

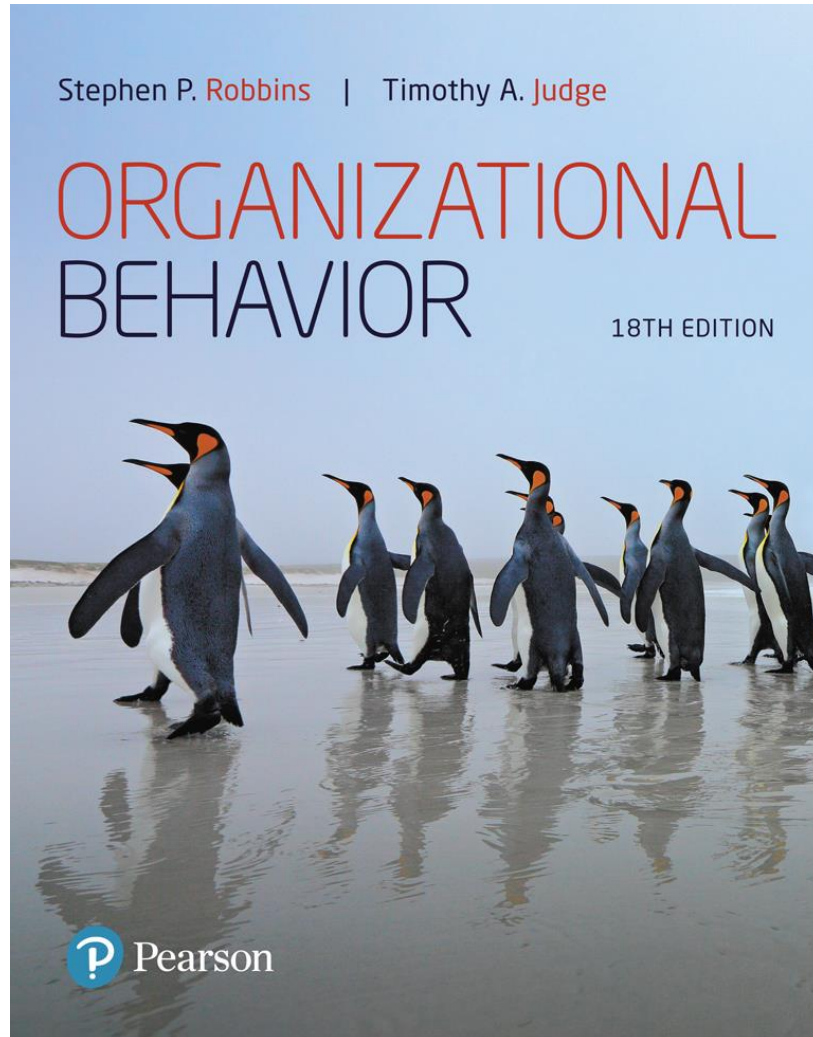
LCDB7008 Visions for the Future : Theoretical Perspectives on Management



Week 6
Leadership and Organisation (II)
Dr. Helen Lee

Organizational Behavior

Eighteenth Edition



Leadership (Most of the content is extracted from this book)

Learning Objectives (1 of 2)

- 12.1** Summarize the conclusions of trait theories of leadership.
- 12.2** Identify the central tenets and main limitations of behavioral theories.
- 12.3** Contrast contingency theories of leadership.
- 12.4** Describe the contemporary theories of leadership and their relationship to foundational theories.

Learning Objectives (2 of 2)

- 12.5** Discuss the roles of leaders in creating ethical organizations.
- 12.6** Describe how leaders can have a positive impact on their organizations through building trust and mentoring.
- 12.7** Identify the challenges to our understanding of leadership.

Summarize the Conclusions of Trait Theories of Leadership (1 of 6)

- **Leadership** is the ability to influence a group toward the achievement of a vision or set of goals.
 - Not all leaders are managers, nor are all managers leaders.
- Nonsanctioned leadership is often as important or more important than formal influence.

