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MANAGEMENT SOLUTIONS

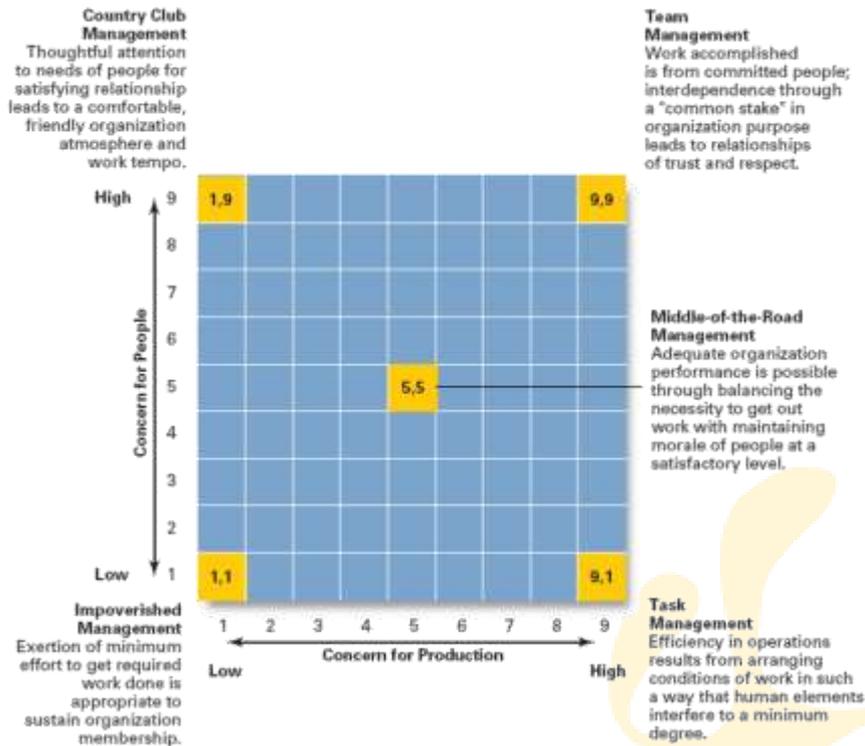# INTRODUCTION OF MANAGEMENT

SUMMARY

CHAPTER 17

LEADERSHIP

- **Leader** : Someone who can influence others and who has managerial authority
- **Leadership** : The process of influencing a group to achieve goals

- **Early Leadership Theories**
- ➤ **Trait Theories (1920s -1930s)**: Research focused on identifying personal characteristics that differentiated leaders from non-leaders was unsuccessful.
  - o 7 traits associated with leadership:

1. *Drive.* Leaders exhibit a high effort level. They have a relatively high desire for achievement; they are ambitious; they have a lot of energy; they are tirelessly persistent in their activities; and they show initiative.

2. *Desire to lead.* Leaders have a strong desire to influence and lead others. They demonstrate the willingness to take responsibility.

3. *Honesty and integrity.* Leaders build trusting relationships between themselves and followers by being truthful or nondeceitful and by showing high consistency between word and deed.

4. *Self-confidence.* Followers look to leaders for an absence of self-doubt. Leaders, therefore, need to show self-confidence in order to convince followers of the rightness of their goals and decisions.

5. *Intelligence.* Leaders need to be intelligent enough to gather, synthesize, and interpret large amounts of information, and they need to be able to create visions, solve problems, and make correct decisions.

6. *Job-relevant knowledge.* Effective leaders have a high degree of knowledge about the company, industry, and technical matters. In-depth knowledge allows leaders to make well-informed decisions and to understand the implications of those decisions.

7. *Extraversion.* Leaders are energetic, lively people. They are sociable, assertive, and rarely silent or withdrawn.

- ➤ **Behavioral Theories**
  - o **University of Iowa Studies (Kurt Lewin)**
    - ✓ Identified three leadership styles:
      - a. Autocratic style : centralized authority, low participation
      - b. Democratic style : involvement, high participation, feedback
      - c. Laissez faire style : hands-off management
    - ✓ Research findings: mixed results
      - a. No specific style was consistently better for producing better performance.
      - b. Employees were more satisfied under a democratic leader than an autocratic leader.
  - o **Ohio State Studies**
    - ✓ Identified two dimensions of leader behavior:
      - a. Initiating structure: the role of the leader in defining his or her role and the roles of group members.
      - b. Consideration: the leader's mutual trust and respect for group members' ideas and feelings.
    - ✓ Research findings: mixed results
      - a. High-high leaders generally, but not always, achieved high group task performance and satisfaction.
      - b. Evidence indicated that situational factors appeared to strongly influence leadership effectiveness.
  - o **University of Michigan Studies**
    - ✓ Identified two dimensions of leader behavior:
      - a. Employee oriented: emphasizing personal relationships

