

Digital Leadership

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DGM 726
Lecture 3

Leadership Methods & Theories





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Last Lecture, we leaned about

- ☐ Are you a Leader?
- ☐ How to Be a Leader?
- ☐ Developing a Vision
- ☐ Understanding People's Needs
- ☐ Influencing People
- ☐ Communication
 - ☐ Definition
 - ☐ Elements of Communication

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Today's Lecture we will Know about

- ☐ Types of Leadership
- ☐ Methods of leadership
- ☐ Theories of Leadership
 - ☐ 1. The Great Man Theory
 - ☐ 2. Trait Theories of Leadership
 - ☐ 3. Behavioral Theories of Leadership
 - ☐ 4. Transactional & Transformational Theories
 - ☐ 5. Contingency theory of leadership
 - ☐ 6. Neo-Charismatic Theories
- ☐ New Leaders Take Note & Traps
- ☐ Leading Effectively: The 70-20-10 Rule
- ☐ Self-Assessment
 - Do You Have Charismatic Tendencies?

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Introduction & Learning Outcomes

- ☐ Learn about the types, methods, and different theories of leadership, understand its results and apply examples.
- ☐ Learn about new leaders' advices and traps, and how they can use some rules to lead effectively.

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Types of Leadership



Democratic Leadership
Decisions based on input



Autocratic Leadership
Decisions from a single source



Laissez-Faire Leadership
Decisions come from individual employees



Strategic Leadership
Decisions based on strategy and goals



Transformational Leadership
Pushing to think and work in new ways



Transactional Leadership
Employees get rewarded for work



Coaching Leadership
Leader nurtures individuals



Bureaucratic Leadership
Decisions come from company policy



Visionary Leadership
Energetic focus on the future



Pacesetter Leadership
Leaders set ambitious goals



Situational Leadership
Decisions and leadership styles vary by situation

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Methods of Leadership



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Methods of leadership

- ❑ **Pure exercise of power.** "My way or the highway." If you don't do what the leader demands, no matter how unreasonable, you're gone. The leader's decisions are not open to question or discussion, and no one else gets to make decisions.
- ❑ **Political scheming.** The leader plays people off against one another, creates factions within the organization, cultivates "allies" and isolates "enemies," and builds up (through favors or overlooking poor performance) personal debt which can be cashed in when needed, in order to manipulate people and events as he wishes.

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Methods of leadership

- ❑ **Using relationships.** The leader develops strong positive relationships with all or most of the people in the organization, and uses these relationships to steer people in particular directions. People do what they're asked because of their relationships with the leader, rather than for reasons connected to the tasks themselves.
- ❑ **Setting an example.** The leader may or may not demand or request particular behavior or actions, but the leader will demonstrate them, and expect or imply that others will follow.

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Methods of leadership

- ❑ **Persuasion.** The leader convinces people through argument, reasoning, selling techniques, or other persuasive methods that what the leader wants is, in fact, the best course, or in line with what they want to do.
- ❑ **Sharing power.** Some leaders choose to exercise at least some leadership through the other stakeholders in the organization. In this situation they may give up some personal power in return for what they see as more ownership of decisions, goals, and the organization itself by those involved in the decision-making process.

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Methods of leadership

- ❑ **Charisma.** Some leaders are charismatic enough to simply pull others along by the power of their personalities alone. They may, in fact, advocate and accomplish wonderful things, but they do it through people's loyalty to and awe of them.
- ❑ **Involving followers in the goal.** The leader gets others to buy into the vision for the organization, and to make it their own. The leader may accomplish this through charisma, through the force of the belief in power and rightness of the vision, or through the nature of the vision itself.

Lec.3**Methods of leadership**

- ❑ **Various combinations of these and other methods.**
 - The combination of the leader's and organization's conception of leadership and the leader's way of leading does much to define leadership style. In addition, the characteristics of the leadership are almost always reflected in the relationships within and among the staff, participants, Board, and others related to the organization, as well as in its policies, procedures, and program.