Summarize the Conclusions of Trait Theories of Leadership (2 of 6)

- **Trait theories of leadership** focus on personal qualities and characteristics.
 - The search for personality, social, physical, or intellectual attributes that differentiate leaders from non-leaders goes back to the earliest stages of leadership research.

Summarize the Conclusions of Trait Theories of Leadership (3 of 6)

- A comprehensive review of the leadership literature, when organized around the Big Five, has found extraversion to be the most predictive trait of effective leaders, but it is more strongly related to the way leaders emerge than to their effectiveness.
- Unlike agreeableness and emotional stability, conscientiousness and openness to experience also showed strong relationships to leadership, though not quite as strong as extraversion.

Summarize the Conclusions of Trait Theories of Leadership (4 of 6)

- Good leaders who like being around people:
 - Are able to assert themselves (extraverted).
 - Are disciplined and able to keep commitments they make (conscientious).
 - Have an apparent advantage when it comes to leadership.

Summarize the Conclusions of Trait Theories of Leadership (5 of 6)

- Another trait that may indicate effective leadership is emotional intelligence.
 - A core component of EI is empathy.
- People high in EI are more likely to emerge as leaders, even after taking cognitive ability and personality into account.

Summarize the Conclusions of Trait Theories of Leadership (6 of 6)

- Two conclusions:
 - Traits can predict leadership.
 - Traits do a better job predicting the emergence of leaders than they do at distinguishing between effective and ineffective leaders.

Central Tenets and Main Limitations of Behavioral Theories (1 of 3)

- **Behavioral theories of leadership** imply we can *train* people to be leaders.
 - Ohio State Studies found two behaviors that accounted for most leadership behavior:
 - **Initiating structure**
 - **Consideration**

Central Tenets and Main Limitations of Behavioral Theories (2 of 3)

- The GLOBE study suggests there are international differences in preference for initiating structure and consideration.
 - Found that leaders high in consideration would succeed best in where cultures did not favor unilateral decision making.

Central Tenets and Main Limitations of Behavioral Theories (3 of 3)

- **Summary of Trait Theories and Behavioral Theories**
 - Leaders who have certain traits and who display culturally appropriate consideration and structuring behaviors do appear to be more effective.
 - Traits and behaviors do not guarantee success.
 - Context matters too.

Contrast Contingency Theories of Leadership (4 of 7)

- **Situational leadership theory (SLT)** is a contingency theory that focuses on the followers.
 - Successful leadership is achieved by selecting the right leadership style, which is contingent on the level of the followers' readiness.

Situational Leadership Types: Examples from Film

Situational Leadership Types: Examples from Film

<https://www.youtube.com/watch?v=5-YXqITq7IE>

(Turn to 4.21 mins)

Contrast Contingency Theories of Leadership (5 of 7)

