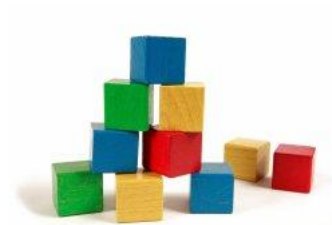




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Principles of Management



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Basic reading

The presentation has been prepared based on the book



Leadership and Power

- Leaders and Power
 - five sources of power
 - **legitimate** - authority associated with a position
 - **coercive** - ability to punish or control
 - followers react out of fear
 - **reward** - ability to give positive benefits
 - provide anything that another person values
 - **expert** - influence based on special skills or knowledge
 - **referent** - arises because of a person's desirable resources or personal traits
 - leads to admiration and desire to be like that person

Leadership

- Leader
 - someone who can influence others and who has managerial authority
 - all managers should **ideally** be leaders
 - not all leaders have the ability to be an effective manager
- Leadership
 - process of influencing a group toward the achievement of goals
 - a heavily researched topic

Early Leadership Theories

- Trait Theories
 - **leader traits** - characteristics that might be used to differentiate leaders from nonleaders
 - might be used as a basis for selecting the “right” people to assume formal leadership positions
 - proved to be impossible to identify a set of traits that would **always** differentiate leaders from nonleaders
 - explanations based solely on traits ignored the interactions of leaders, their groups, and situational factors

Early Leadership Theories

- Behavioral Theories
 - knowing what effective leaders do would provide the basis for training leaders
 - **University of Iowa Studies** - Kurt Lewin
 - explored three leadership styles
 - **autocratic** - leader dictated work methods
 - **democratic** - involved employees in decision making
 - » used feedback to coach employees
 - **laissez-faire** - gave the group complete freedom
 - results were mixed with respect to performance
 - satisfaction higher with democratic leader

Early Leadership Theories (cont.)

- Behavioral Theories (cont.)
 - **Ohio State Studies** - identified two dimensions of leadership
 - **initiating structure** - extent to which a leader was likely to define and structure her/his role and the roles of group members to seek goal attainment
 - **consideration** - extent to which a leader had job relationships characterized by mutual trust and respect for group members' ideas and feelings
 - findings - high-high leaders achieved high group task performance and satisfaction
 - however, high-high was not always effective

Early Leadership Theories (cont.)

- Behavioral Theories (cont.)
 - **University of Michigan Studies** - identified two dimensions of leadership
 - **employee oriented** - emphasized interpersonal relationships
 - accepts individual differences among subordinates
 - associated with high group productivity
 - **production oriented** - emphasized the technical or task aspects of the job
 - concerned with accomplishing the group's tasks
 - associated with low group productivity and low job satisfaction

Early Leadership Theories (cont.)

- Behavioral Theories (cont.)
 - **Managerial Grid** - two-dimensional grid that provides a framework for conceptualizing leadership style
 - dimensions are **concern for people** and **concern for production**
 - five management styles described
 - **impoverished** - minimum effort to reach goals and sustain organization membership
 - **task** - arrange operations to be efficient with minimum human involvement
 - **middle-of-the-road** - adequate performance by balancing work and human concerns

Early Leadership Theories (cont.)

- Behavioral Theories (cont.)
 - **Managerial Grid** (cont.)
 - five management styles described (cont.)
 - **country club** - attention to human needs and creation of comfortable work environment
 - **team** - committed people motivated by a common purpose, trust, and mutual respect
 - concluded that managers should use (9,9) style
 - little empirical evidence to support this conclusion
 - no rationale for what made a manager an effective leader

Contingency Theories Of Leadership

- Basic Assumptions
 - leader effectiveness depends on the situation
 - must isolate situational conditions or contingencies

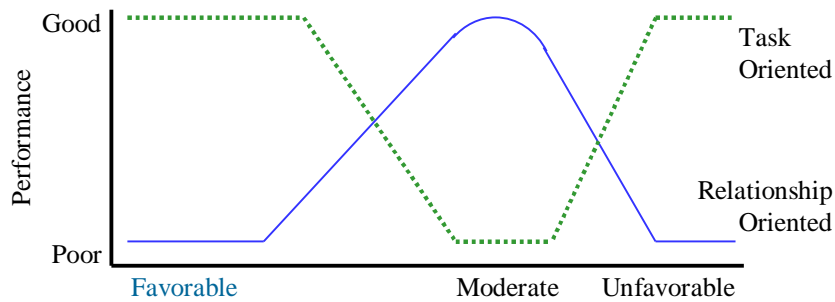
Contingency Theories (cont.)

