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attendance



Week 7 - Leadership

The changing Business
Environment - BMBM4010



Today's Objectives

- To explain the meaning and importance of leadership in the workplace
- To contrast the main approaches to leadership
- To consider different leadership styles and how leaders behave
- To evaluate transformational and inspirational leadership
- To examine how leaders behave and how they exert power and influence
- To assess what makes leaders effective and how they can be developed.





Leadership Quotes

"The greatest leader is not necessarily the one who does the greatest things. He is the one that gets the people to do the greatest things." — Ronald Reagan

"Leadership is not about a title or a designation. It's about impact, influence, and inspiration." — Robin S. Sharma

"Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others." - Jack Welch, former General Electric CEO and engineer

"One of the most important things for any leader is to never let anyone else define who you are. And you define who you are. I never think of myself as being a woman CEO of this company. I think of myself as a steward of a great institution." - Ginni Rometty, former Executive Chairman of IBM

"Leadership is about the team—the culture they keep and embrace, it's about empathy for your customers, clients, employees and the communities where you do business, it's about doing the right thing for the right reasons, being confident enough to take risks and responsible enough to think of those who your decisions and risks may affect." - Kat Cole, COO & President of FOCUS Brands

"Management is about persuading people to do things they do not want to do, while leadership is about inspiring people to do things they never thought they could." - Steve Jobs, former CEO of Apple

Definition's of Leadership

"Leadership is increasingly viewed as a dynamic team process where both leaders and followers contribute to collective influence and coordination within teams." - Klasmeier et al (2025)

"Leadership is the capacity to motivate and inspire others to take action towards a shared organisational goal." - Haryanti and Zulganef (2023)

"A process whereby an individual influences a group of individuals to achieve a common goal." - Northouse (2022)

"The process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives." - Yukl (2013)

"The process of influencing the activities of an organised group in its efforts toward goal setting and goal achievement." - Stogdill (1950)



Kotter (1990) - Leadership v Management Comparison

- Kotter explains "Management focuses on **order and consistency** while leadership focuses on **change and movement**."

Management – ensures organisation runs efficiently through planning, organising and controlling processes.	Leadership – drives change by creating vision, motivating people and guiding organisations through transformation.
Planning and budgeting	Setting direction and vision
Organising and staffing	Aligning people
Controlling and problem solving	Motivating and inspiring
Focus on stability and efficiency	Focus on change and innovation
Maintains systems and processes	Creates vision and strategy
Short-term operational focus	Long-term strategic focus
Reduces risk and ensures consistency	Encourages transformation and adaptability

Rost (1991)- argues against Kotter (1990)

Rost argues that this is a "good guys, bad guys" caricature by elevating leadership and denigrates management.

Rost suggests if you really want to find out just how much people value consistent, predictable manager then:

- Deliver payroll late
- Cut off supplies and services people need to do their jobs
- Run the buses, trains and planes late and switch off traffic lights
- Deliver unworkable products to customers
- Base promotions and salary increases on arbitrary criteria

However, many commentators ignore this advice, what is the value of order, predictability and consistency in today's organisations where innovation is at a premium.

Leadership & Management – the need for both?

Kottler (1991) - organisations need both to prosper

Early pioneers of management created the discipline **"to help keep complex organisations on time and budget. Leadership is very different. It does not produce consistency and order...it produces movement"**

Individuals whom people recognise as leaders have created change – whether for the better or not. Good leadership is that which **"moves people to a place in which they and those who depend on them are genuinely better off and when it does so without trampling on the rights of others."**

Achieved by establishing direction and strategy, communicating to those whose cooperation is needed and motivating and inspiring people.

Argues managing and leading are closely related but differ in their primary functions – the one to create order, the other to create change.

Leadership & Management

- People who want to get something done need to influence others therefore the effectiveness of senior managers in influencing others has the most visible effects on performance.
- Shape the overall direction of the business, moving into new areas or changing the way it operates.
- Depend on people lower down the organisation also being able and willing to exercise influence – whether to bring stability or to initiate change in their respective areas or responsibility.
- Managing & leading require people to influence colleagues on the same organisational level, those above them and people outside the organisation.





Ways of studying Managerial Leadership

1. Qualities or traits approach
2. Leadership behaviour
3. Styles of leadership
4. Transformational leadership
5. Inspirational leadership
6. Action-centered leadership

1. Qualities/Traits Models

- Early studies focused on the individual rather than the situation in which they worked.
- Tried to identify the traits that prominent leaders possessed, assumption that some people had attributes that make them more effective.
- Attributes include traits and skills – both combine heredity and learning.
- People inherit aspects of temperament – energy or drive – while experiences & what they learn shape their values.
- Financial Times/PwC annual surveys identify traits of effective leaders.

Category	Trait / Skill	Explanation
Trait	Intelligence	Ability to analyse situations, solve problems and make sound decisions.
Trait	Self-confidence	Belief in one's ability to lead and influence others.
Trait	Determination	Persistence, initiative and drive to achieve goals.
Trait	Integrity	Honesty and strong moral principles that build trust with followers.
Trait	Sociability	Ability to build relationships and communicate effectively with others.
Skill	Technical skills	Knowledge and expertise in specific tasks or work processes.
Skill	Human (interpersonal) skills	Ability to work with, motivate and understand other people.
Skill	Conceptual skills	Ability to understand complex situations and see the organisation as a whole.
Skill	Communication skills	Ability to clearly share ideas, instructions and vision with others.
Skill	Decision-making skills	Ability to evaluate options and choose appropriate actions.