        b. Production oriented: emphasizing task accomplishment

- ✓ ☐Research findings:
    - a. Leaders who are employee oriented are strongly associatedwith high group productivity and high job satisfaction.
- o **Managerial Grid**: 2 dimensional gris for appraising leadership style
    - ✓ Appraises leadership styles using two dimensions:
        - a. Concern for people
        - b. Concern for production
    - ✓ Places managerial styles in five categories:
        - a. Impoverished management
        - b. Task management
        - c. Middle-of-the-road management
        - d. Country club management
        - e. Team management

|	Behavioral Dimension	Conclusion
University of Iowa	*Democratic style:* involving subordinates, delegating authority, and encouraging participation *Autocratic style:* dictating work methods, centralizing decision making, and limiting participation *Laissez-faire style:* giving group freedom to make decisions and complete work	Democratic style of leadership was most effective, although later studies showed mixed results.
Ohio State	*Consideration:* being considerate of followers' ideas and feelings *Initiating structure:* structuring work and work relationships to meet job goals	High–high leader (high in consideration and high in initiating structure) achieved high subordinate performance and satisfaction, but not in all situations.
	Behavioral Dimension	**Conclusion**
University of Michigan	*Employee-oriented:* emphasized interpersonal relationships and taking care of employees' needs *Production-oriented:* emphasized technical or task aspects of job	Employee-oriented leaders were associated with high group productivity and higher job satisfaction.
Managerial Grid	*Concern for people:* measured leader's concern for subordinates on a scale of 1 to 9 (low to high) *Concern for production:* measured leader's concern for getting job done on a scale of 1 to 9 (low to high)	Leaders performed best with a 9.9 style (high concern for production and high concern for people).

Country Club Management
Thoughtful attention to needs of people for satisfying relationship leads to a comfortable, friendly organization atmosphere and work tempo.

Team Management
Work accomplished is from committed people; interdependence through a "common stake" in organization purpose leads to relationships of trust and respect.

Middle-of-the-Road Management
Adequate organization performance is possible through balancing the necessity to get out work with maintaining morale of people at a satisfactory level.

Impoverished Management
Exertion of minimum effort to get required work done is appropriate to sustain organization membership.

Task Management
Efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree.

- **Contingency Theories of Leadership**
  - **The Fiedler Model**: Proposes that effective group performance depends upon the proper match between the leader's style of interacting with followers and the degree to which the situation allows the leader to control and influence.
    - Assumptions:
      - ✓ A certain leadership style should be most effective in different types of situations.
      - ✓ Leaders do not readily change leadership styles.
      - ✓ Matching the leader to the situation or changing the situation to make it favorable to the leader is required.
    - Least-preferred co-worker (LPC) questionnaire: to test whether a leader tas or relationship oriented
      - ✓ High score: a relationship-oriented leadership style
      - ✓ Low score: a task-oriented leadership style
    - Situational factors in matching leader to the situation:
      - ✓ Leader-member relations: The degree of confidence, trust and respect employees had for their leader; rated as either good or poor
      - ✓ Task structure: the degree of which job assignment were formalized and structured, rated either as high or low
      - ✓ Position power: the degree of influence the leader had over activities such as hiring, firing, discipline, promotions, and salary increases, rated as either strong or weak.

