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PMG 671
Leadership& Organizational Behavior

Lecture 7

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Basics Approaches to Leadership

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After studying this chapter, you should be able to:

- Define leadership and contrast leadership and management.
- Summarize the conclusions of trait theories.
- Identify the central tenets and main limitations of behavioral theories.
- Assess contingency theories of leadership by their level of support.
- Contrast the interactive theories (path-goal and leader-member exchange).
- Identify the situational variables in the leader-participation model.
- Show how U.S. managers might need to adjust their leadership approaches in Brazil, France, Egypt, and China.

What is Leadership?

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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

Both are necessary for organizational success

Leadership and Management

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Bennis (1989) identified 12 distinctions between managers and leaders:

1. Managers administer, leaders innovate.
2. Managers ask how and when, leaders ask what and why.
3. Managers focus on systems, leaders focus on people.
4. Managers do things right, leaders do the right things.
5. Managers maintain, leaders develop.
6. Managers rely on control, leaders inspire trust.

Leadership and Management

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7. Managers have a short-term perspective, leaders have a longer-term perspective.
8. Managers accept the status quo, leaders challenge the status quo.
9. Managers have an eye on the bottom line, leaders have an eye on the horizon.
10. Managers imitate, leaders originate.
12. Managers copy, leaders show originality.

Leadership and Management

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Table 1.1 Distinctions between management and leadership (Kotter, 1991)

Management involves	Leadership involves
Focusing on managing complexity by planning and budgeting with the aim of producing orderly results, not change.	Focusing on producing change by developing a vision for the future along with strategies for bringing about the changes needed to achieve that vision.
Developing the capacity to achieve plans by creating an organization structure and staffing it – developing human systems that can implement plans as precisely and efficiently as possible.	Aligning people by communicating the new direction and creating coalitions that understand the vision and are committed to its achievement.
Ensuring plan accomplishment by controlling and problem-solving – formally and informally comparing results to the plan, identifying deviations and then planning and organizing to solve the problems.	Using motivation to energize people, not by pushing them in the right direction as control mechanisms do, but by satisfying basic human needs for achievement, a sense of belonging, recognition, self-esteem, a feeling of control over one's life and the ability to live up to one's ideals.

Leadership Style

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The way in which bosses deal with their employees is known as their leadership style. For example, some managers are quite strict with workers. They always expect deadlines to be met and targets to be hit. Others are more relaxed and understanding. If there is a good reason why a particular task has not been completed by the deadline, they will be willing to accept this and give the employee more time. Although the way in which managers manage will vary slightly from individual to individual, their styles can be categorised under four headings: autocratic, democratic , paternalistic and laissez fair.

Types of Management/ Leadership Style

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Tight Control

Loose Control

- Autocratic
- Paternalistic
- Democratic
- Laissez Faire

Autocratic Managers

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Autocratic managers are authoritarian: they tell employees what to do and do not listen much to what workers themselves have to say. Autocratic managers tend to use one-way, top-down communication. They give orders to workers and do not want feedback.

Democratic Managers

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Democratic managers, by comparison, like to involve their workers in decisions. They tend to listen to employees' ideas and ensure people contribute to the discussion. Communication by democratic managers tends to be two-way. Bosses put forward an idea and employees give their opinion. A democratic leader will regularly delegate decision-making power to junior staff. The delegation of authority, which is at the heart of democratic leadership, can be approached in one of two main ways: management by objectives and laissez faire.

Laissez Faire Managers

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Meaning ‘let it be’, this occurs when managers are so busy, or so lazy, that they do not take the time to ensure that junior staff know what to do or how to do it. Some people may respond very well to the freedom to decide how to spend their working lives; others may become frustrated. It is said that Bill Gates, in the early days of Microsoft, hired brilliant students and told them no more than to create brilliant software. Was this a laissez-faire style or management by objectives? Clearly the dividing line can be narrow.

Paternalistic Managers

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A paternalistic manager thinks and acts like a father. He or she tries to do what is best for their staff/ children. There may be consultation to find out the views of the employees, but decisions are made by the head of the ‘family’. This type of boss believes employees need direction but thinks it is important that they are supported and cared for properly. Paternalists are interested in the security and social needs of staff.

Why Managers need to acquire Leadership skills?

Since Leadership is all about making a change in the society a man lives in or an organization a person works for.