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1. The Great Man Theory

- ❑ One of the first theories on leadership makes the assumption that these qualities are inherent, which indicates that leaders are born, not created, and cannot be learned. This hypothesis asserts that a leader has certain innate human characteristics, such as:

- Glamour
- Decisive
- Wisdom
- Daring
- Assertiveness
- Appeal



Lec.3**1. The Great Man Theory**

- ❑ This viewpoint emphasizes the fact that individuals cannot be taught to be effective leaders. It's a quality that either you have, or you don't. These abilities come naturally; thus, you cannot learn them or receive training in them.
- ❑ In addition, the idea holds that these leadership qualities are constant over time and apply to all organizations, regardless of the setting in which these leaders are employed. The idea that exceptional leaders emerge when they are required is another tenet of this leadership ideology.

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2. Trait Theories of Leadership

- ❑ Theories that sought personality, social, physical or intellectual traits and differentiated leaders from non-leaders.
- ❑ Leaders tend to be described as: confident, iron-willed, determined & decisive (Margaret Thatcher, Mandela, Sadat). Whom else??
- ❑ Other terms used include: Charismatic, Enthusiastic & Courageous
- ❑ Research failed to show consistent attributes that differentiated LEADERS from NON LEADERS
- ❑ However, research was successful in identifying traits that were CONSISTENTLY ASSOCIATED WITH LEADERS.

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2. Trait Theories of Leadership

☐ 6 Traits in which LEADERS Differ from Non-Leaders:

- Ambition & Energy
- The Desire to Lead
- Honesty & Integrity
- Self-Confidence
- Intelligence
- Job-Relevant Knowledge
- High self-monitors (high flexibility in adjusting their behavior in different situations)



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2. Trait Theories of Leadership

☐ Personality

- Verbal facility
- Honesty
- Initiative
- Aggressive
- Self-confident
- Ambitious
- Originality
- Sociability
- Adaptability

☐ Intelligence

- More intelligent than non-leaders
- Scholarship
- Knowledge
- Being able to get things done

☐ Physical

- Doesn't seem to be correlated

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2. Leadership Traits from the Follower's Perspective

- ❑ A somewhat different approach to identifying leadership characteristics was based on the opinions of individuals who were both followers and leaders. This study collected the views of many thousands of individuals from business and government, participating in university executive development programs (Kouzes and Posner, 2002).
- ❑ When asked 'What do you look for and admire in your leader?', there was considerable consensus among these individuals in that they reported that leaders need to be: 1. honest; 2. forward looking; 3. inspiring; 4. competent; 5. fair minded; 6. supportive; 7. broad minded; 8. intelligent.

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2. Leadership Traits in Summary

- ❑ Research into leadership traits has revealed that the more of the traits that individuals possess, the more effective their leadership.
- ❑ A more practical approach, however, is to recognize that some broad leadership characteristics are relatively central, and although not absolutely required in all cases, will tend to correlate positively with effectiveness in leading others.

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3. Behavioral Theories of Leadership

- ❑ This type of leadership theory focuses on a leader's actions and behavior, with very little emphasis on their qualities and traits.
- ❑ According to behavioral leadership theory, an effective leader has many acquired skills. In addition to it, the theory also considers that an individual can learn skills to become a good leader.
- ❑ So, theories proposing that specific behaviors differentiate leaders from non-leaders.
- ❑ If so, we could train non-leaders to become leaders.
- ❑ These theories had some success in identifying consistent relationships between Leadership & Group Performance.

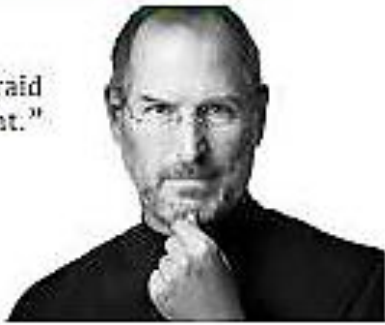
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3. Behavioral Theories of Leadership

