SPROM-OLF Leadership I

SPROM-OLF – Organisation, Leadership, and Change Management

2022 Spring term

1. Economic foundations; Organisation Theory

2. Leadership

3. Entrepreneurship; Teams & Projects

4. Change Management

5. Business Ethics; course summary

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Leadership

Definitions, traits, behaviour, styles, motivation, contingency, systems… ('Western perspective')

Contents

- Discussion on Leadership

- Leaders, leadership styles, approaches

Breakout room discussions (10 min)

- Group 1

- Q: How would you define leadership?

- Group 2

- Q: What is good/bad leadership?
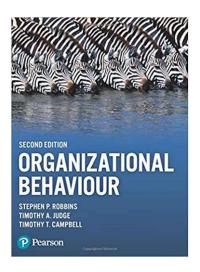
What is leadership?

Traits, behaviour,

Leadership is...

"the ability to influence a group toward the

achievement of a vision or goals"

(Robbins et al. 2010)

"the creation of positive, non-incremental change,

including the creation of a vision to guide that

change—a strategy—the empowerment of people

to make the vision happen despite obstacles, and

the creation of a coalition of energy and

momentum that can move that change forward"

- John Kotter (Prof. HBS)

Leadership is...

"Leadership is hard to define and good leadership even harder. But if you can get people to follow you to the end of the world, you are a great leader."

- Indra Nooyi (CEO PepsiCo)

"Ultimately, it's on the company leaders to set the tone. Not only the CEO, but the leaders across the company."

- Tim Cook (CEO Apple)

"Leadership is learning to let go and really empowering people at all levels of the organization and trusting them to do the right thing."

- Sundar Pichai (CEO Alphabet, Google)

Leadership is...

"to get 120 percent out of our teams. So, I set very high standards and expectations. What's inspiring to me is working on something really hard or really important, and then work with teams to figure out how to reach that goal.

- Lisa Su (CEO AMD)

"...not about being the loudest in the room, but instead being the bridge, or the thing that is missing in a discussion, and trying to build consensus from there."

- Jacinda Ardern (PM New Zealand)

"to mobilize others so they can execute a set of individual and collective tasks"

- Anthony Mayo (Prof. HBS)

...not so easy to define.

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Leadership vs...

- ## Diplomacy

"The art of letting other people
have it your way."

- Daniele Varè (Italian diplomat)

- ## Management

"I think of management as
working with other people to make
sure the goals an organization has
articulated are executed."

- Nitin Nohria (Dean, HBS)

Leadership vs. Management (expanded)

- Vision for change/goals

- Creative ideas

- Aligning people

- Future-oriented

- "Personal quality"

- Think of execution

- Implement processes

- Organise people and equipment

- Work in the present

- Systems and structure

Managers can be leaders, and leaders can be managers.
But not all are necessarily both…

BREAK

See you in 10min.

"Leadership experience? I have 13 people following me on Twitter!"

Leaders...

- **are born, not made (Great Man theory)**

"the history of the world is but the biography of great men" (Carlyle 1840)

- **have certain characteristics – (multiple) Trait theory**

("Big Five:") Extraversion(++), Agreeableness(/), Conscientiousness(++), Openness(++), Neuroticism(--);

Charisma(++), Intelligence(++), Honesty(+), Creativity(++), Achievement motivation(+), power need(+);

- **and skills:** communication(+), interpersonal(+), problem-solving(++), decision(++), Expertise(+)

(Hoffman et al 2011; Zaccaro et al. 2004, 2007; Judge et al. 2002, 2009)

What are leaders like?
Trait theories

Leadership is partly traits and characteristics...