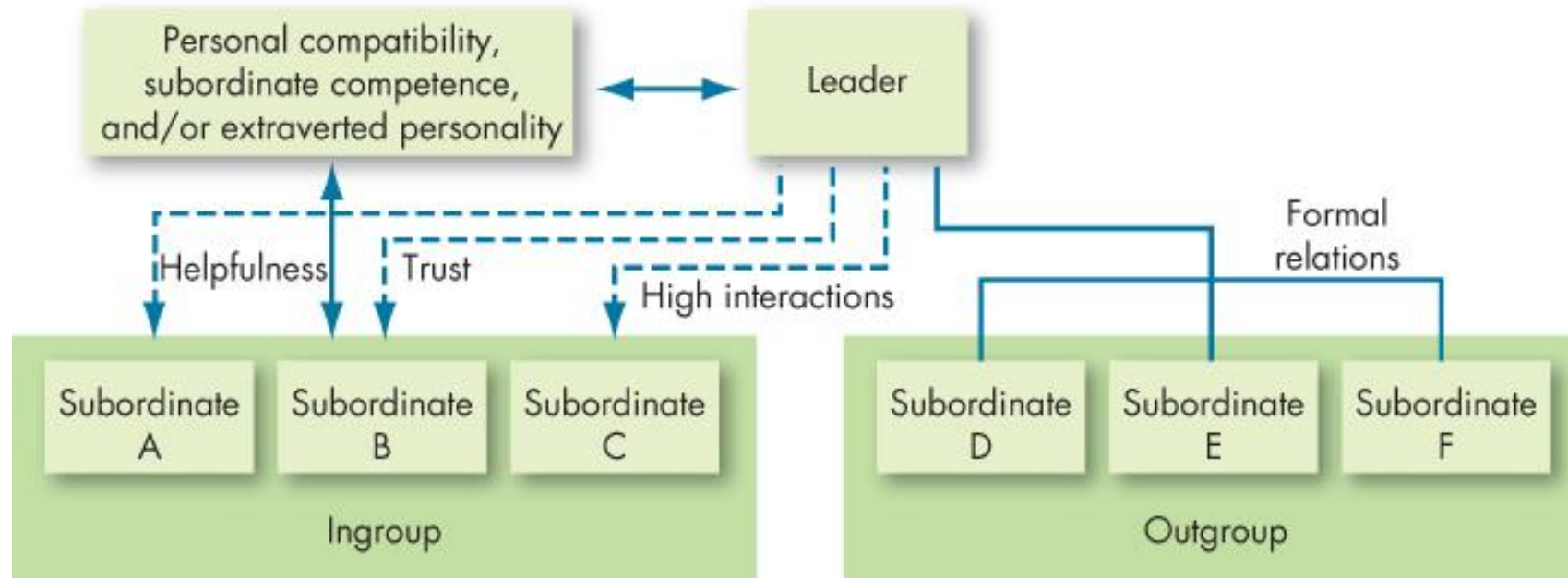
- **Path-goal theory:**
 - Contingency model of leadership that extracts key elements from the Ohio State leadership research on initiating structure and consideration and the expectancy theory of motivation.
 - Derived from belief that effective leaders clarify the path to help followers achieve work goals.

Contrast Contingency Theories of Leadership (6 of 7)

- The **leader-participation model** relates leadership behavior and participation in decision making.
 - Leader behavior must adjust to reflect the task structure.

Contemporary Theories of Leadership (1 of 12)

Exhibit 12-2 Leader–Member Exchange Theory from



Contemporary Theories of Leadership (2 of 12)

Exhibit 12-3 Key Characteristics of a Charismatic Leader

- | |
|--|
| 1. <i>Vision and articulation.</i> Has a vision—expressed as an idealized goal—that proposes a future better than the status quo; able to clarify the importance of the vision in terms that are understandable to others. |
| 2. <i>Personal risk.</i> Willing to take on high personal risk, incur high costs, and engage in self-sacrifice to achieve the vision. |
| 3. <i>Sensitivity to follower needs.</i> Perceptive of others' abilities and responsive to their needs and feelings. |
| 4. <i>Unconventional behavior.</i> Engages in behaviors that are perceived as novel and counter to norms. |

Source: Based on J. A. Conger and R. N. Kanungo, *Charismatic Leadership in Organizations* (Thousand Oaks, CA: Sage, 1998), 94.