o **Findings of the Fiedler Model**
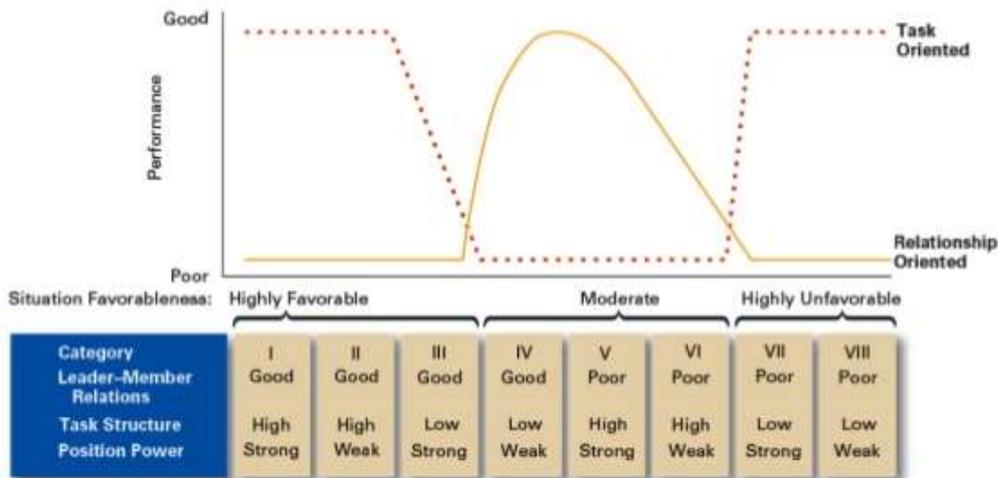
✓ **Hersey and Blanchard's Situational Leadership Theory (SLT)**
   ❖ Argues that successful leadership is achieved by selecting the right leadership style which is contingent on the level of the followers readiness.
      a. Acceptance: leadership effectiveness depends on whether followers accept or reject a leader.
      b. Readiness: the extent to which followers have the ability and willingness to accomplish a specific task.
   ❖ Leaders must relinquish control over and contact with followers as they become more competent.
   ❖ Creates four specific leadership styles incorporating Fiedler's two leadership dimensions:
      a. Telling: high task-low relationship leadership; leaders define roles
      b. Selling: high task-high relationship leadership; leader provide direction
      c. Participating: low task-high relationship leadership; shared decision making, communicating between leader and employee
      d. Delegating: low task-low relationship leadership; leaders provide less direction
      ❖ Posits four stages follower readiness:
      a. R1: followers are unable and unwilling
      b. R2: followers are unable but willing
      c. R3: followers are able but unwilling
      d. R4: followers are able and willing
✓ **Path-Goal Model**: States that the leader's job is to assist his or her followers in attaining their goals and to provide direction or support to ensure their goals are compatible with organizational goals.
   ❖ Leaders assume different leadership styles at different times depending on the situation:
      a. Directive leader
      b. Supportive leader
      c. Participative leader
      d. Achievement oriented leader
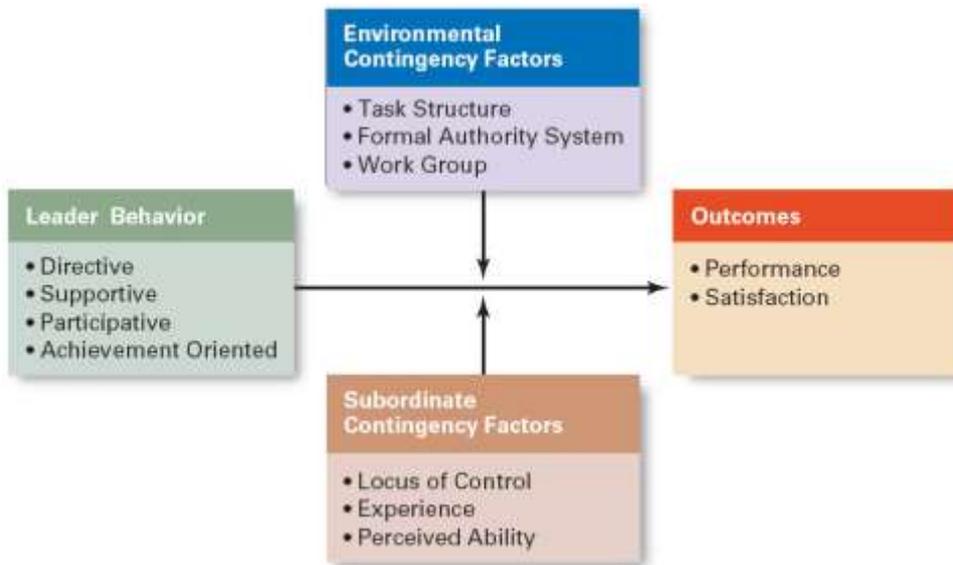
- o Contemporary views of leadership are:
- ✓ **Transactional leadership**: Leaders who lead primarily by using social exchanges for transactions
- ✓ **Transformational leadership**: Leaders who stimulate and inspire followers to achieve extraordinary outcomes
- ✓ **Charismatic Leadership**: An enthusiastic, self-confident leader whose personality and actions influence people to behave in certain ways.
  - ❖ Characteristics of charismatic leaders:
    - a. Have a vision.
    - b. Are able to articulate the vision.
    - c. Are willing to take risks to achieve the vision.
    - d. Are sensitive to the environment and follower needs.
    - e. Exhibit behaviors that are out of the ordinary.
  - ✓ **Visionary Leadership**: The ability to create and articulate a realistic, credible and attractive vision of the future that improves on the present situation.
  - ❖ Visionary leaders have the ability to:
    - a. Explain the vision to others.
    - b. Express the vision not just verbally but through behavior.
    - c. Extend or apply the vision to different leadership contexts.
- ✓ **Team Leadership Characteristics**
  - a. Having patience to share information
  - b. Being able to trust others and to give up authority
  - c. Understanding when to intervene
  - ❖ Team Leader's Job:
    - a. Managing the team's external boundary
    - b. Facilitating the team process
    - c. Coaching, facilitating, handling disciplinary problems, reviewing team and individual performance, training, and communication