Trait-like   State-like

(Trait-Leadership model
Hoffman et al. 2011, based on Zaccaro et al. 2004)

...and partly contextualised behaviour (aka behavioural approach)

Leaders behaviours

- Stogdill & Coons (1957) identified 9 dimensions of behaviour:
  1. Initiation
  2. Membership
  3. Representation
  4. Integration
  5. Organization
  6. Domination
  7. Communication
  8. Recognition
  9. Production

- Initiate structure or consideration of others (trust)
  - Ohio State U, 1940s (Stogdill & Coons 1951)

- Act employee-oriented or production-oriented
  - Mich State U, 1940s (Kahn & Katz 1960)
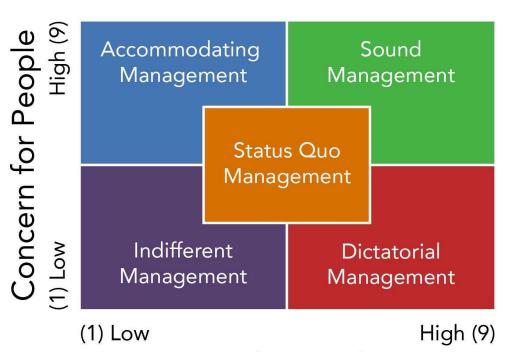
- Promote change (Ekvall & Arvonen 1991)

The managerial grid

What do leaders do?
Behavioural approaches

Concern for People — High (9) ... (1) Low

Accommodating Management	Sound Management
Status Quo Management	
Indifferent Management	Dictatorial Management

(1) Low — High (9)

Concern for Production

aka "5 Leadership Styles" (Blake & Mouton 1964), condensed

from 81 behaviour fields), to address:

Theory X: employees to be strictly controlled (hands-on)

Theory Y: employees to be trusted and empowered (hands-off)

(McGregor 1960)

Similar to: Lewin et al. (1939) Leadership styles:
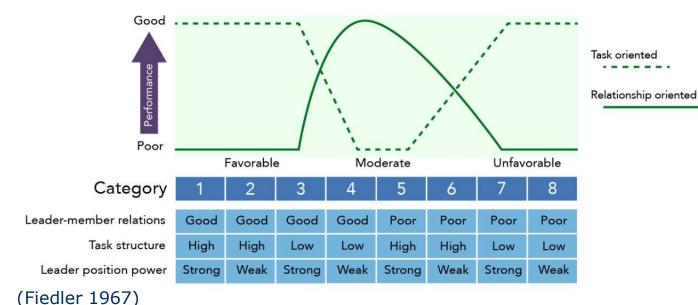
democratic, authoritarian, laissez-faire

(Enter:) The Situation, Context, and People

Contingency approaches, motivation

Fiedler model
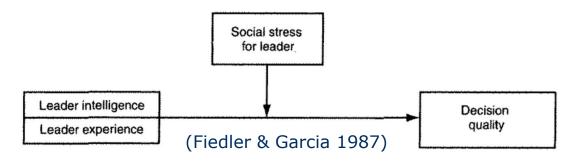
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(Fiedler 1967)

- Style choice based on LPC: Least-Preferred Coworker

- Seeks to identify Leader-Situation (mis)match

- Addition: Cognitive Resource theory (Fiedler & Garcia 1987)

(Fiedler & Garcia 1987)
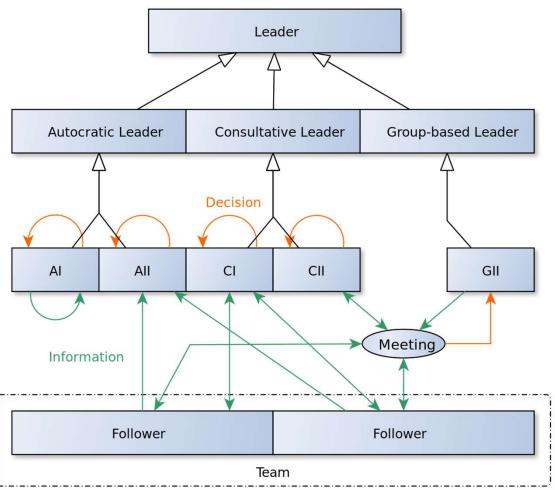
Vroom–Yetton (1973) contingency model

- Leader chooses adequate leadership style depending on subordinates and (team) situation

Issues with contingency approaches
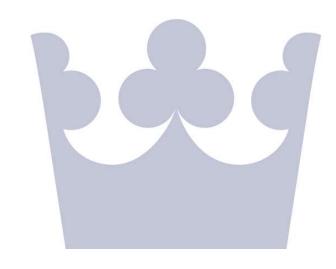
- Little 'clear' empirical evidence

- Little/too much practical advice

- Little understanding of causal effects

- Many concepts, few clear-cut definitions

- Missing thus far:

  – Motivation of subordinates
  – Power & Authority
    (covered in last session)

Leadership continued...