Behavioral theory

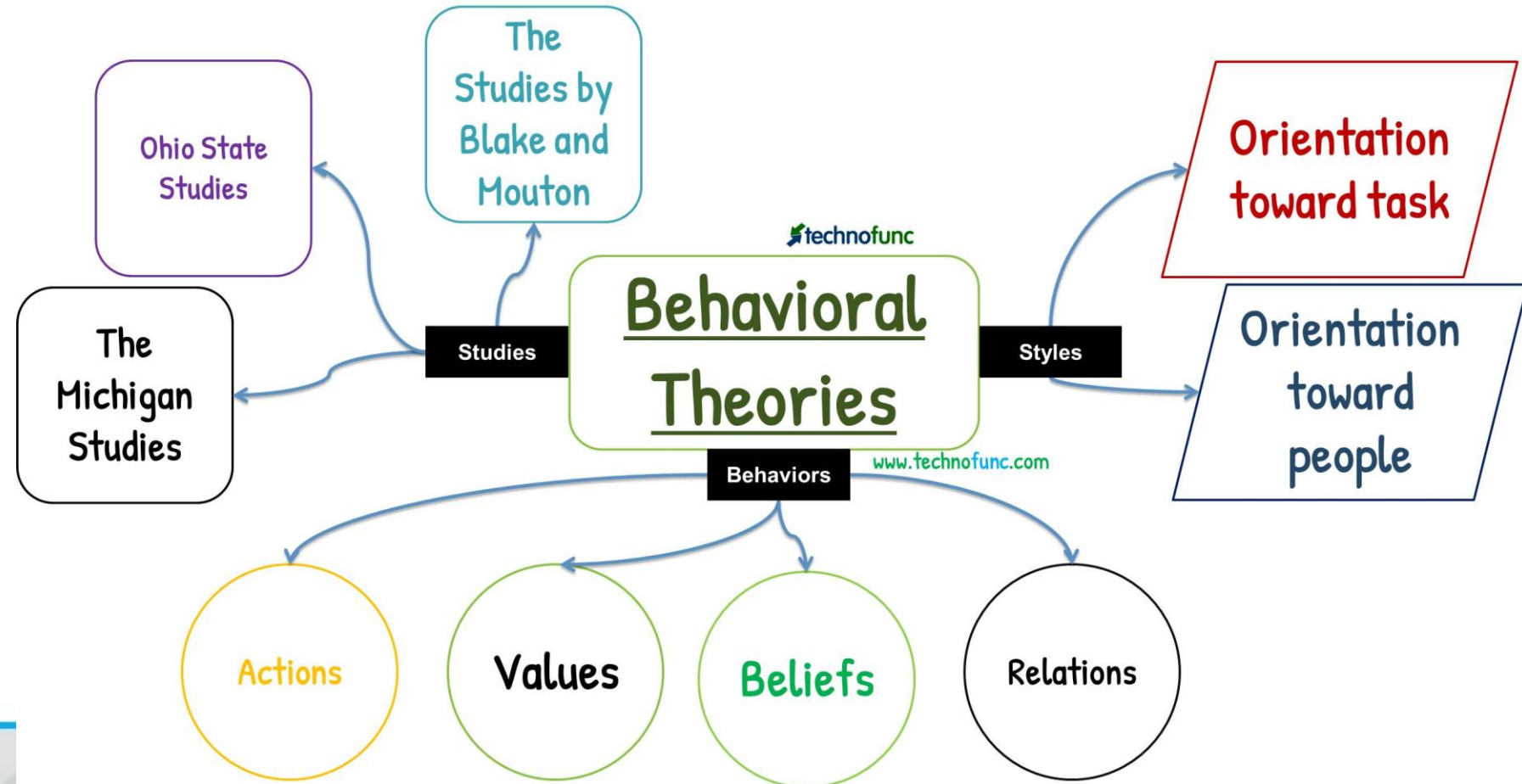
"Don't be afraid
to be different."

- Steve Jobs



Don't be afraid,
you can do it.

Steve Jobs



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4. Transactional & Transformational Theories

A different view, popularized by James MacGregor Burns, contrasts two styles of leadership: transactional and transformational.