Examples of Charisma Leaders



Mr. Winston Churchill



Nelson Mandela 1918

<https://people.howstuffworks.com/10-charismatic-leaders.htm>

Examples of Charisma Leaders



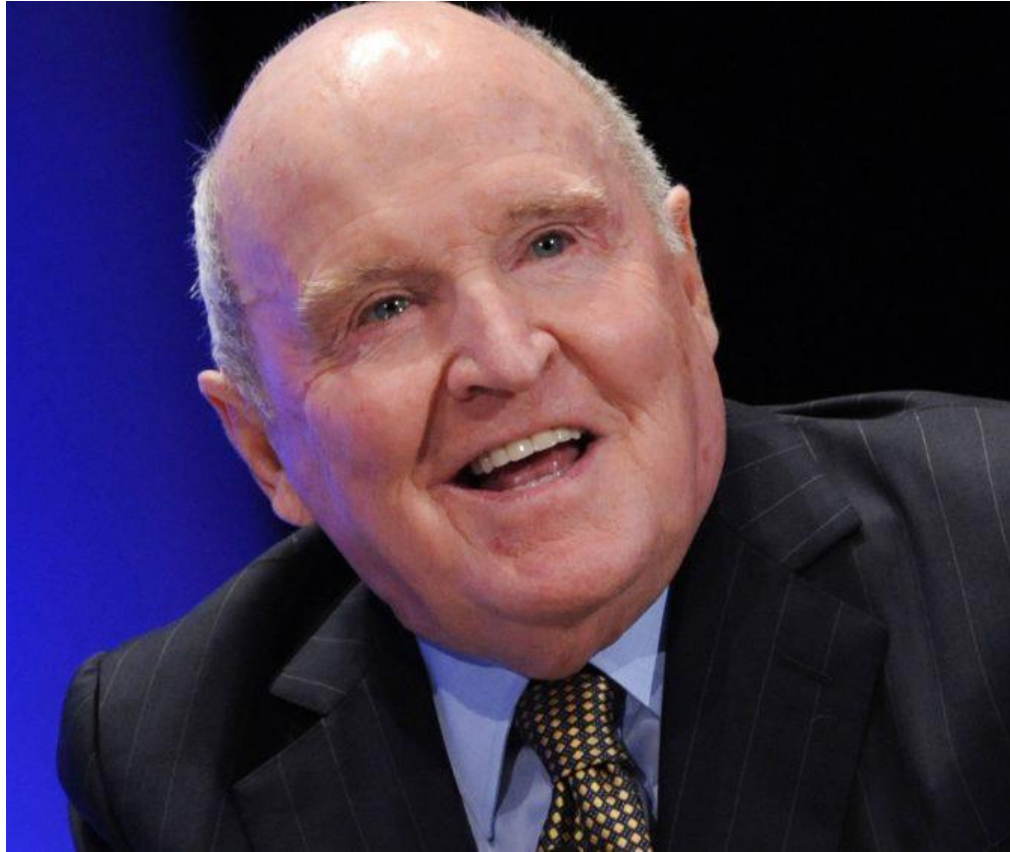
Mahatma Gandhi



Aung San Suu Kyi

<https://people.howstuffworks.com/10-charismatic-leaders.htm>

Examples of Charisma leaders in Business



John "Jack" Welch Photographer: Peter Foley/Bloomberg

Jack Welch, the champion of corporate efficiency who built General Electric Co. into one of the world's largest companies and influenced generations of business leaders, has died. He was 84.

Think of more examples.... Jack Ma (Alibaba),

<https://www.energyvoice.com/oilandgas/225929/jack-welch-former-chairman-and-ceo-of-general-electric-dies-aged-84/>

Contemporary Theories of Leadership (3 of 12)

- Are Charismatic Leaders Born or Made?
 - Some individuals are born with charismatic traits, others are trained to exhibit charismatic behaviors.
 - Develop the aura of charisma.
 - Use your passion to generate enthusiasm.
 - Speak in an animated voice, reinforce your message with eye contact and facial expressions, and gesture for emphasis.
 - Bring out the potential in followers by tapping into their emotions and create a bond that inspires them.

Contemporary Theories of Leadership (4 of 12)

- How Charismatic Leaders Influence Followers
 - Articulating an appealing **vision**.
 - Developing a **vision statement**.
 - Establishing a new set of values.
 - Conveying courage and conviction about the vision.

