

CHAPTER 12 – LEADERSHIP

Leadership	>>	The ability to influence a group toward the achievement of a vision or set of goals
Management	>>	Use of authority inherent in designated formal rank to obtain compliance from organizational members

Trait Theories

Theories that consider personal qualities and characteristics that differentiate leaders from nonleaders,

Leadership traits : **extroversion** (like being around people and are able to assert themselves), conscientiousness (disciplined and able to keep commitments they make), openness to experience (creative and flexible), and emotional intelligence (qualified)

Limitations :

- No universal traits found 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 Approach

Theories proposing that specific behaviors differentiate leaders from non-leaders.

“Trait research provides a basis for *selecting* the right people for leadership. But, behavioral studies implied we could *train* people to be leaders.”

Two behavioural structure:

1. **Initiating structure** – the extent to which a leader is likely to define and structure his or her role and those of employees in the search for goal attainment.
This structure is closely related to *production-oriented leader*, which emphasized the technical or task aspects of the job.
2. **Consideration** - the extent to which a leader is likely to have job relationships characterized by mutual trust, respect for subordinate’s ideas, and regard for their feelings.
This structure is closely related to *employee-oriented leader*, which emphasized interpersonal relationship by taking a personal interest in the needs of employees and accepting individual differences among them.

Contingency Theories = theories that isolating situational variables

- 3 approaches:
1. THE FIEDLER 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**
 - Assumption : the leadership style is **FIXED (task oriented or relationship oriented)**
 - Three contingency or situational dimensions:
 - Leader member relations = the degree of confidence, trust, and respect members have in their leader
 - Task structure = the degree to which the job assignments are procedurized
 - Position power = the degree of influence a leader has over power variables such as hiring, discipline, promotions, and salary increases
 - Task-oriented leaders perform best in situations of high and low control, while relationship-oriented leaders perform best in moderate control situations
 - 2 ways to improve leader effectiveness:
 - 1) Select leader to fit situation
 - 2) Change situation to fit leader

SEE EXHIBIT 12-1!

Other Contingency Theories:

2. SITUATIONAL LEADERSHIP THEORY - A contingency theory that focuses on followers’ readiness; the **more** “ready” the followers (the more willing and able) the **less** the need for leader support and supervision)



- 3) PATH-GOAL THEORY
 - Leader must help followers attaining goals and reduce roadblocks to success → provide followers with the information, support, or other resources necessary to achieve their goals
- 4) LEADER-PARTICIPATION MODEL
 - Rule based decision tree to guide leaders about when and when not to include subordinate participation in decision making

- Considers 12 contingency variables, 8 problem types, and 5 leadership styles to consider whether or not to include subordinates in decision making

Leader-Member Exchange Theory

- Leaders select certain followers to be “in” (favorites), based on competence and/or compatibility & similarity to leader
- “Exchanges” with these “In” followers will be higher quality than with those who are “Out”
- RESULT: “In” subordinates will have higher performance ratings, less turnover, and greater job satisfaction

Contemporary Leadership Theories

- I. CHARISMATIC LEADERSHIP - A leadership theory that states that followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviours

Characteristics:

- have vision
- willing to take personal risk to achieve that vision
- they are sensitive to follower needs
- exhibit extraordinary behaviours

A three-step process to make a change become a charismatic one:

- a) maintaining an optimistic view; using passion as a catalyst for generating enthusiasm
- b) draw others in by creating a bond that inspires them to follow
- c) bring out the potential in followers by tapping into their emotions

How charismatic leaders influence followers?

1. Articulating an appealing vision, a long-term strategy for attaining a goal by linking the present with a better future for the organization
2. A vision is incomplete without an accompanying **vision statement** – a formal articulation of an organization’s vision or mission
3. The leader conveys a new set of values and sets an example for followers to imitate
4. The leader engages in emotion-inducing and often unconventional behavior to demonstrate courage and conviction about the vision.

There are impressive correlation between charismatic leadership and high performance and satisfaction among followers.

The darkside : charismatic leaders who are larger than life dont necessarily act in the best interests of their organizations.

Improvement Is A Proof!

II. TRANSFORMATIONAL LEADERSHIP

Transformational leader: leaders who inspire followers to transcend their own self-interests and who are capable of having a profound and extraordinary effect on followers

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

- Transformational leaders are more effective because they are more creative but also because they encourage those who follow them to be creative, too.
 - Greater decentralization of responsibility, more propensity to risks
 - Show greeter agreement among top managers about the organization's goals which yields superior performance
- Transformational leaders are able to increase follower self-efficacy, giving the group a "can do" spirit

Authentic Leadership

Authentic leaders know how they are, know what they believe in and value, and act on those values and beliefs openly and candidly.

- ❑ *Socialized charismatic leadership* – leadership that conveys other centered (not self-centered) values by leaders who model ethical conduct
 - ❑ *Trust* - a positive expectation that another will not act opportunistically
- Key characteristics that a leader is trustworthy:
1. Integrity, refers to honesty and truthfulness
 2. Benevolence, means the trusted person has your interests at heart, even if yours arent necessarily in line with theirs
 3. Ability, encompasses an individual's technical and interpersonal knowledge and skills

Trust propensity refers to how likely a particular employee is to trust a leader. Leaders who break the psychological contract with workers, demonstrating they arent trustworthy, will find employees are less satisfied, less committed, have higher intensions to turnover, engage in less citizenship behaviour, and have lower task performance.

Consequences of Trust:

- ✓ Trust encourages taking risks
- ✓ Trust facilitates information sharing
- ✓ Trusting groups are more effective
- ✓ Trust enhances productivity

Mentoring

A mentor is a senior employee who sponsors and support a less-experienced employee. They present ideas clearly, listen well, and emphasize with proteges.