- Fiedler Model
 - effective group performance depends on matching the leader's style and the degree to which the situation permits the leader to control and influence
 - **Least-Preferred Coworker (LPC)** - measures the leader's style of interacting with subordinates
 - high LPC - least preferred coworker described in relatively favorable terms
 - leader is **relationship oriented**
 - low LPC - least preferred coworker described in relatively unfavorable terms
 - leader is **task oriented**

Contingency Theories (cont.)

- Fiedler Model (cont.)
 - model assumes that leader’s style was always the same and could not change in different situations
 - three contingency factors that identify eight possible leadership situations that vary in favorability
 - **leader-member relations** - degree of confidence, trust, and respect members had for leader
 - **task structure** - degree to which job assignments were formalized and procedurized
 - **position power** - degree of influence a leader had over power-based activities

Findings Of The Fiedler Model



Category	I	II	III	IV	V	VI	VII	VIII
Leader-Member Relations	Good	Good	Good	Good	Poor	Poor	Poor	Poor
Task Structure	High	High	Low	Low	High	High	Low	Low
Position Power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak

Contingency Theories (cont.)

- Fiedler Model (cont.)
 - results indicated that:
 - task-oriented leaders performed better in situations that are very favorable to them and in situations that are very unfavorable
 - relationship-oriented leaders performed better in situations that are moderately favorable
 - implications for improving leadership
 - place leaders in situations suited to their style
 - change the situation to fit the leader
 - considerable empirical support for the model
 - unrealistic to assume that leader cannot alter her/his style

Contingency Theories (cont.)

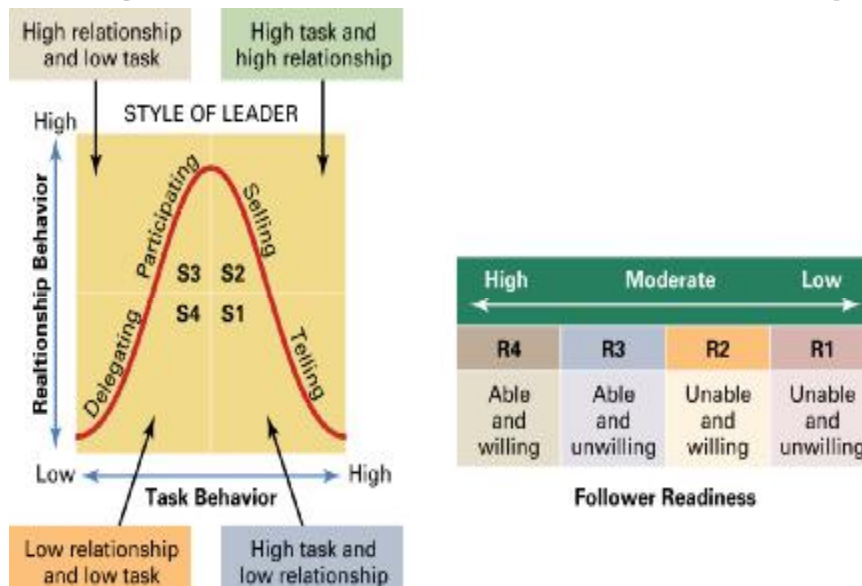
- Hersey and Blanchard's Situational Leadership Theory
 - appropriate leadership style is contingent on the followers' readiness
 - **readiness** - extent to which people have the ability and willingness to accomplish a specific task
 - reflects the reality that it is followers who accept or reject the leader
 - based on two leadership dimensions
 - **task behaviors**
 - **relationship behaviors**

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Contingency Theories (cont.)

- Situational Leadership Theory (cont.)
 - four leadership styles defined by the two dimensions
 - **Telling** - leader defines roles and tells people how to do their jobs
 - people are neither competent nor confident
 - **Selling** - leader is both directive and supportive
 - people are unable but willing to do necessary tasks
 - **Participating** - leader and follower make decisions
 - people are able but unwilling to do the job
 - **Delegating** - leader provides little direction or support
 - people are able and willing to do the job
 - tests of the theory have yielded disappointing results

Hersey and Blanchard's Situational Leadership



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Contingency Theories (cont.)

- Leader-Participation Model
 - Victor Vroom and associates - relate leadership behavior and participation to decision making
 - provides a sequential set of rules to follow in determining the form and amount of participation in decision making
 - rule selection determined by the situation
 - provides an excellent guide to help managers choose an appropriate leadership style to fit the situation

Contingency Theories (cont.)

- Leader Participation Model(cont.)-5 Leadership Styles
 - **Decide** - leader makes decision alone, either announcing or selling to group
 - **Consult Individually** - leader makes decision after obtaining feedback from group members individually
 - **Consult Group** - leader makes decision after obtaining feedback from group members in meeting
 - **Facilitate** - leader, acting as facilitator, defines problem and boundaries for decision-making after presenting it to group
 - **Delegate** - leader permits group to make decision within prescribed limits

Time-Driven Model

		Decision Significance	Importance of Commitment	Leader Expertise	Likelihood of Commitment	Group Support	Group Expertise	Team Competence			
PROBLEM STATEMENT	H	H	H	H	H	-	-	-	Decide		
					L	H	H	H	Delegate		
					L	-	L	-	Consult (Group)		
				L	-	-	-	Facilitate			
				H	H	H	L	Consult (Individually)			
				L	H	H	H	Facilitate			
		L	H	H	L	H	H	H	L	Consult (Group)	
						L	-	-	-	Facilitate	
						L	-	-	-	Decide	
			L	L	L	-	H	H	H	H	Facilitate
							L	L	-	-	Consult (Individually)
							L	-	-	-	Decide
	L	L	-	-	H	-	-	-	Decide		
					L	-	-	H	Delegate		
					L	-	-	L	Facilitate		
									Decide		

Contingency Theories (cont.)

- Path-Goal Model

- Robert House - leader's job is to assist followers in attaining their goals that are compatible with the overall objectives of the group or organization

- leader behavior is:

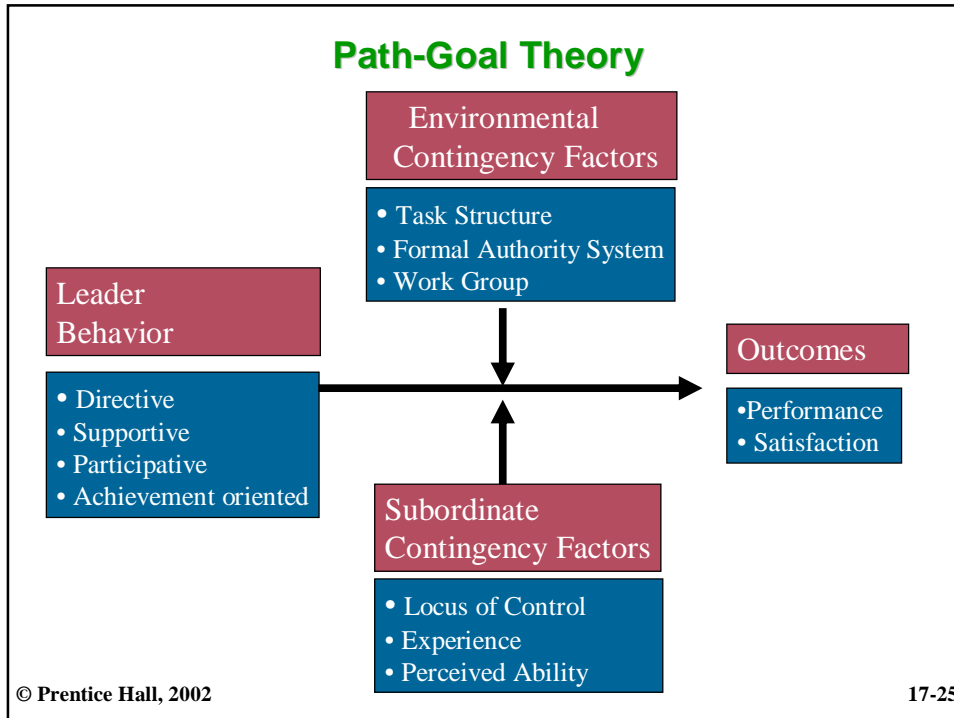
- **acceptable** to the degree that group views it as a source of immediate or future satisfaction
 - **motivational** to the extent that it:
 - makes satisfaction of subordinates' needs contingent on effective performance
 - provides the coaching, guidance, support, and rewards necessary for effective performance

Contingency Theories (cont.)

- Path-Goal Model (cont.)
 - identifies four leadership behaviors
 - **Directive** - describes tasks, sets schedules, and offers guidance on task performance
 - **Supportive** - shows concern for subordinates
 - **Participative** - relies on subordinates' suggestions when making a decision
 - **Achievement oriented** - sets challenging goals
 - assumes that a leader can display any or all of the behaviors depending on the situation

Contingency Theories (cont.)

- Path-Goal Model (cont.)
 - two classes of contingency variables
 - **environment** - outside the control of the follower
 - determine the type of leader behavior required if follower outcomes are to be maximized
 - **personal** - characteristics of the follower
 - determine how the environment and leader behavior are interpreted
 - leader behavior will be ineffective when:
 - it is redundant with sources of environmental structure
 - it is incongruent with follower characteristics
 - most evidence supports the logic underlying the model



Cutting-Edge Approaches To Leadership

- Transformational-Transactional Leadership
 - **transactional** - leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements
 - **transformational** - inspire followers to transcend their own self-interests for the good of the organization
 - capable of having profound effect on followers
 - pay attention to concerns of followers
 - change followers' awareness of issues
 - excite and inspire followers to put forth extra effort
 - built on top of transactional leadership
 - good evidence of superiority of this type of leadership

Cutting-Edge Approaches (cont.)

- Charismatic-Visionary Leadership
 - **charismatic** - enthusiastic, self-confident leader whose personality and actions influence people
 - can articulate a vision for which s/he is willing to take risks
 - sensitive to environmental constraints and follower needs
 - exhibit behaviors that are out of the ordinary
 - charismatic leadership correlated with high job performance and satisfaction among followers
 - individuals can be trained to exhibit charismatic behaviors

Cutting-Edge Approaches (cont.)

- Charismatic-Visionary Leadership (cont.)
 - **visionary** - ability to create and articulate a realistic, credible, and attractive vision that improves the present situation
 - presents a clear and compelling imagery that inspires enthusiasm to pursue the organization's goals
 - people must believe that the vision is attainable
 - visionary leader has the ability to:
 - **explain the vision to others**
 - **express the vision verbally and behaviorally**
 - **apply the vision to different leadership contexts**

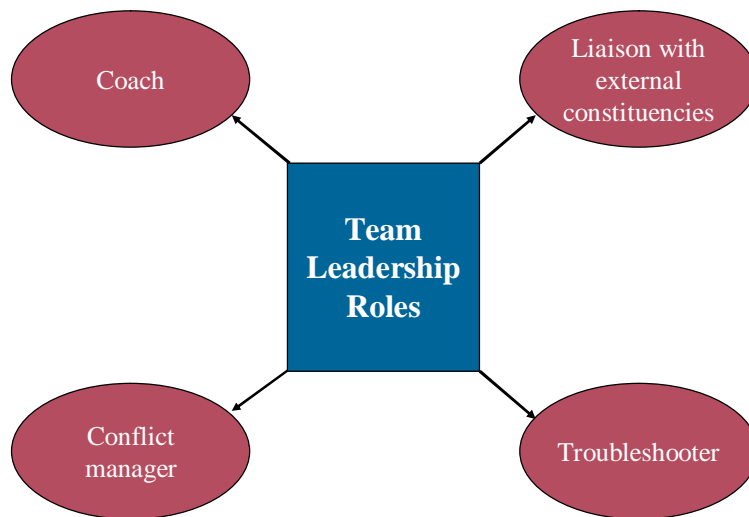
Cutting-Edge Approaches (cont.)

- Team Leadership
 - role of team leader different from the traditional leadership role
 - requires skills such as:
 - patience to share information
 - ability to trust others and give up authority
 - understanding when to intervene
 - team leader's job focuses on:
 - managing the team's external boundary
 - facilitating the team process

Cutting-Edge Approaches (cont.)