Why would people do anything?
Why work?
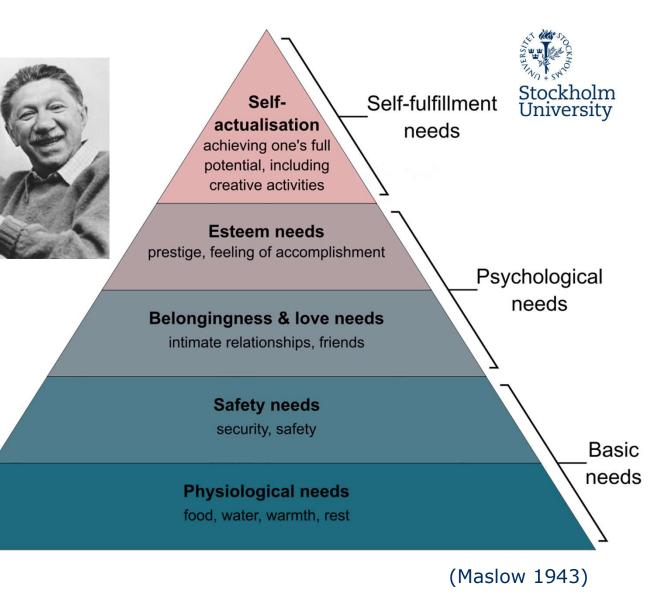
Motivation

- Intrinsic (self-driven) vs.

- Extrinsic (external goal-driven)

- Achieve success vs.

- Avoiding failure?

(Atkinson & McClelland 1953)

- Maslow's hierarchy of

human needs (1943)
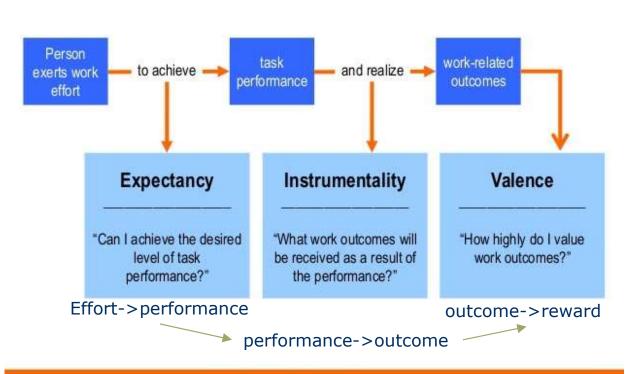
(Maslow 1943)

Expectancy theory (Vroom 1964)

Expectancy theory

| Person exerts work effort | to achieve | task performance | and realize | work-related outcomes |

Expectancy
"Can I achieve the desired level of task performance?"

Instrumentality
"What work outcomes will be received as a result of the performance?"

Valence
"How highly do I value work outcomes?"

Effort->performance

performance->outcome

outcome->reward

20

- Rewards and outcomes and their probabilities define the effort exerted by employees
- Cognitive, rational behaviour type model

Path-Goal theory (House 1971)

Predicts that:

(I) subordinates will be satisfied with leaders if they feel their leaders' behaviour will lead them to satisfaction.

(II) subordinates will be motivated when they feel their satisfaction depends on their performance and their leader helps them reach goals (Den Hartog & Koopman 2001; House 1971).

(III) when goals and the paths to those goals are clear, subordinates may not need leader guidance (Kerr & Jermier 1978).