❖ Specific Team Leadership Roles
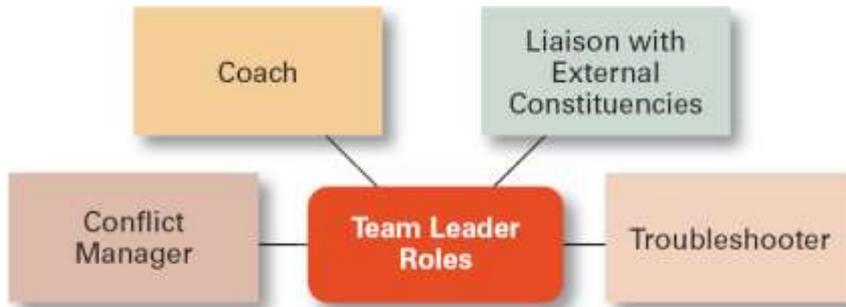
o Leadership Issues in the 21st Century
  ✓ Managing Power
  a. Legitimate power: The power a leader has as a result of his or her position
  b. Coercive power: The power a leader has to punish or control.
  c. Reward power: The power to give positive benefits or rewards.
  d. Expert power: The influence a leader can exert as a result of his or her expertise, skills, or knowledge.
  e. Referent power: The power of a leader that arise because of a person's desirable resources or admired personal traits.
  ✓ Developing Trust
  a. Credibility (of a Leader): The degree which followers perceive someone as honest, competent and able to inspire.
  b. Trust: The belief of followers and others in the integrity, character, and ability of a leader
    · Dimensions of trust: integrity, competence, consistency, loyalty, and openness
Suggestions for Building Trust
  ✓ Empowering Employees
    a. Empowerment: The act of increasing the decision making discretion of workers
  Why empower employees?

    a. Quicker responses problems and faster decisions
     b. Addresses the problem of increased spans of control in relieving managers to work on other problems
o Cross-Cultural Leadership
  ❖ Universal Elements of Effective Leadership
  ❖ Vision
  ❖ Foresight
  ❖ Providing encouragement
  ❖ Trustworthiness
  ❖ Dynamism
  ❖ Positiveness
  ❖ Proactiveness
o Selected Cross-Cultural Leadership Findings
  ❖ Korean leaders are expected to be paternalistic toward employees.

- ❖ Arab leaders who show kindness or generosity without being asked to do so are seen by other Arabs as weak.
- ❖ Japanese leaders are expected to be humble and speak frequently.
- ❖ Scandinavian and Dutch leaders who single out individuals with public praise are likely to embarrass, not energize, those individuals.
- ❖ Effective leaders in Malaysia are expected to show compassion while using more of an autocratic than a participative style.
- ❖ Effective German leaders are characterized by high performance orientation, low compassion, low self-protection, low team orientation, high autonomy, and high participation.
- o Gender Differences and Leadership
  - ❖ Research Findings
    - ✓ Males and females use different styles:
      - a. Women tend to adopt a more democratic or participative style unless in a male-dominated job.
      - b. Women tend to use transformational leadership.
      - c. Men tend to use transactional leadership.

Where Female Managers Do Better: A Scorecard

Where Female Managers Do Better: A Scorecard

None of the five studies set out to find gender differences. They stumbled on them while compiling and analyzing performance evaluations.

Skill (Each check mark denotes which group scored higher on the respective studies)	MEN	WOMEN
Motivating Others		✓✓✓✓✓
Fostering Communication		✓✓✓✓*
Producing High-Quality Work		✓✓✓✓✓
Strategic Planning	✓✓	✓✓*
Listening to Others		✓✓✓✓✓
Analyzing Issues	✓✓	✓✓*

*In one study, women's and men's scores in these categories were statistically even.
Data: Hagberg Consulting Group, Management Research Group, Lawrence A. Pfaff, Personnel Decisions International Inc., Advanced Teamware Inc.

- o Leader Training
  - ❖ More likely to be successful with individuals who are high self-monitors than with low self-monitors.
  - ❖ Individuals with higher levels of motivation to lead are more receptive to leadership development opportunitie
  - ❖ Can teach:
    - a. Implementation skills
    - b. Trust-building
    - c. Mentoring
    - d. Situational analysis
- o Substitutes for Leadership
  - ❖ Follower characteristics: Experience, training, professional orientation, or the need for independence
  - ❖ Job characteristics: Routine, unambiguous, and satisfying jobs
  - ❖ Organization characteristics: Explicit formalized goals, rigid rules and procedures, or cohesive work groups