- ❑ **Transactional Leader:** One who guides or motivates their followers in the direction of established goals by clarifying role and task requirements.
- ❑ **Transactional leadership** views leadership as based on transactions between leader and followers. Thus rewards, punishments, exchanges (economic, emotional, physical) and other such "transactions" are the basis of leadership.
 - An organization leads by paying you and telling you what you need to do; you respond by doing what you need to do efficiently and well, and the organization will prosper.

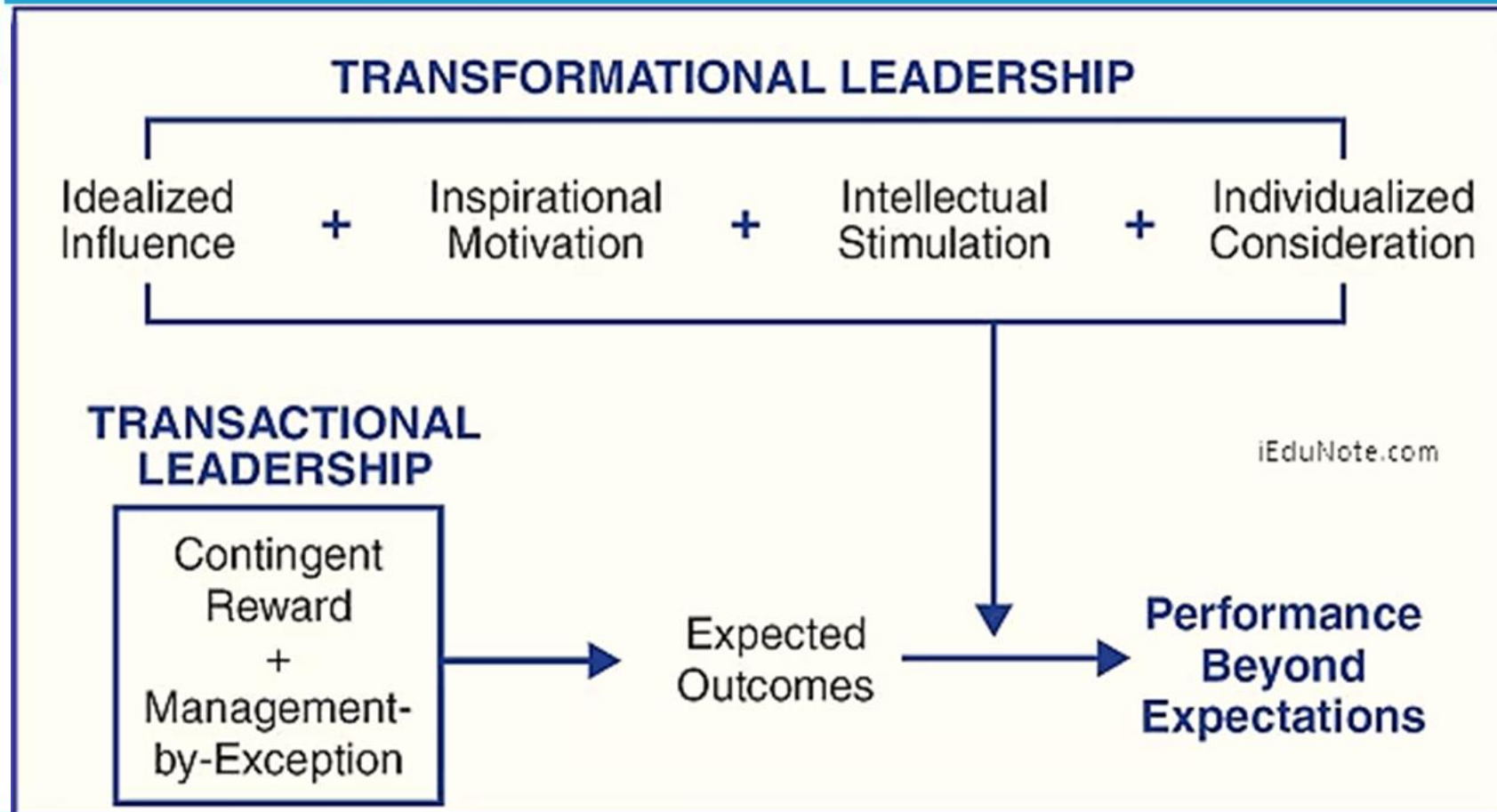
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4. Transactional & Transformational Theories