Contemporary Theories of Leadership (5 of 12)

- Does Effective Charismatic Leadership Depend on the Situation?
 - People are especially receptive when they sense a crisis or when they are under stress.

Contemporary Theories of Leadership (6 of 12)

- The Dark Side of Charismatic Leadership
 - Many leaders don't necessarily act in the best interest of their companies.
 - Many have allowed their personal goals to override the goals of the organization.
 - Individuals who are narcissistic are also higher in some behaviors associated with charismatic leadership.

Transactional and Transformational Leadership

- **Between the two ways of leadership... Which one to choose? (5:58 mins)**

- <https://www.youtube.com/watch?v=C6tNK3t7Q9k>

Contemporary Theories of Leadership (7 of 12)

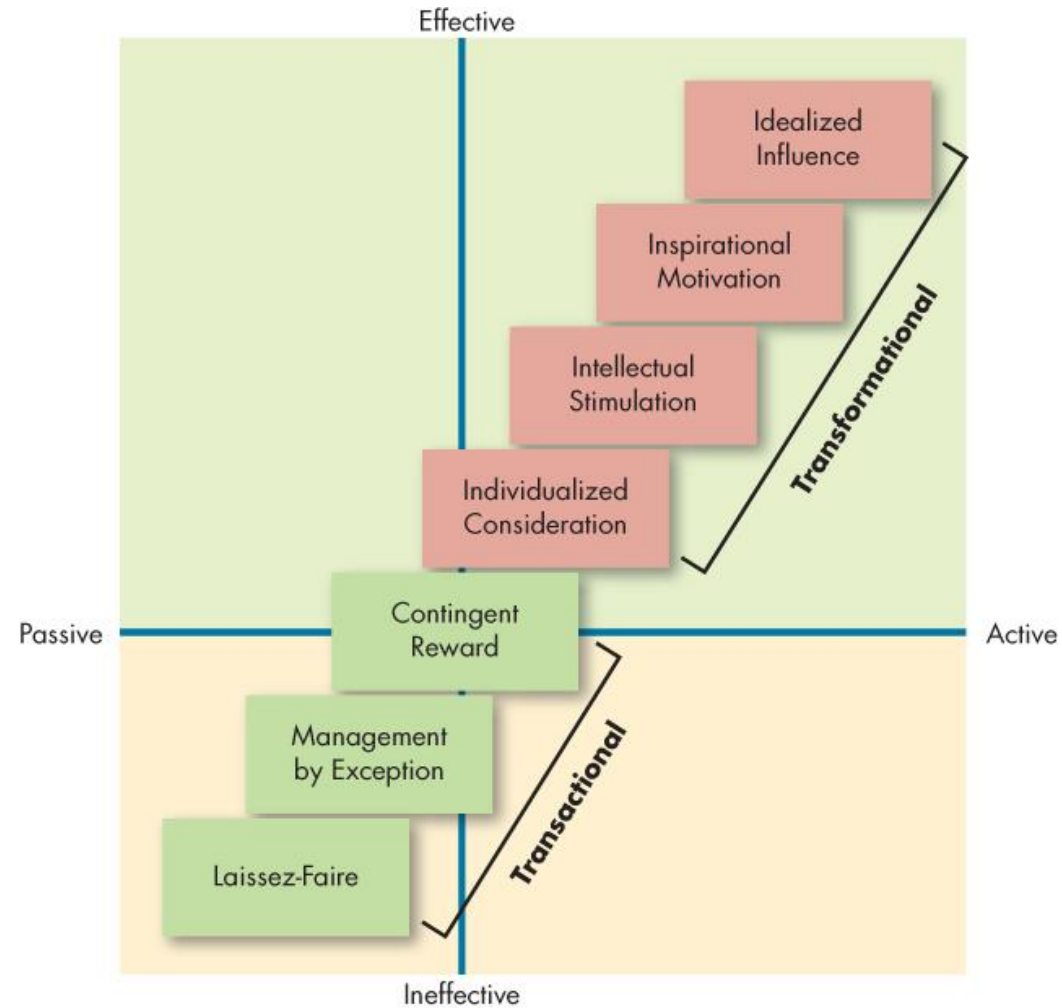
Exhibit 12-4 Characteristics of Transactional and Transformational Leaders