Any change needs followers who believe in the importance of such change to the welfare of the organization they work for.

Therefore Managers need to learn how to make a change , how to be a leader and to develop followers.

Leadership Theories

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Researchers have been trying to answer these questions for years:

What does it take to be a successful leader?
What is the most effective leadership style?

Leadership Theories:
The great man Theory
Trait Theory
Behavior Theory
Contingency Theory
Transactional Theory
Transformational Theory

The Great Man Theory (1840)

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The Great Man theory evolved around the mid 19th century.

The Great Man theory assumes that the traits of Leadership are intrinsic. That simply means that great leaders are born and not made.

This theory sees great leaders as those who are destined by birth to become a leader. Furthermore, the belief was that great leaders will rise when confronted with the appropriate situation.

Leadership Trait Theory (1930-1940)

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The trait leadership theory believes that people are either born or are made with certain qualities that will make them excel in leadership roles. That is, certain qualities such as intelligence, sense of responsibility, creativity and other values puts anyone in the shoes of a good leader.

The trait theory of leadership focused on analyzing mental, physical and social characteristic in order to gain more understanding of what is the characteristic or the combination of characteristics that are common among leaders.

Leadership Trait Thoery

Edwin Gheselli identified six traits for effective leadership:

- **Need for achievement**
- **Intelligence**
- **Decisiveness**
- **Self-confidence**
- **Initiative**
- **Supervisory ability**

Leadership Behavior Theory (1940-1950)

In the 1930s, emphasis on behaviorism moved researchers in the direction of leadership behavior.

In reaction to the trait leadership theory, the behavioural theories are offering a new perspective, one that focuses on the behaviours of the leaders as opposed to their mental, physical or social characteristics.

Leadership Behavior Theory

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Ralph Stogdill at Ohio State University

Helped develop the Leader Behavior Description Questionnaire (LBDQ)

The behavioural theories first divided leaders in two categories. Those that were concerned with the tasks and those concerned with the people.

Respondents described leaders' behavior in two dimensions:

- **Initiating structure**
- **Showing consideration**

Leadership Behavior Theory

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Initiating structure means:
the extent to which a leader defines leader and group member roles, initiates actions, organizes group activities, and defines how tasks are to be accomplished by the group.

Measures of initiating structure:

- **Trying out new ideas**
- **Encouraging slow workers to work harder**
- **Meeting deadlines**
- **Meeting at scheduled times**
- **Making sure everyone works to capacity**

Leadership Behavior Theory

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Showing consideration means…
taking action to develop trust, respect, support, and friendship with subordinates

Measures of consideration:

- **Being helpful**
- **Treating all people as equals**
- **Willing to make changes**
- **Standing behind subordinates**
- **Doing things to make group membership pleasant**

Leadership Contingency Theory (1960)

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Both trait and behavioral theories tried to identify the one best leader or style for all situations

By the late 1960s, it became apparent that there is no such universal answer.

The Contingency Leadership theory argues that there is no single way of leading and that every leadership style should be based on certain situations, which signifies that there are certain people who perform at the maximum level in certain places; but at minimal performance when taken out of their element.

Leadership Contingency Theory

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Leadership effectiveness depends on a *combination* of the:

Leader
Followers
Situational factors

Leadership Contingency Theory

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Most agree that leadership effectiveness depends on the leader, the followers, and situation variables

Leaders in different situations need different interests, values, and skills

A leader in a bank differs from one on a farm
Experienced vs new followers have different needs
Situational factors include the job performed, the workplace culture, and task urgency

Leadership Contingency Theory

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Leadership results when…
the ideas and deeds (actions) of the leader match the needs and expectations of the follower in a particular situation

Examples:

Nelson Mandela
Adolf Hitler

For leadership to take place, the leader, followers, and situation must match

Leadership Transactional Theory (1970)

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Transactional theories, also known as exchange theories of leadership, are characterized by a transaction made between the leader and the followers. In fact, the theory values a positive and mutually beneficial relationship.

For the transactional theories to be effective and as a result have motivational value, the leader must find a means to align to adequately reward (or punish) his follower, for performing leader-assigned task.