Task and Environmental Characteristics
Obstacles:
- Design of the task
- Formal authority system
- Work group

Employee
Characteristics:
- Experience
- Ability
- Locus of control

Goals

Path

Path-Goal Leadership
Consider:
- Employee characteristics
- Task & environment characteristics
Select Leadership Style:
- Directive
- Supportive
- Participative
- Achievement-oriented
Focus on Motivation:
- Define goals
- Clarify path
- Remove obstacles
- Provide support
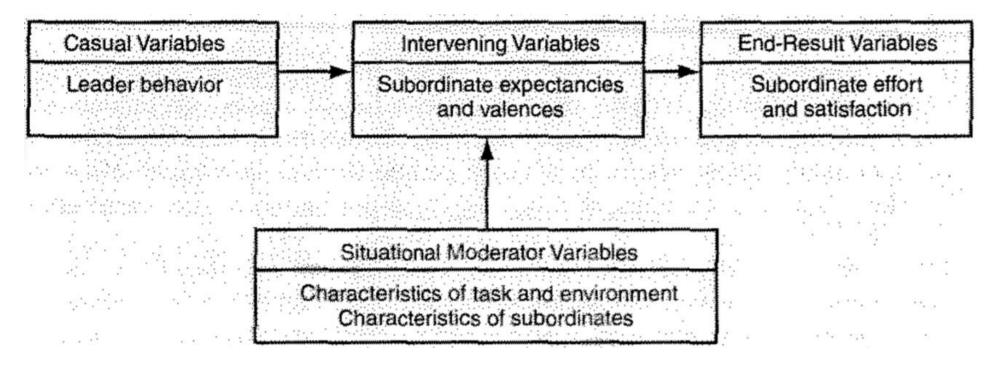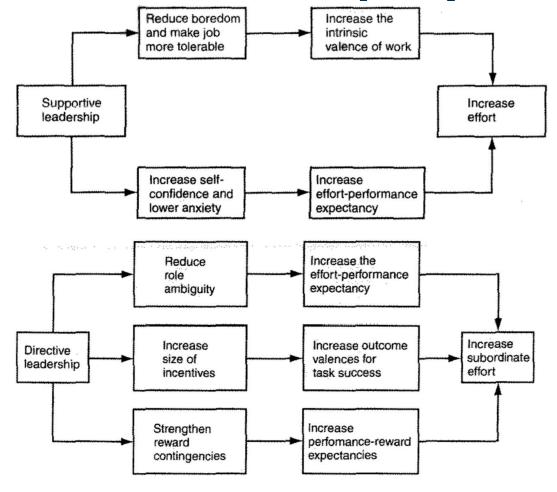
Path-goal causalities

Effects of Leadership styles

Functional leadership models

- Defining the task

- Planning

- Briefing the team

- Controlling what happens

- Evaluating results

- Motivating individuals

- Organising people

- Setting an example

Adair 1973

- Setting objectives
- Planning tasks
- Allocating of responsibilities
- Setting performance standards

- Communication
- Team building
- Motivation
- Discipline

- Coaching
- Counselling
- Developing
- Motivating

Hackman & Walton 1986

Is this still leadership or already management?

Situational leadership
Hersey & Blanchard (1977)

- No one "best" style

- Suggests a development process through leadership

- Adapt to subordinates' "maturity" (measure?)

S3 Asking/listening
Reassuring
Facilitating self-reliant problem solving
Collaborating
Encouraging feedback
Appreciating

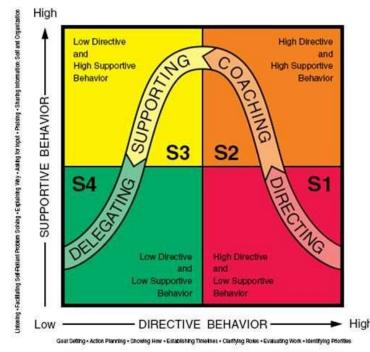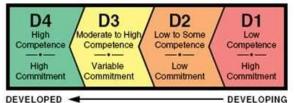**S4** Allowing/trusting
Confirming
Empowering
Affirming
Acknowledging
Challenging