- ❑ **Transformational Leader:** One who inspires followers to transcend (go beyond) their own self-interests for the good of the organization, provide personal consideration and intellectual stimulation, and who possess charisma (heroic or extraordinary leadership abilities observed by the followers).
- ❑ **Transformational leadership** sees a true leader as one who can distill the values and hopes and needs of followers into a vision and then encourage and empower followers to pursue that vision.
- ❑ **A transactional leader** thinks of improvement or development as doing the same thing better: an organization that reaches more people, a company that makes more money.
- ❑ **A transformational leader** thinks about changing the world, even if only on a small scale.

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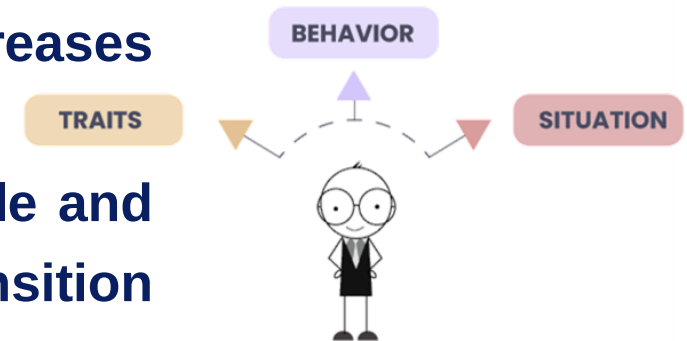
4. Transactional & Transformational Theories



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5.Contingency theory of leadership

- ❑ Often called the situational leadership theory, it is one of the versatile leadership theories that suggest that different leadership styles suit different situations. In these types of leadership theories, leaders must adapt their leadership style depending on their situation, which increases innovation and effectiveness.
- ❑ The leadership theory helps leaders become versatile and adapt to different situations easily. It makes their transition from one phase to another easy and also gives them the skills and knowledge required to tackle difficult situations.



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5.Contingency theory of leadership

- ❑ According to the contingency hypothesis, there is no one right way to run an organization. Determining the optimal strategy for leading an organization to achieve depends on both internal and external considerations. The right candidate should fit the correct scenario, according to the contingency theory.
- ❑ The management strategy that will help the organization achieve its objectives in a particular situation is decided by the leader.
- ❑ According to this view, situations determine whether or not leaders are effective. No matter how successful a leader is, the idea explains, difficult situations will always arise. It emphasizes that the leaders are aware that the conditions in combination with their abilities have a role in their achievement.

Lec.3**5.Contingency theory of leadership**

- ❑ **The following elements influence the leadership style, based on contingency theory:**
 - **Management approach**
 - **Work speed**
 - **Organizational policies and culture**
 - **Employee spirit**
 - **Employees' level of maturity**
 - **Relationship between coworkers or members of a team**
 - **Organizational objectives**
 - **Environment and routine at work**

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5.Contingency theory of leadership

- ❑ Leadership theories that stress symbolism, emotional appeal and extraordinary follower commitment
- ❑ They include:
 - Charismatic Leadership
 - Transformational & Transactional
 - Visionary Leadership

**Key Characteristics of Charismatic Leaders**

- ❑ Vision & Articulation (expressed as an idealized goal that proposes a better future than status quo & in understandable terms to others)
- ❑ Personal Risk
- ❑ Environmental Sensitivity (realistic assessment of environmental constraints & resources to bring about change)
- ❑ Sensitivity to Follower Needs & Feelings
- ❑ Unconventional Behavior (novel & counter to norms)