Leadership Transactional Theory

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Transactional leadership styles are more concerned with maintaining the normal flow of operations. Transactional leadership can be described as "keeping the ship afloat." Transactional leaders use disciplinary power and an array of incentives to motivate employees to perform at their best. The term "transactional" refers to the fact that this type of leader essentially motivates subordinates by exchanging rewards for performance.

Leadership Transactional Theory

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A transactional leader generally does not look ahead in strategically guiding an organization to a position of market leadership; instead, these managers are solely concerned with making sure everything flows smoothly today.

Leadership Transformational Theory

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A transformational leader goes beyond managing day-to-day operations and crafts strategies for taking his company, department or work team to the next level of performance and success. Transformational leadership styles focus on team-building, motivation and collaboration with employees at different levels of an organization to accomplish change for the better.

Leadership Transformational Theory

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Transformational leaders set goals and incentives to push their subordinates to higher performance levels, while providing opportunities for personal and professional growth for each employee.

Advantages of both Transactional & Transformational Styles

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Both leadership styles are needed for guiding an organization to success. Transactional leaders provide distinct advantages through their abilities to address small operational details quickly. Transactional leaders handle all the details that come together to build a strong reputation in the marketplace, while keeping employees productive on the front line.

Advantages of both Transactional & Transformational Styles

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Transformational leadership styles are crucial to the strategic development of a small business. Small businesses with transformational leaders at the helm shoot for ambitious goals, and can achieve rapid success through the vision and team-building skills of the leader

Contemporarily Theory of Leadership (The Fiedler Model)

- Fred Fiedler developed the first comprehensive contingency model for leadership. The **Fiedler contingency model** proposes that effective group performance depends on the proper match between the leader's style and the degree to which **the situation** gives the leader control.
- Fiedler assumes an individual's leadership style is fixed. This means if a situation requires a task-oriented leader and the person in the leadership position is relationship oriented, either the situation has to be modified or the leader has to be replaced to achieve optimal effectiveness.

Situational Leadership Theory

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- **Situational leadership theory (SLT) focuses on the followers**. It says successful leadership depends on selecting the right leadership style contingent on the followers' *readiness*, or the extent to which they are willing and able to accomplish a specific task. A leader should choose one of four behaviors depending on follower readiness.
- If followers are *unable* and *unwilling* to do a task, the leader needs to give clear and specific directions;

Situational Leadership Theory

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- If they are *unable* and *willing,* the leader needs to display high task orientation to compensate for followers' lack of ability and high relationship orientation to get them to "buy into" the leader's desires.

Situational Leadership Theory

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- If followers are *able* and *unwilling,* the leader needs to use a supportive and participative style;
- if they are both *able* and *willing,* the leader doesn't need to do much.

Path- goal Theory

The path-goal theory states that **a leader's behavior is contingent on the satisfaction, motivation, and performance of their employees**. The manager's job is viewed as guiding workers to choose the best paths to reach both their goals as well as the corporation's goals.

- **Path-goal theory centers on how leaders motivate subordinates to accomplish designated goals Emphasizes the relationship between**
- **the leaders style**
- **the characteristics of the subordinates**
- **the work setting**

Path- goal Theory

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- **Motivational Principles (based on Expectancy Theory) - Subordinates will be motivated if they believe:**
- **they are capable of performing their work**
- **that their efforts will result in a certain outcome**
- **that the payoffs for doing their work are worthwhile**

Path - goal Theory

- **Leader Behaviors :**
- **Directive Leadership Leader who gives subordinates task instruction including: What is expected of them How task is to be done Timeline for task completion.**
- **Supportive Leadership Refers to being friendly, approachable, and supportive as a leader and includes: Attending to well-being & human needs of subordinates' ; Using supportive behavior (cognitive and affective) to make work environment pleasant and more tolerant; Increase self-confidence and lower anxiety**

Path - goal Theory

- **Participative Leadership Leader who invites subordinates to share in the decision-making A participative leader: Consults with subordinates Seeks their ideas & opinions Integrates their input into group/organizational decisions.**
- **Achievement Oriented Leadership Leader who challenges subordinates to perform work at the highest level possible An achievement oriented leader: Establishes a high standard of excellence for subordinates; Seeks continuous improvement; Demonstrates a high degree of confidence in subordinates' ability to establish & achieve challenging goals.**

Charismatic Leadership Theory

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A leadership theory that states that followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors. Charismatic leader is this certain quality of an individual personality, by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities.