

An aerial photograph of a large, colorful geometric plaza. The plaza is composed of various colored rectangular sections in shades of light blue, dark blue, red, and green. A large green square is the central focus, with several people walking on it. Other people are scattered throughout the plaza, some walking on the light blue paths. The overall design is reminiscent of Piet Mondrian's abstract art style.

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MANAGEMENT

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Leadership

CHAPTER 15



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Leadership

1

Define leadership and explain its importance for organisations

2

Describe how contemporary leadership is changing in today's organisations, including Level 5 leadership, servant leadership, authentic leadership and interactive leadership

3

Define task-oriented behaviour and people-oriented behaviour and explain how these categories are used to evaluate and adapt leadership style

4

Describe the situational model of leadership, application to subordinate participation and discuss how organisational characteristics can substitute for leadership behaviours

5

Describe charismatic and transformational leadership and when each should be used, and compare transformational and transactional leadership

6

Explain how followership is related to effective leadership

7

Identify sources of leader power and the tactics that leaders use to influence others



	Mostly true	Mostly false
1 I intentionally try to make people's work on the job more pleasant.		
2 I focus more on execution than on being pleasant with people.		
3 I go out of my way to help others.		
4 I personally hold people accountable for their performance.		
5 I work hard to maintain a friendly atmosphere on the team.		
6 I clearly tell people what I expect of them.		
7 I think a lot about people's personal welfare.		
8 I check up on people to know how they are doing.		
9 I am concerned more with relationships than with results.		
10 I assign people to specific roles and tasks.		
11 I focus more on being pleasant with people than on execution of tasks.		
12 I am concerned more with results than with people's feelings.		

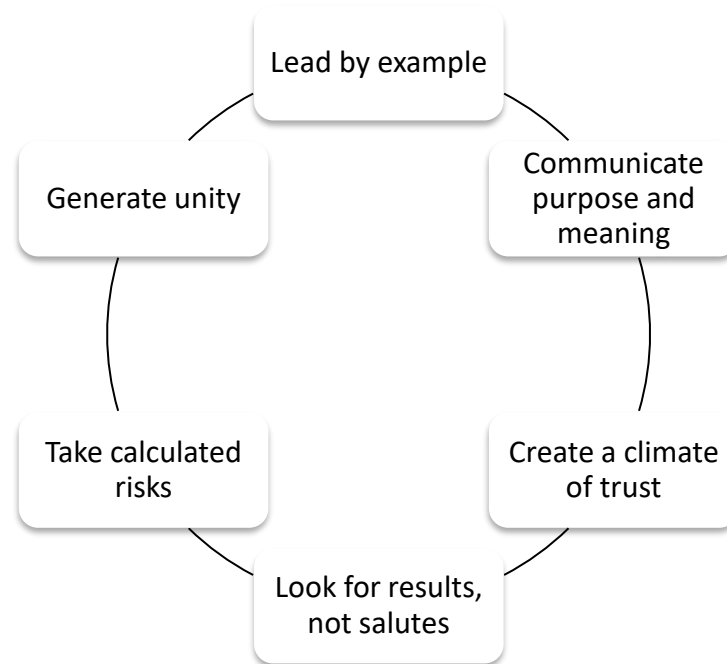


THE NATURE OF LEADERSHIP

- Leadership is a key factor in organisational success
- Three key aspects of leadership:
 - people
 - influence
 - goals
- **Leadership** refers to the ability to influence people towards the attainment of organisational goals



BOSSLESS DOES NOT MEAN LEADERLESS



CONTEMPORARY LEADERSHIP

- Different factors affect the best style of leadership
- Four approaches to leadership:
 - Level 5 leadership
 - servant leadership
 - authentic leadership
 - interactive leadership



LEVEL 5 LEADERSHIP

- Originator: Jim Collins
- Leadership perceived as reflecting a hierarchy of manager capabilities
- Level 5 leadership:
 - demonstrates almost complete lack of ego
 - coupled with a fierce resolve to do what is best for the organisation

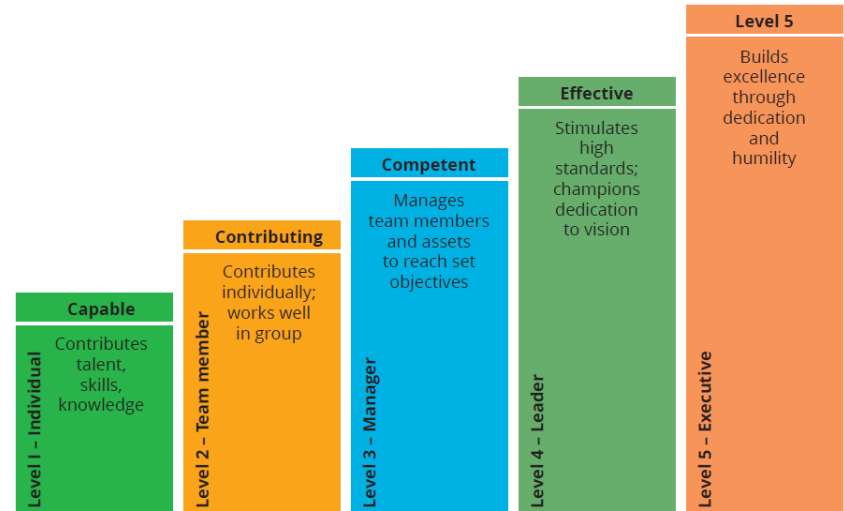


Exhibit 15.1 Level 5 hierarchy

Source: Based on Collins, J. (2001). *Good to Great: Why Some Companies Make the Leap ... and Others Don't* (New York: HarperCollins), p. 20.



SERVANT LEADERSHIP

- Occurs when a leader transcends self-interest to serve others, the organisation and society
- Operate on two levels:
 - to fulfil subordinates' goals and needs
 - for the realisation of the larger purpose or mission of their organisation



AUTHENTIC LEADERSHIP

Refers to the behaviour of leaders who:

- know and understand themselves
- espouse and act consistently with higher-order ethical values
- empower and inspire others with their openness and authenticity (contd.)



