale he developed called **Least-Preferred Co-Worker (LPC) Scale**

(LPC)

Unfriendly	1 2 3 4 5 6 7 8	Friendly
Unpleasant	1 2 3 4 5 6 7 8	Pleasant
Rejecting	1 2 3 4 5 6 7 8	Accepting
Tense	1 2 3 4 5 6 7 8	Relaxed
Cold	1 2 3 4 5 6 7 8	Warm
Boring	1 2 3 4 5 6 7 8	Interesting
Backbiting	1 2 3 4 5 6 7 8	Loyal
Uncooperative	1 2 3 4 5 6 7 8	Cooperative
Hostile	1 2 3 4 5 6 7 8	Supportive
Guarded	1 2 3 4 5 6 7 8	Open
Insincere	1 2 3 4 5 6 7 8	Sincere
Unkind	1 2 3 4 5 6 7 8	Kind
Inconsiderate	1 2 3 4 5 6 7 8	Considerate
Untrustworthy	1 2 3 4 5 6 7 8	Trustworthy
Gloomy	1 2 3 4 5 6 7 8	Cheerful
Quarrelsome	1 2 3 4 5 6 7 8	Harmonious

Lower Score

- The type of leader is **task-oriented leaders**, Fiedler called these as “low LPC-leaders”.
- He said that low LPCs are very effective at completing tasks.
- Relationship-building is a low priority.

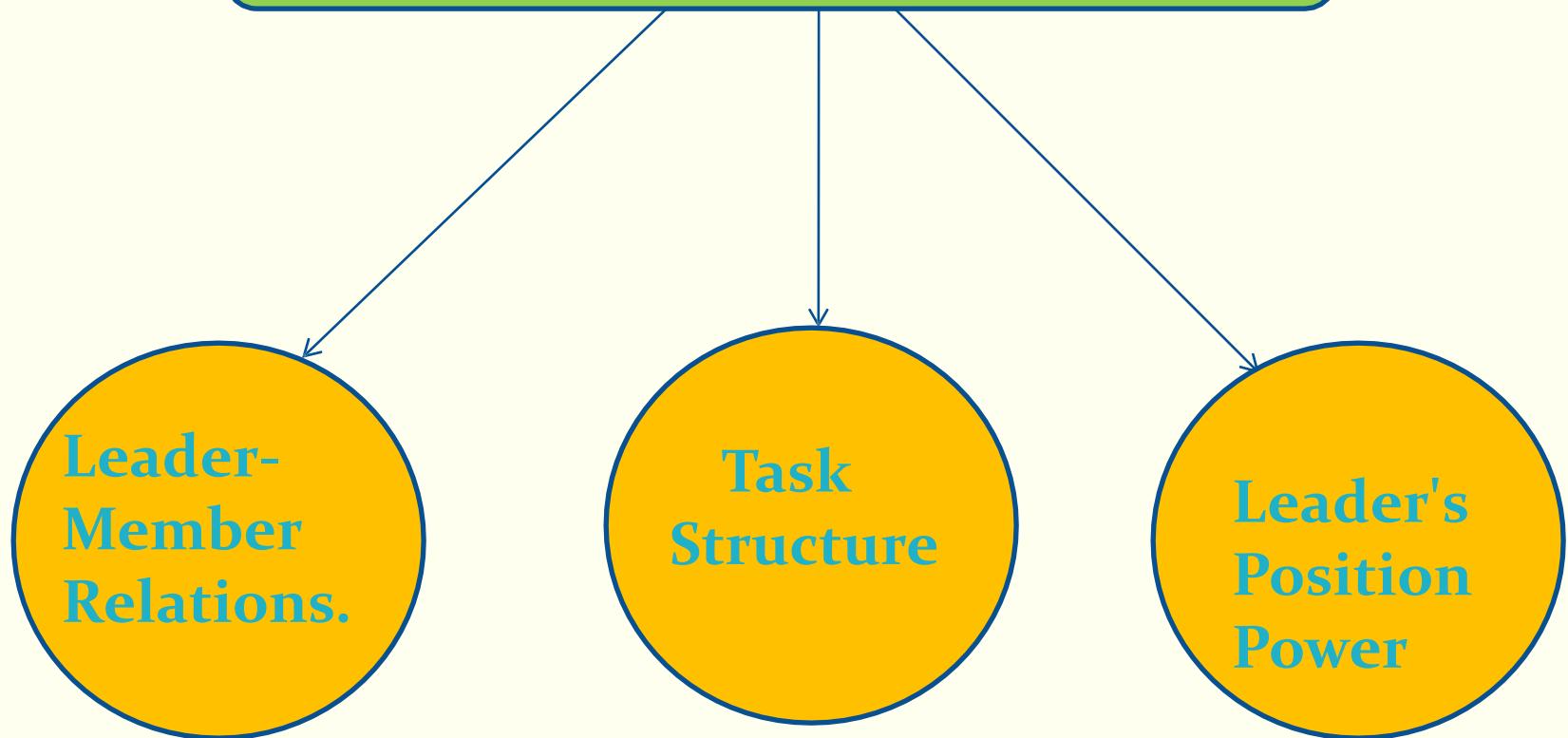
Higher Score

High LPCs focus more on personal connections, and they're good at avoiding and managing conflict.

•Relationship-oriented leaders

2. Situational Favorableness

This depends on three distinct factors



Applying the Fiedler Contingency Model

Step 1:
Identify
your
leadershi
p style

Step 2:
Identify
your
situation

Step 3:
Determine
the most
effective
leadership
style

Step 1: Identify your leadership style

- Rate your experience with this person using the scale that is LPC scale.
- Higher score - Relationship- focused.
- Lower score - Task-focused.

Step 2: Identify the situation

- 3 questions:
 - Are leader-member relations good or poor in the team?
 - Is the task is structured, or is it more unstructured
 - Do the leader have strong or weak power over in the team?

Step 3: Determine the most effective leadership

Leader-Member Relations	Task Structure	Leader's Position Power	Most Effective Leader
Good	Structured	Strong	Low LPC
Good	Structured	Weak	Low LPC
Good	Unstructured	Strong	Low LPC
Good	Unstructured	Weak	High LPC
Poor	Structured	Strong	High LPC
Poor	Structured	Weak	High LPC
Poor	Unstructured	Strong	High LPC
Poor	Unstructured	Weak	Low LPC

Contingency Approaches

Hersey-Blanchard Model

The Hersey-Blanchard model is a situational leadership model which suggests that there is no single optimal leadership style, and successful leaders adjust their styles based on "follower maturity." Follower **Maturity** is determined by the ability and confidence of the group they are attempting to lead. The model proposes that leaders deal with varying levels of follower maturity by adjusting their relative emphasis on task and relationship behaviors. According to the model, this gives rise to four leadership styles -

Contingency Approaches

Hersey-Blanchard Model

Delegating Style is a low-task, low-relationship style wherein the leader allows the group to take responsibility for task decisions.

Participating Style is a low-task, high-relationship style that emphasizes shared ideas and decisions.

Selling Style refers to a high-task, high-relationship style, in which the leader attempts to "sell" his ideas to the group by explaining task directions in a persuasive manner.

Telling Style refers a high-task, low-relationship style wherein the leader gives explicit directions and supervises work closely.

Contingency Approaches

Path-Goal model

The Path-Goal model is a theory based on specifying a leader's style or behavior that best fits the employee and work environment in order to achieve a goal. The goal is to increase an employee's motivation, empowerment, and satisfaction so they become a productive member of the organization. Employee satisfaction is contingent upon the leader's performance as both a facilitator and coach and rewards their employees for effective performance. The original Path-Goal theory identifies *achievement-oriented, directive, participative, and supportive* leader behaviors rooted in four (4 styles).

Contingency Approaches

The Four Styles:

The **directive path-goal clarifying leader behavior** refers to situations where the leader lets employees know what is expected of them and tells them how to perform their tasks. The theory argues that this behavior has the most positive effect when the employees' role and task demands are ambiguous and intrinsically satisfying.

The **achievement-oriented leader behavior** refers to situations where the leader sets challenging goals for employees, expects them to perform at their highest level, and shows confidence in their ability to meet this expectation. Occupations in which the achievement motive were most predominant were technical jobs, sales persons, scientists, engineers, and entrepreneurs.

The **participative leader behavior** involves leaders consulting with employees and asking for their suggestions before making a decision. This behavior is predominant when employees are highly personally involved in their work.

The **supportive leader behavior** is directed towards the satisfaction of employees' needs and preferences. The leader shows concern for the employees' psychological well-being. This behavior is especially needed in situations in which tasks or relationships are psychologically or physically distressing.

Contingency Approaches

Path Goal Model

How to use it:

If you have a good understanding of what the needs of the group are, then you can adapt to the styles as the situation demands:

- ❖ **Achievement oriented** works best when the staff suffers from lack of challenge and boredom.
- ❖ **Directive leadership** helps workers cope with otherwise vague and unclear job responsibilities.
- ❖ **Participative leadership** is effective in situations where the follower is making poor decisions or improper procedure and the leader can take steps to help them improve.
- ❖ **Supportive leadership** is useful with a team that is new, inexperienced, or otherwise lacking confidence.

Inspirational Approaches to Leadership

Charismatic Leadership Theory

Followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors.

Charismatic leaders:

1. Have a vision.
2. Are willing to take personal risks to achieve the vision.
3. Are sensitive to follower needs.
4. Exhibit behaviors that are out of the ordinary.

Key Characteristics of Charismatic Leaders

1. **Vision and articulation.** Has a vision—expressed as an idealized goal—that proposes a future better than the status quo; and is able to clarify the importance of the vision in terms that are understandable to others
2. **Personal risk.** Willing to take on high personal risk, incur high costs and engage in self-sacrifice to achieve the vision
3. **Environmental sensitivity.** Able to make realistic assessments of the environmental constraints and resources needed to bring about change
4. **Sensitivity to follower needs.** Perceptive of others' abilities and responsive to their needs and feelings
5. **Unconventional behavior.** Engages in behaviors that are perceived as novel and counter to norms

Transactional and Transformational Leadership

Transactional Leaders

Leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements

- Contingent Reward
- Management by Exception
- Laissez-Faire

Transformational Leaders

Inspire followers to exceed their self-interests for the good of the organization and can have an extraordinary effect on their followers

- Idealized Influence
- Inspirational Motivation
- Intellectual Stimulation
- Individual Consideration

Characteristics of Transactional Leaders

Contingent Reward: Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments

Management by Exception (active): Watches and searches for deviations from rules and standards, takes corrective action

Management by Exception (passive): Intervenes only if standards are not met

Laissez-Faire: Abdicates responsibilities, avoids making decisions

Characteristics of Transformational Leaders

Idealized Influence: Provides vision and sense of mission, instills pride, gains respect and trust

Inspiration: Communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways

Intellectual Stimulation: Promotes intelligence, wisdom, and careful problem solving

Individualized Consideration: Gives personal attention, treats each employee individually, coaches, advises