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6. Neo-Charismatic Theories

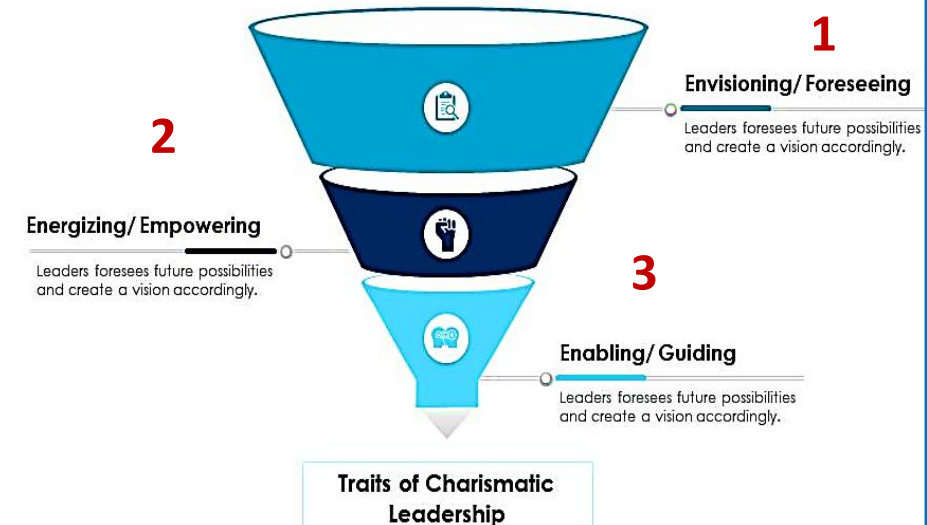
The Charismatic Leader

- ❑ Charismatic leaders may affect an organization and the individuals they lead in a strong, positive way.
- ❑ However, this leadership style can also lead to dangerous situations if used in the wrong manner.
- ❑ Charismatic leadership is defined by three behavioral dimensions: envisioning (communication about vision), energizing (communication about passion), and enabling (communication about care and support).

3Es: Envisioning, Energizing, Enabling
“Vision, Passion, and Care”

Charismatic Leadership Theory

The purpose of this slide is to provide the charismatic theory of leadership to possess some extraordinary and exceptional qualities to become an effective leader.



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6. Neo-Charismatic Theories



The Pros and Cons of Being a Charismatic Leader

Pros

- Extremely motivating and encouraging
- Fosters a sense of friendship, cooperation, and community
- Makes subordinates feel noticed and appreciated
- Builds momentum for sustainable change

Cons

- Can cause leaders to concentrate on themselves rather than their followers
- Can encourage self-centered behaviors
- Often seen as superficial or presumptuous

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6. Neo-Charismatic Theories

Visionary Leadership

- ❑ Ability to create and articulate a realistic, credible, attractive vision of the future for an organization or department that grows out of and improves upon the present (status quo).
- ❑ Visions: are inspirational, value-centered, unique, challenging, but attainable, with superior imagery & articulation, offer a view of the future, fit the times & circumstances and can make an organization —”stand above the crowd”

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6. Neo-Charismatic Theories

Visionary Leadership

- ❑ Visionary Leaders Have 3 Common Qualities:
 - Ability to explain vision
 - Express vision thru his/her behavior
 - Extend vision to different leadership contexts so as to be applied in different situations, e.g. in various departments of marketing, sales, accounting, HR, and in all geographic locations of the company

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6. Neo-Charismatic Theories

Five Principles Of Visionary Leadership

- **Challenge the Process** - Be a pioneer - encourage innovation and support people with ideas.
- **Be Enthusiastic** - Inspire others through personal enthusiasm to share in a common vision.
- **Help Others to Act** - Be a team player and support the efforts and talents of others.
- **Set the Example** - Provide a consistent role model of how others can and should act.
- **Celebrate Achievements** - Bring emotion into the workplace and rally "hearts" as well as "minds."