Transactional Leader
Contingent Reward: Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments.
Management by Exception (active): Watches and searches for deviations from rules and standards, takes corrective action.
Management by Exception (passive): Intervenes only if standards are not met.
Laissez-Faire: Abdicates responsibilities, avoids making decisions.
Transformational Leader
Idealized Influence: Provides vision and sense of mission, instills pride, gains respect and trust.
Inspirational Motivation: Communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways.
Intellectual Stimulation: Promotes intelligence, rationality, and careful problem solving.
Individualized Consideration: Gives personal attention, treats each employee individually, coaches, advises.

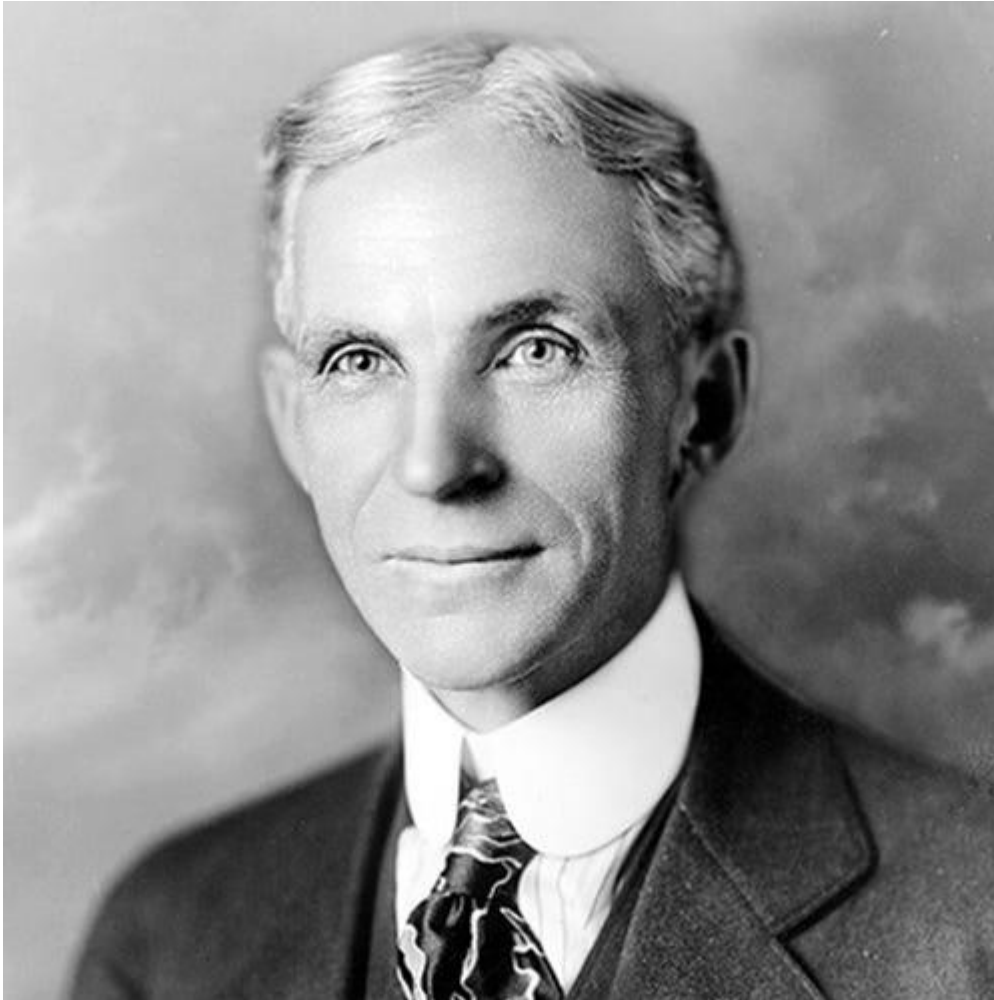
Sources: Based on B. M. Bass, *Leadership and Performance Beyond Expectations* (New York, NY: Free Press, 1990); and T. A. Judge and R. F. Piccolo, "Transformational and Transactional Leadership: A Meta-Analytic Test of Their Relative Validity," *Journal of Applied Psychology* 89, no. 5 (2004): 755–68.

Contemporary Theories of Leadership (8 of 12)

Exhibit 12-5 Full Range of Leadership Model



Transformational Leadership



Henry Ford was an industrialist who revolutionized assembly line production for the automobile, making the Model T one of America's greatest inventions.

Henry Ford, Founder and CEO of Ford Motor Company

Transformational Leadership

What is Servant Leadership? (The Theory and Model) (5:24 mins)

<https://www.youtube.com/watch?v=J9VJJR7Rh8c>

· **How to be a Transformational Leader (ANIMATED) | What is Transformational Leadership? (3:52mins)**

· https://www.youtube.com/watch?v=9u8_ctKso0Y

Contemporary Theories of Leadership (9 of 12)

- How Transformational Leadership Works
 - Creativity – theirs and others.
 - Decentralization of responsibility.
 - Propensity to take risks.
 - Compensation is geared toward long-term results.
 - Greater agreement among top managers about the organization's goals.

Contemporary Theories of Leadership (10 of 12)

- Evaluation of Transformational Leadership
 - Transformational leadership has been supported at diverse job levels and occupations, but it isn't effective in all situations.
 - It has a greater impact on the bottom line in smaller, privately-held firms than in more complex organizations.

Contemporary Theories of Leadership (11 of 12)

- Transformational versus Transactional Leadership
 - Transformational leadership is more strongly correlated with a variety of workplace outcomes.

Contemporary Theories of Leadership (12 of 12)

- Transformational versus Charismatic Leadership
 - Charismatic leadership places more emphasis on the way leaders communicate – are they passionate and dynamic?
 - Transformational leadership focuses more on what they are communicating – is it a compelling vision?
 - Both focus on the leader's ability to inspire followers.

Role of Leaders in Creating Ethical Organizations (4 of 4)

- **Servant Leadership**

- Servant leaders go beyond their self-interest and instead focus on opportunities to help followers grow and develop.
- Characteristic behaviors include listening, empathizing, persuading, accepting stewardship, and actively developing followers' potential.