AUTHENTIC LEADERS

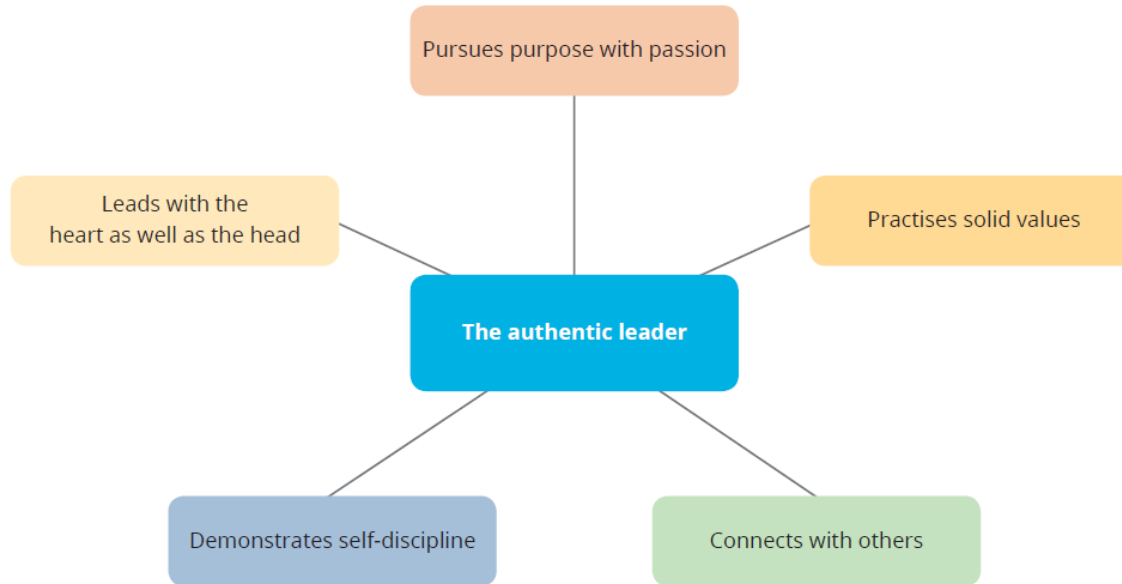


Exhibit 15.2 Components of authentic leadership

Source: Based on George, B. (2003). *Authentic Leadership: Rediscovering the Secrets to Lasting Value* (San Francisco: Jossey-Bass).



INTERACTIVE LEADERSHIP AND GENDER DIFFERENCES

- Suggests female and male leaders reflect different leadership qualities
- Female leaders are associated with **interactive leadership** which focuses more on:
 - relationships rather than position power and formal authority



GENDER DIFFERENCES IN LEADERSHIP BEHAVIOURS







Leadership ability	Who does it best?
Develops others	 (Women rated higher)
Drives for results	 (Women rated higher)
Inspires and motivates others	 (Women rated higher)
Innovates	 (Women and men rated about equally)
Builds relationships	 (Women rated higher)
Technical or professional expertise	 (Women and men rated about equally)

Exhibit 15.3 Gender differences in leadership behaviours

Source: Data from Zenger Folkman, Inc., reported in Zenger, J. and Folkman, J. (15 March 2012). 'Are Women Better Leaders than Men?' HBR Blog Network, *Harvard Business Review*, http://blogs.hbr.org/cs/2012/03/a_study_in_leadership_women_do.html (accessed 12 September 2012).

FROM MANAGEMENT TO LEADERSHIP

- Managers have to be leaders too
- Reflect two different sets of qualities and skills
- Qualities and skills may overlap



Exhibit 15.4 Leader and manager qualities

Sources: Based on 'What Is the Difference Between Management and Leadership?', *The Wall Street Journal Online*, <http://guides.wsj.com/management/developing-a-leadership-style/what-is-the-difference-between-management-and-leadership> (accessed 28 June 2009); and Capowski, G. (March 1994). 'Anatomy of a Leader: Where Are the Leaders of Tomorrow?' *Management Review*, 12.



LEADERSHIP TRAITS

- **Traits** are distinguishing personal characteristics, such as intelligence, values and appearance
- Past research focused on great leaders (examine traits)
- More interest in this theory in recent years

Physical characteristics	Personality	Work-related characteristics
Energy Physical stamina	Self-confidence Honesty and integrity Optimism Desire to lead Independence	Achievement drive, desire to excel Conscientiousness in pursuit of goals Persistence against obstacles, tenacity
Intelligence and ability	Social characteristics	Social background
Intelligence, cognitive ability Knowledge Judgement, decisiveness	Sociability, interpersonal skills Cooperativeness Ability to enlist cooperation Tact, diplomacy	Education Mobility

Exhibit 15.5 Personal characteristics of leaders

Sources: Based on Bass, B. M. (1990). *Bass & Stogdill's Handbook of Leadership: Theory, Research, and Managerial Applications*, 3rd edn (New York: The Free Press), pp. 80–1; and Kirkpatrick, S. A. and Locke, E. A. (1991). 'Leadership: Do Traits Matter?' *Academy of Management Executive*, 5:2, 48–60.



BEHAVIOURAL APPROACHES

- Focus on leadership behaviour and how it might contribute to leadership success or failure
- Two key behaviours:
 - attention to **task** or task-oriented behaviour
 - attention to **people** or people-oriented behaviour (contd.)



BEHAVIOURAL APPROACHES (CONTD.)

- Ohio State researchers identified two major behaviours they termed:
 - Consideration
 - The extent to which a leader is mindful of subordinates, respects their ideas and feelings, and establishes mutual trust
 - Initiating structure
 - The degree of task behaviour
 - The extent to which the leader is task-oriented and directs subordinate work activities towards goal achievement



THE LEADERSHIP GRID

- Another behavioural approach to leadership
- Two dimensions
 - concern for production
 - concern for people
- Five management styles



THE LEADERSHIP GRID

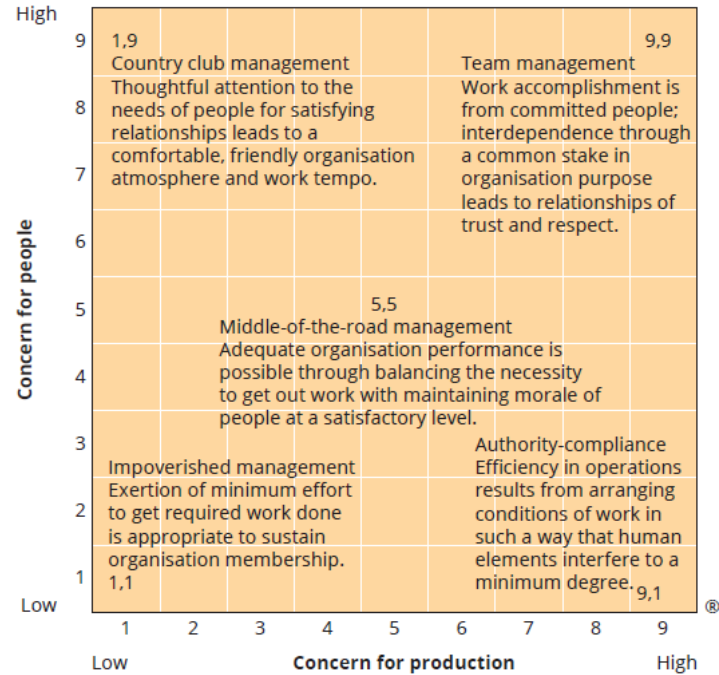


Exhibit 15.6 The Leadership Grid figure

Source: The Leadership Grid figure, Paternalism figure and Opportunism figure from Blake, R. R. and McCance, A. A. (1991). *Leadership Dilemmas-Grid Solutions* (formerly the Managerial Grid by Robert R. Blake and Jane S. Mouton) (Houston: Gulf Publishing Company), Grid figure, p. 29; Paternalism figure, p. 30; Opportunism figure, p. 31. Copyright © 1991 by Blake and Mouton, and Scientific Methods, Inc. Reproduced by permission of the owners.



CONTINGENCY APPROACHES

- A leadership model that describes the relationship between leadership styles and specific organisational situations
- Contingency approaches to leadership, which explore how the organisational situation influences leader effectiveness
Contingency approaches include the situational model based on work of Paul Hersey and Kenneth Blanchard



THE SITUATIONAL MODEL OF LEADERSHIP

- Originator: Hersey and Blanchard
- Links the leader's behavioural style with the task readiness of employees
- Effective leaders adapt style according to the readiness level of subordinates
- Four **styles of leadership**:
 - telling style
 - delegating style
 - participating style
 - selling style



HERSEY AND BLANCHARD'S SITUATIONAL MODEL OF LEADERSHIP

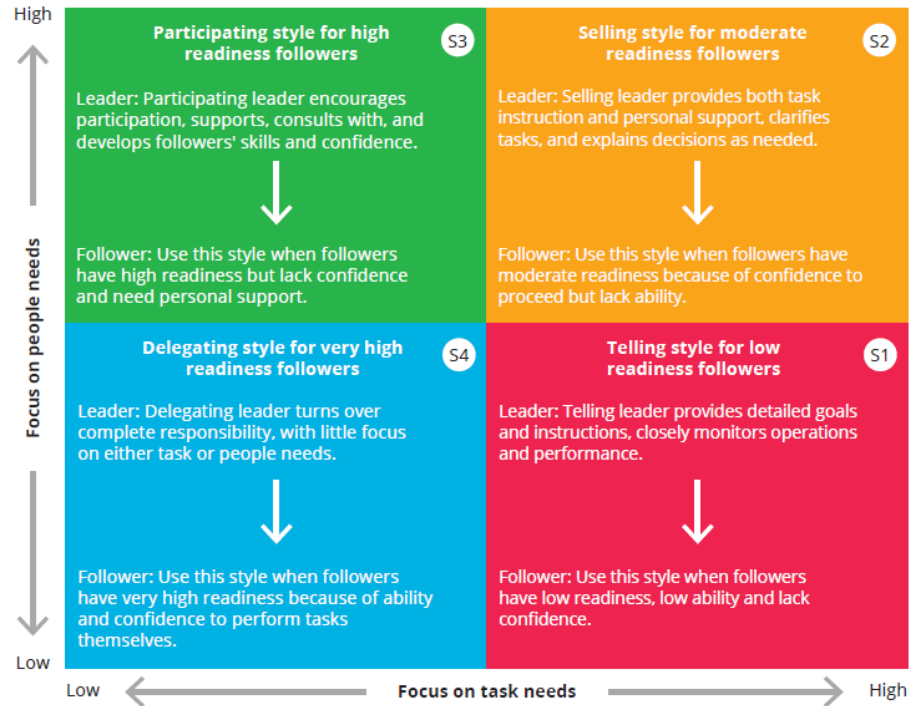


Exhibit 15.7 Hersey and Blanchard's situational model of leadership

Sources: Based on Yukl, G., Gordon, A. and Taber, T. (2002). 'A Hierarchical Taxonomy of Leadership Behavior: Integrating a Half Century of Behavior Research'. *Journal of Leadership and Organizational Studies*, 9:1, 15-32; and Hersey, P., Blanchard, K. and Johnson, D. (1996). *Management of Organizational Behavior: Utilizing Human Resources*, 7th edn (Upper Saddle River, NJ: Prentice Hall).



FIEDLER'S CONTINGENCY THEORY

- Situational model focused on the characteristics of followers
- Fiedler and his associates looked at some other elements of the organisational situation
- Assess when one leadership style is more effective than another
- Considered a person's leadership style to be relatively fixed and difficult to change



SITUATION: FAVOURABLE OR UNFAVOURABLE?

- Suitability of a person's leadership style is determined by situation
 - is it favourable or unfavourable to the leader?
- Favourability of a leadership situation can be analysed in terms of three elements:
 - quality of relationships between leader and followers
 - degree of task structure
 - extent to which the leader has formal authority over followers



MATCHING LEADER STYLE TO THE SITUATION

Fiedler found:

- Task-oriented leaders are more effective when the situation is either highly favourable or highly unfavourable
- Relationship-oriented leaders are more effective in situations of moderate favourability

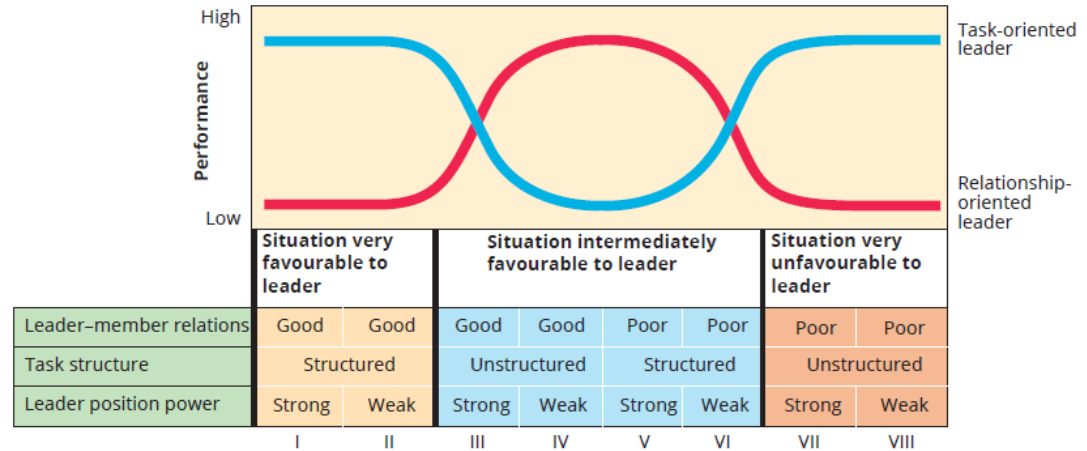


Exhibit 15.8 How leader style fits the situation

Source: Based on Fiedler, F. E. (1972). 'The Effects of Leadership Training and Experience: A Contingency Model Interpretation'. *Administrative Science Quarterly*, 17, 455.



SITUATIONAL SUBSTITUTES FOR LEADERSHIP

- The final contingency approach suggests that situational variables can be so powerful that they actually substitute for or neutralise the need for leadership

substitute for leadership	neutraliser
<ul style="list-style-type: none">• situational variable that makes a leadership style redundant or unnecessary	<ul style="list-style-type: none">• situational variable that counteracts a leadership style and prevents the leader from displaying certain behaviours



SUBSTITUTES AND NEUTRALISERS FOR LEADERSHIP

Variable		Task-oriented leadership	People-oriented leadership
Organisational variables	Group cohesiveness	Substitutes for	Substitutes for
	Formalisation	Substitutes for	No effect on
	Inflexibility	Neutralises	No effect on
	Low position power	Neutralises	Neutralises
	Physical separation	Neutralises	Neutralises
Task characteristics	Highly structured task	Substitutes for	No effect on
	Automatic feedback	Substitutes for	No effect on
	Intrinsic satisfaction	No effect on	Substitutes for
Group characteristics	Professionalism	Substitutes for	Substitutes for
	Training/experience	Substitutes for	No effect on

Exhibit 15.9 Substitutes and neutralisers for leadership



CHARISMATIC AND TRANSFORMATIONAL LEADERSHIP

- Some leadership can inspire and motivate people beyond their normal levels of performance
- More effective than others for bringing about high levels of commitment and enthusiasm
- Two types of leadership with a substantial impact:
 - charismatic
 - transformational



CHARISMATIC LEADERSHIP

- Charisma refers to a 'fire that ignites followers' energy and commitment
 - produces results over and beyond the call of duty
- A **charismatic leader** is a leader who has the ability to motivate employees to transcend their expected performance



TRANSFORMATIONAL VERSUS TRANSACTIONAL LEADERSHIP

- **Transformational** leaders
 - are distinguished by a special ability to bring about innovation and change
- **Transactional** leaders
 - are leaders who clarify employees' role and task requirements, initiate structure, provide rewards, and display consideration for employees



FOLLOWERSHIP

- No organisation can survive without followers
- Top five qualities of leaders and followers

Leader	Follower
Honest	Honest
Competent	Competent
Forward-looking	Dependable
Inspiring	Cooperative
Intelligent	Loyal

Exhibit 15.10 The top five qualities of leaders and followers



STYLES OF FOLLOWERSHIP

critical thinking

- Thinking independently and being mindful of the effect of one's behaviour on achieving goals

uncritical thinking

- Failing to consider the possibilities beyond what one is told; accepting others' ideas without thinking