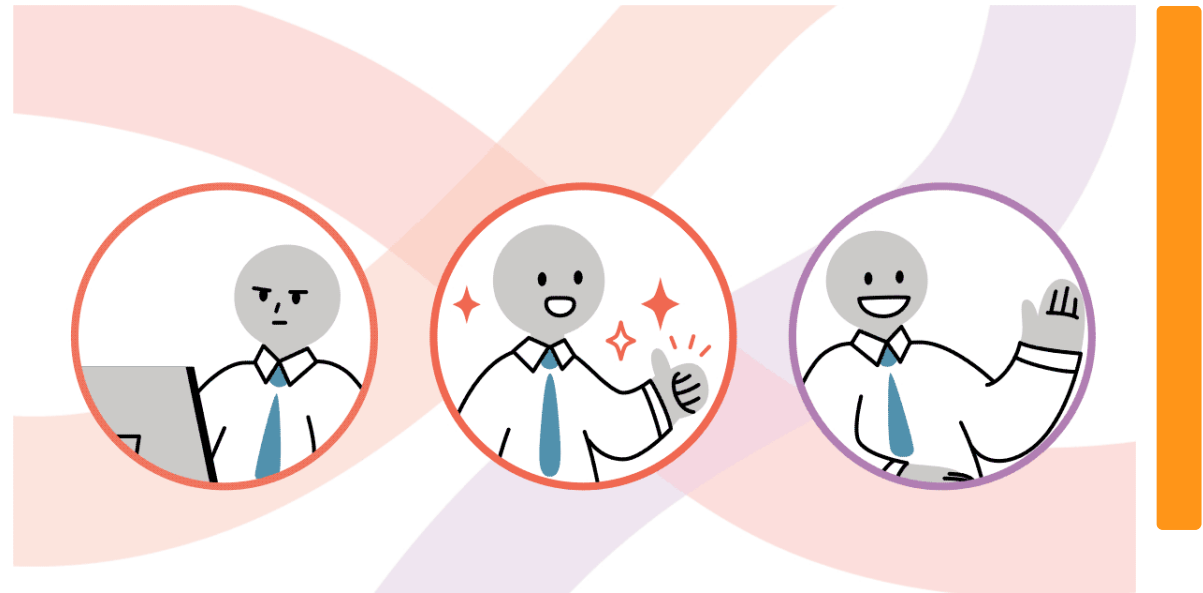
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New Leaders

Manager



Leader



Lec.3**New Leaders Take Note**

- ❑ **General Advice**
 - Take advantage of the transition period
 - Get advice and counsel
 - Show empathy to predecessor
 - Learn leadership
- ❑ **Challenges**
 - Need knowledge quickly
 - Establish new relationships
 - Expectations
 - Personal equilibrium



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New Leaders Take Note

- 1) Not learning quickly
- 2) Isolation
- 3) Know-it-all
- 4) Keeping existing team
- 5) Ignoring Potential Problems
- 6) Taking the Easy Path
- 7) Ignoring Feedback, You Don't Like



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7 Basic Principles

- 1) Have 2-3 years to make measurable financial and cultural progress**
- 2) Come in knowing current strategy, goals, and challenges. Form hypothesis on operating priorities**
- 3) Balance intense focus on priorities with flexibility on implementation....**
- 4) Decide about new organization architecture**
- 5) Build personal credibility and momentum**
- 6) Earn right to transform entity**
- 7) Remember there is no —“one” way to manage a transition**

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Leading Effectively

The 70-20-10 Rule



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Leading Effectively

The 70-20-10 Rule for Leadership Development

- ❑ *The 70-20-10 rule emerged from over 30 years of Lessons of Experience research*
- ❑ According to the 70-20-10 rule, leaders learn and grow from 3 types of experience, following a ratio of:
 - 70% challenging experiences and assignments
 - 20% developmental relationships
 - 10% coursework and training
- ❑ The underlying assumption of the 70-20-10 rule is that leadership can be learned that leaders are made, not born.

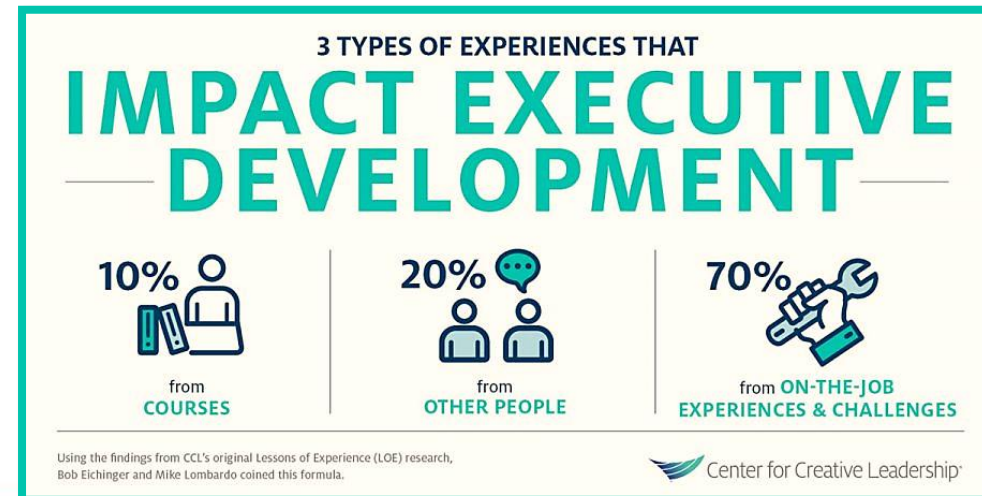
A leader's ability and willingness to learn from experience is the foundation for leading with impact.

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Leading Effectively

The 70-20-10 Rule for Leadership Development

- ❑ The 70-20-10 rule reveals that individuals tend to learn 70% of their knowledge from challenging experiences and assignments, 20% from developmental relationships, and 10% from coursework and training.
- ❑ Skilled training specialists can help an organization establish a shared knowledge base and align its members with respect to a common leadership vision and the 70-20-10 rule.



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Leadership Self-Assessment

Do You Have Charismatic Tendencies?



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Leadership Self-Assessment

Do You Have Charismatic Tendencies?

- **Instructions:** To investigate your charismatic tendencies, answer the questions below. This quiz devised by Prof. Jay Conger, a leadership expert at the USC school of business. If your present situation doesn't apply to the question, imagine how you would react if placed in the situation.

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Leadership Self-Assessment

Do You Have Charismatic Tendencies?

Questions

1. I worry most about
 - a. my current competitors.
 - b. my future competitors.
2. I'm most at ease thinking in
 - a. generalities
 - b. specifics.
3. I tend to focus on
 - a. our missed opportunities.
 - b. opportunities we've seized.

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Leadership Self-Assessment

Do You Have Charismatic Tendencies?

Questions

4. I prefer to
 - a. promote traditions that made us great.
 - b. create new traditions.
5. I like to communicate an ideas via
 - a. a written report.
 - b. a one-page chart.
6. I tend to ask,
 - a. "How can we do this better?"
 - b. "Why are we doing this?"

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Leadership Self-Assessment

Do You Have Charismatic Tendencies?

Questions

7. I believe
 - a. there's always a way to minimize risk.
 - b. some risks are too great.
8. When I disagree with my boss, I typically
 - a. coax him/her nicely to alter his/her view.
 - b. bluntly tell him/her, "You're wrong."
9. I tend to sway people by using
 - a. emotion.
 - b. logic.
10. I think this quiz is
 - a. ridiculous.
 - b. fascinating.

Lec.3**Leadership Self-Assessment****Do You Have Charismatic Tendencies?**

- **10 Questions**
- **Scoring and interpretation:**

Answers:

1. b; 2. a; 3. a; 4. b; 5. b;
6. b, 7. a; 8. b; 9. a; 10. b

If you responded this way to 4 or fewer questions, you probably don't have much charisma.

7 or more? You ooze it!

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Conclusion

We learned about

- ☐ **Types of Leadership**
- ☐ **Methods of leadership**
- ☐ **Theories of Leadership**
 - ☐ **1. The Great Man Theory**
 - ☐ **2. Trait Theories of Leadership**
 - ☐ **3. Behavioral Theories of Leadership**
 - ☐ **4. Transactional & Transformational Theories**
 - ☐ **5. Contingency theory of leadership**
 - ☐ **6. Neo-Charismatic Theories**
- ☐ **New Leaders Take Note & Traps**
- ☐ **Leading Effectively: The 70-20-10 Rule**
- ☐ **Self-Assessment**

Do You Have Charismatic Tendencies?

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Thank You