Service Leadership

- **Servant Leadership (5:15 mins)**

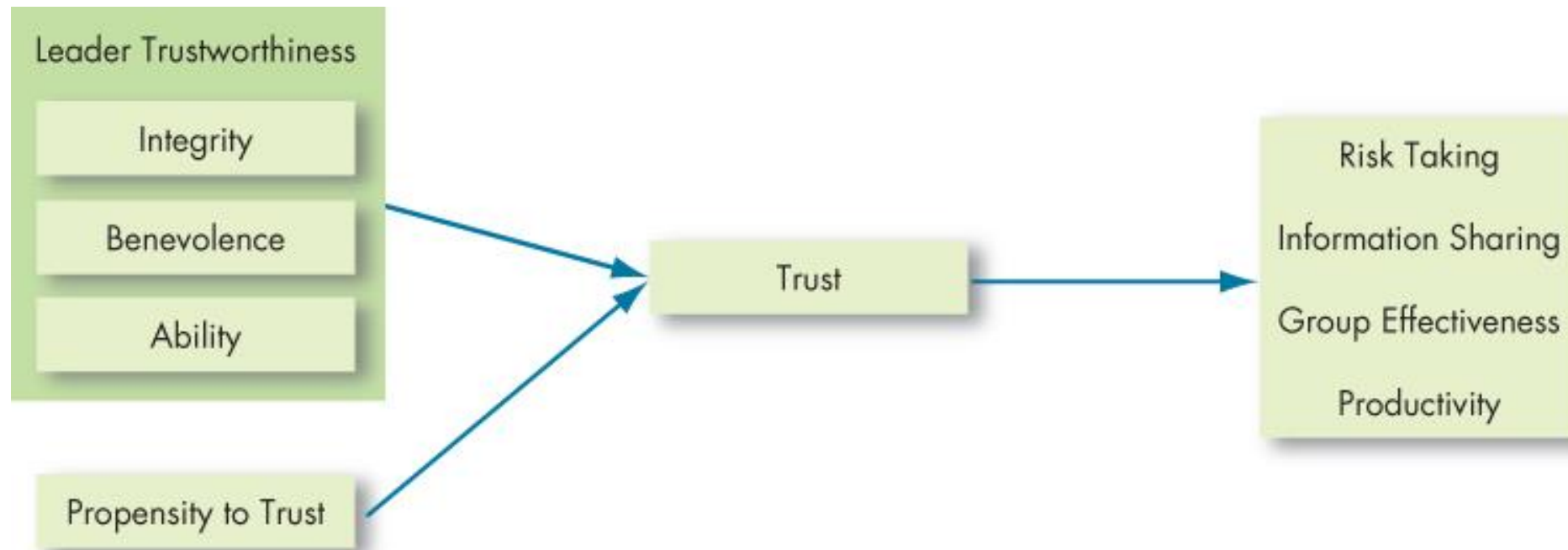
- <https://www.youtube.com/watch?v=XajxQOh3iqQ>

Positive Leadership (1 of 4)

- Trust and Leadership
 - **Trust:** a psychological state that exists when you agree to make yourself vulnerable to another because you have positive expectations about how things are going to turn out.
 - A primary attribute associated with leadership.
 - When trust is broken, it can have serious adverse effects on a group's performance.

Positive Leadership (2 of 4)

Exhibit 12-6 The Nature of Trust



Positive Leadership (3 of 4)

- **Trust propensity**
 - Trust and Culture
 - The Role of Time
 - Regaining Trust

Positive Leadership (4 of 4)

Exhibit 12-7 Career and Psychological Functions of the Mentoring Relationship

Career Functions	Psychosocial Functions
• Lobbying to get the protégé challenging and visible assignments	• Counseling the protégé to bolster his or her self-confidence
• Coaching the protégé to help develop his or her skills and achieve work objectives	• Sharing personal experiences with the protégé
• Providing exposure to influential individuals within the organization	• Providing friendship and acceptance
• Protecting the protégé from possible risks to his or her reputation	• Acting as a role model
• Sponsoring the protégé by nominating him or her for potential advances or promotions	
• Acting as a sounding board for ideas the protégé might be hesitant to share with a direct supervisor	

Implications for Managers (1 of 2)

- For maximum leadership effectiveness, ensure that your preferences on the initiating structure and consideration dimensions are a match for your work dynamics and culture.
- Hire candidates who exhibit transformational leadership qualities and who have demonstrated success in working through others to meet a long-term vision. Personality tests can reveal candidates higher in extraversion, conscientiousness, and openness, which may indicate leadership readiness.

Implications for Managers (2 of 2)

- Hire candidates whom you believe are ethical and trustworthy for management roles and train current managers in your organization's ethical standards to increase leadership effectiveness and reduce abusive supervision.
- Seek to develop trusting relationships with followers, because, as organizations have become less stable and predictable, strong bonds of trust are replacing bureaucratic rules in defining expectations and relationships.
- Consider investing in leadership training such as formal courses, workshops, and mentoring.

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Literature Reading



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Q&A !



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Y Drindod Dewi Sant
University of Wales
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Thank You!



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