S2 Exploring/asking
Explaining/clarifying
Redirecting
Sharing feedback
Encouraging
Praising

S1 Defining
Planning/prioritizing
Orienting
Teaching/showing and telling how
Checking/monitoring
Giving feedback

High

Low Directive and High Supportive Behavior	High Directive and High Supportive Behavior
S3 SUPPORTING	**S2** COACHING
S4 DELEGATING	**S1** DIRECTING
Low Directive and Low Supportive Behavior	High Directive and Low Supportive Behavior

SUPPORTIVE BEHAVIOR

Listening • Facilitating Self-Reliant Problem Solving • Explaining Why • Asking for Input • Praising • Sharing Information, Soft and Organization

Low —————— DIRECTIVE BEHAVIOR —————→ High

Goal Setting • Action Planning • Showing How • Establishing Timelines • Clarifying Roles • Evaluating Work • Identifying Priorities

D4 High Competence — High Commitment	**D3** Moderate to High Competence — Variable Commitment	**D2** Low to Some Competence — Low Commitment	**D1** Low Competence — High Commitment

DEVELOPED ←———— DEVELOPING

Development Level of the Individual

Transformational leadership (Full range leadership model – Bass & Avolio 1991)

Leadership Continuum and Factors

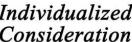| Transformational Leadership	Transactional Leadership	Laissez-Faire Leadership
Charisma	Rewards	Free Reign
Inspirational Motivation	Constructive Transactions	Delegative
Intellectual Stimulation	Management By Exception	
Individualized Consideration	Corrective Transactions	

Intellectual Stimulation
- Innovation
- Creativity
- Goals
- Challenge
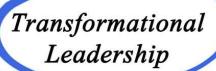
Individualized Consideration
- Mentorship
- Empathy
- Purpose
- Strength & Skills

Transformational Leadership

Idealized Influence
- Role Model
- Walk the Walk
- Enthusiasm
- Embody Value

Inspirational Motivation
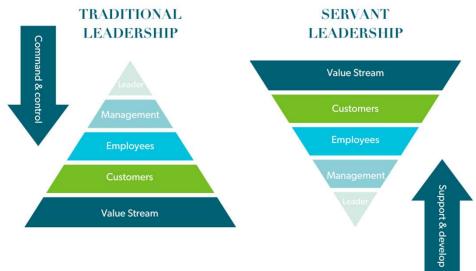- Clear Vision
- Optimism
- Inclusion
- Productivity

Servant leadership (Greanleaf 2007)
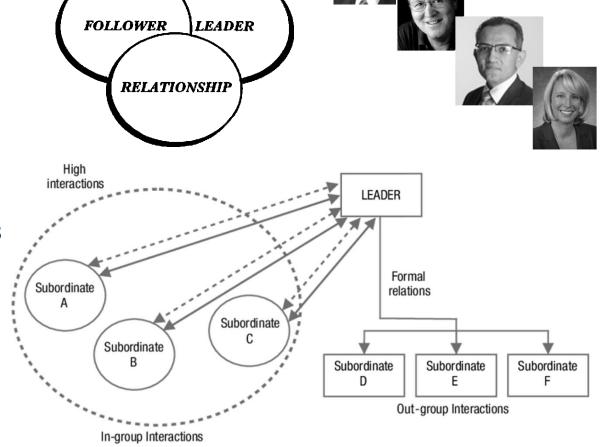
- "I serve because I am the leader, and I am the leader because I serve"

The 10 characteristics of a servant leader

Listening · Empathy · Awareness · Healing · Persuasion

Conceptualization · Foresight · Stewardship · Commitment to growth of people · Building community

TRADITIONAL LEADERSHIP

Command & control

Leader
Management
Employees
Customers
Value Stream

SERVANT LEADERSHIP

Value Stream
Customers
Employees
Management
Leader

Support & develop

- Do those served grow as persons? → empowerment

LMX: Leader-Member Exchange theory

- Based on Vertical-Dyad Linkage

- Focus on (good) relationships

- Leaders and followers *choose* **each other**

- Teams and in-group building

- Strong in-groups outperform others

- **Process** view

- Authors:
  – Graen, Denserau, Canedo, Uhl-Bien (1995)