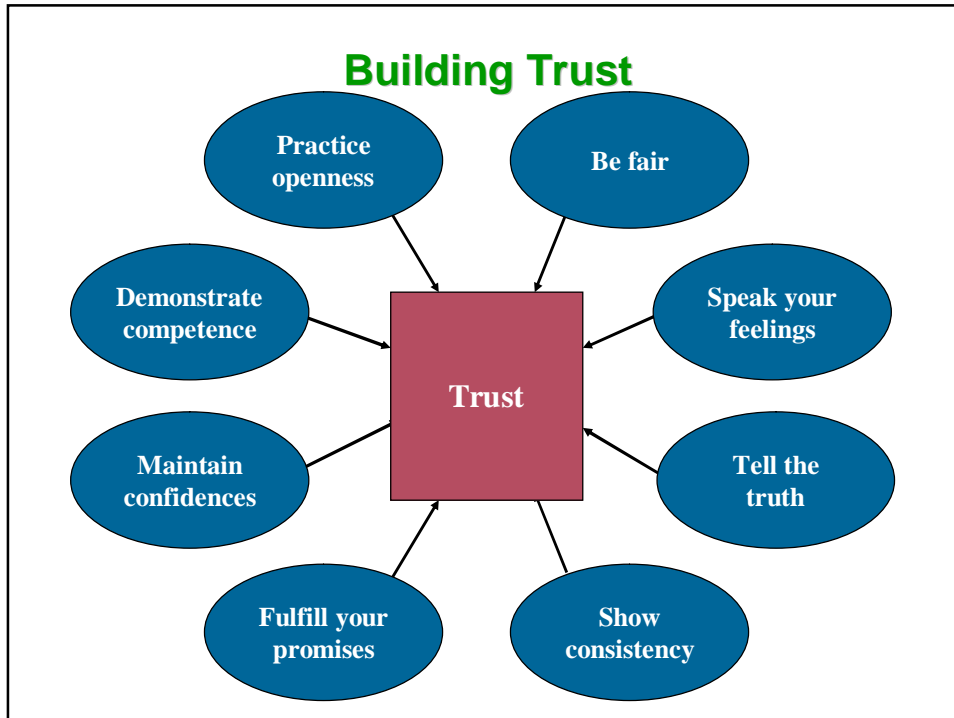
- Team Leadership (cont.)
 - team leaders serve as:
 - ***liaisons with external constituencies*** - clarify others' expectations of the team, gather information from the outside, and secure needed resources
 - ***troubleshooters*** - ask penetrating questions, help team talk through problems, and gather needed resources
 - ***conflict managers*** - identify source of conflict, who is involved, and find resolution options
 - ***coaches*** - clarify role expectations, teach, offer support, and whatever else is necessary to keep performance levels high

Specific Team Leadership Roles



Contemporary Issues In Leadership (cont.)

- Creating a Culture of Trust
 - **credibility** - honesty, competence, and ability to inspire
 - honesty is the number one characteristic of admired leaders
 - **trust** - belief in the integrity, character, and ability of the leader
 - confident that rights and interests will not be abused
 - important for empowering subordinates
 - must trust employees to use their new authority
 - trend toward expanding nonauthority relationships within and between organizations widens the need for trust



Contemporary Issues In Leadership (cont.)

- **Leadership Styles in Different Countries**
 - effectiveness of leadership style influenced by national culture
 - leaders constrained by the cultural conditions their followers have come to expect
 - most leadership theories developed in the U.S.
 - emphasize follower responsibilities rather than rights
 - assume self-gratification rather than commitment to duty
 - assume centrality of work and democratic value orientation
 - stress rationality rather than spirituality

Contemporary Issues in Leadership (cont.)

- Sometimes Leadership is Irrelevant!
 - leader behaviors may be irrelevant in some situations
 - factors that reduce leadership importance include:
 - follower characteristics - experience, training, professional orientation, or need for independence replace the need for leader support and ability to reduce ambiguity
 - job characteristics - unambiguous and routine tasks, or tasks that are intrinsically satisfying, place fewer demands on leaders
 - organizational characteristics - explicit goals, rigid rules and procedures, and cohesive work groups can substitute for formal leadership