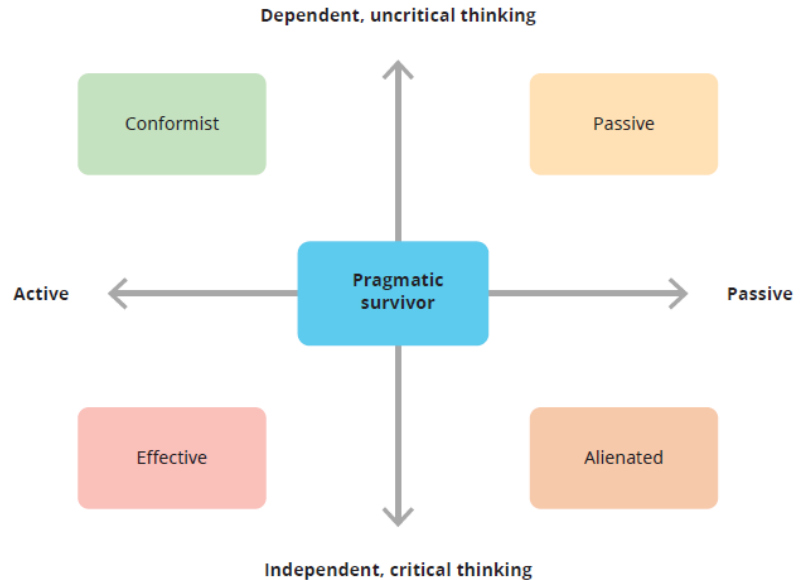


Exhibit 15.11 Styles of followership

Source: Based on Kelley, R. E. (1992). *The Power of Followership* (New York: Doubleday).



alienated follower

- A person who is an independent, critical thinker but is passive in the organisation

conformist

- A follower who participates actively in the organisation but does not use critical thinking skills

pragmatic survivor

- A follower who has qualities of all four follower styles, depending on which fits the prevalent situation

passive follower

- A person who exhibits neither critical independent thinking nor active participation

effective follower

- A critical, independent thinker who actively participates in the organisation



POWER AND INFLUENCE

- Power
 - refers to the potential ability to influence the behaviour of others
- Influence
 - refers to the effect that a person's actions have on the attitudes, values, beliefs or behaviour of others



DIFFERENT TYPES OF POWER

'Hard' position power

- **legitimate power**
 - Power that stems from a formal position in an organisation and the authority granted to it
- **reward power**
 - Power that results from the authority to reward others
- **coercive power**
 - Power that stems from the authority to punish or recommend punishment

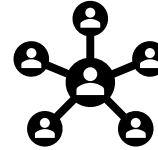
Personal 'soft' power

- **expert power**
 - Power that stems from special knowledge or skill in tasks performed by employees
- **referent power**
 - Power that results from the characteristics that command employees' identification, respect and admiration, so that they wish to emulate the leader



DIFFERENT TYPES OF POWER

- Other sources of power
 - personal effort
 - network of relationships
 - information



INTERPERSONAL INFLUENCE TACTICS



Exhibit 15.12 Six interpersonal influence tactics for leaders



LEADERSHIP OF SUSTAINABLE DEVELOPMENT

- Senior leaders need to 'walk the walk'
- How energy, enthusiasm, role modelling are essential for sustainable development
- Staff at some point look to their 'bosses' to get guidance as to what behaviours and procedures are and are not to be implemented



CHAPTER 15 – BRIEF SUMMARY

15.1 The attitudes and behaviours of leaders shape the conditions that determine how well employees can do their jobs; thus, leaders play a tremendous role in the organisation's success.

15.2 A significant influence on leadership styles in recent years is the turbulence and uncertainty of the environment. Four approaches that are in tune with leadership for today's turbulent times are Level 5 leadership, servant leadership, authentic leadership and interactive leadership, which has been associated with women's style of leading.

15.3 The Leadership Grid is a two-dimensional leadership model that measures the leader's concern for people and concern for production to categorise the leader in one of five different leadership styles.

15.4 A contingency approach is a model of leadership that describes the relationship between leadership styles and specific situations. Situational variables can be so powerful that they actually substitute for or neutralise the need for leadership.

15.5 A charismatic leader is a leader who has the ability to inspire and motivate people to transcend their expected performance, even to the point of personal sacrifice. Transformational leaders are similar to charismatic leaders, but are distinguished by their special ability to bring about innovation and change.

15.6 Leaders can accomplish nothing without effective followers. Effective followers recognise that they have power in their relationships with superiors and have the courage to manage upwards.

15.7 Power is the potential ability to influence the behaviour of others.