Multiple-Linkages Model (Yukl 1994)

- performance depends on six variables: member effort, member abilities, work organisation, teamwork quality, availability of essential resources, and external coordination within the organisation;

- Leaders influence these, depending on situation

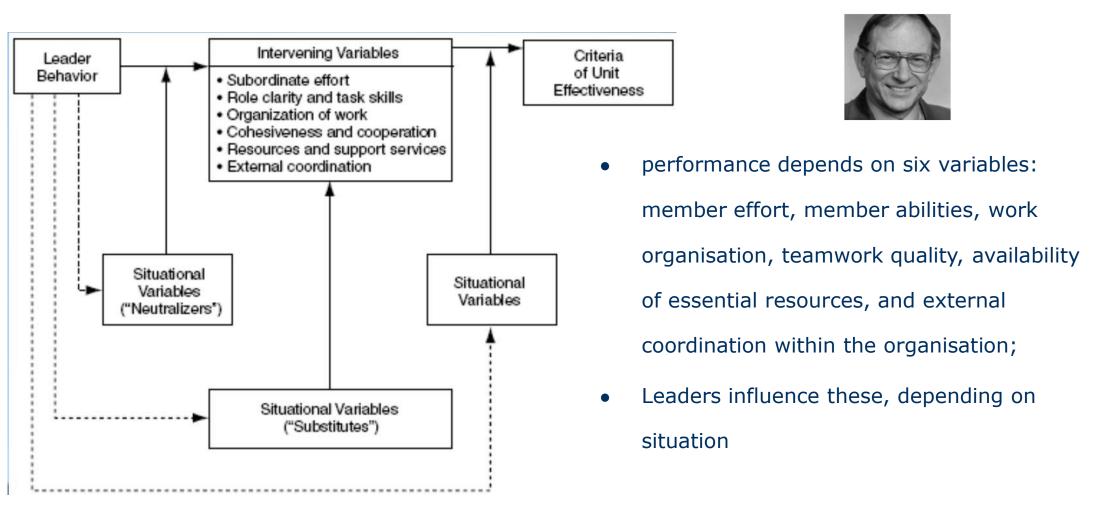# Substitutes, Neutralisers, (Enhancers) for leadership (styles)

TABLE 8-2 Substitutes and Neutralizers for Supportive and Instrumental Leadership

Substitute or Neutralizer	Supportive Leadership	Instrumental Leadership
A. Subordinate Characteristics:		
1. Experience, ability, training	Substitute	
2. Professional orientation	Substitute	Substitute
3. Indifference toward rewards	Neutralizer	Neutralizer
B. Task Characteristics:		
1. Structured, routine task		Substitute
2. Feedback provided by task		Substitute
3. Intrinsically satisfying task	Substitute	
C. Organization Characteristics:		
1. Cohesive work group	Substitute	Substitute
2. Low position power	Neutralizer	Neutralizer
3. Formalization (roles, procedures)		Substitute
4. Inflexibility (rules, policies)		Neutralizer
5. Dispersed subordinate work sites	Neutralizer	Neutralizer

Based on Kerr and Jermier (1978)

Issues with Leadership and Motivation

- Crowding out effects for motivation (extrinsic>intrinsic; e.g. Frey & Jegen 2001)

- Herzberg's 1956 Two-factor theory on job satisfaction
  - Work environment vs. internal intrinsic factors
  - Satisfaction ~ motivators
  - Dissatisfaction ~ hygiene factors, if absent

- Mistaken causal effects (e.g. Hawthorne studies Mayo & Warner 1932 -> human relations approach)

- Substitutes / functional equivalents may exist

Reflection discussion

What of the learned rings true / makes sense?

Next time...:

- Continued leadership discussion

- Group work on articles (prepare!)