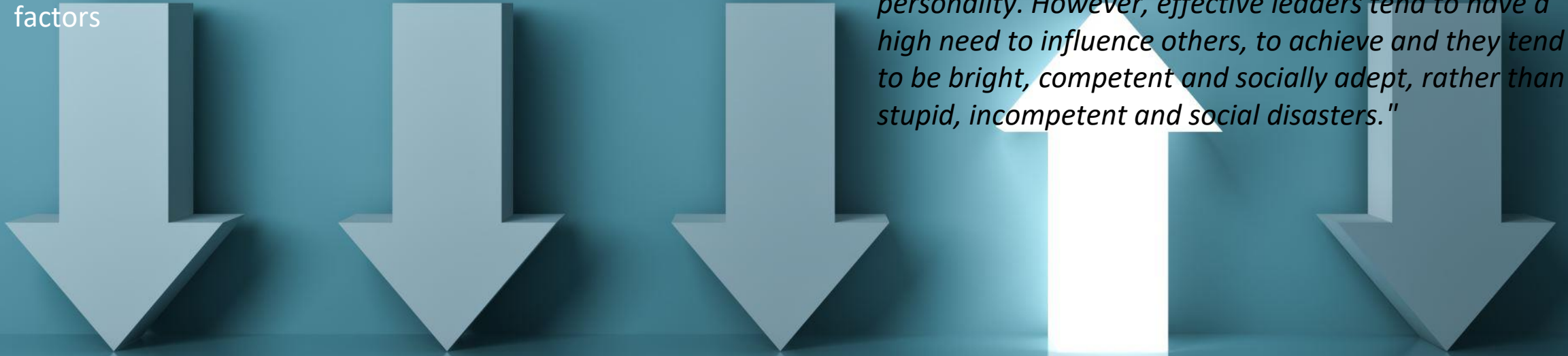
Qualities/Traits - Limitations & Contributions

Limitations

- Large number of factors that have been identified
- Lists of desirable traits looks like impossible ideals which are rarely present in 1 person
- Intervening variables that affect whether a particular trait contributes to performance
- Traits that are valuable on one country may not be in another
- Relative importance of traits it likely to depend on other factors

Contributions

- May help to explain why some people get to positions of great influence
- Some traits have found to recur in many studies linking traits and effectiveness
- Baum and Locke (2004) noted a revival of interest in personal characteristics of potential leaders & management selection criteria reflect this
- Fiedler and House (1994) *"There is no one ideal leader personality. However, effective leaders tend to have a high need to influence others, to achieve and they tend to be bright, competent and socially adept, rather than stupid, incompetent and social disasters."*



<i>Group interaction analysis</i>	<i>Task functions</i>	<i>Maintenance functions</i>
Ohio State leadership study	Initiating structure	Consideration
University of Michigan study	Production-centred supervision	Employee-centred supervision
McGregor, assumptions about people and work	Theory X	Theory Y
Blake and McCanse, Leadership Grid	Concern for production	Concern for people

2. Behavioural Models

Ohio State University Model

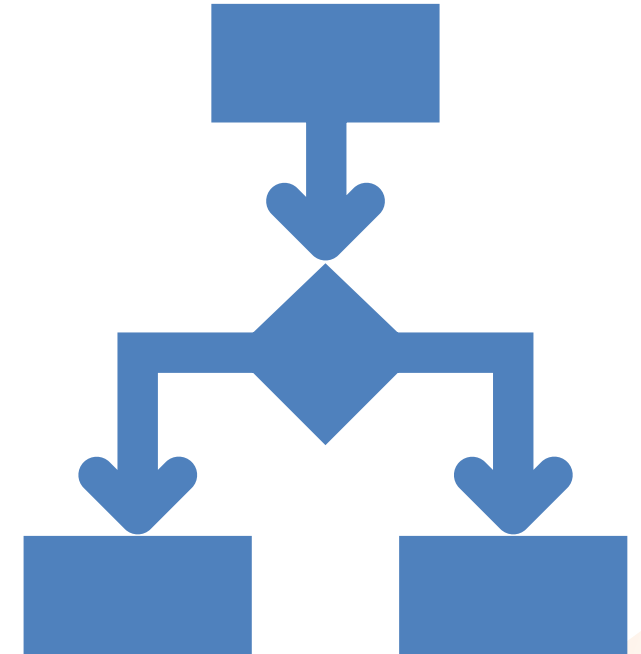
Researchers at Ohio State University (Fleishman 1953) developed questionnaires that subordinates used to describe the behaviour of their supervisor. Concluded that they viewed their manager's behaviour on two dimensions:

Initiating Structure

- Refers to degree to which a leader defines and organises their role and the roles of their followers.
- Goal orientated, establishes well-defined patterns and channels of communication.
- Focused on getting work done, everything is properly planned and worked out.
- Ask subordinates to follow procedures & are working to full capacity.
- Typical behaviours:
 - Allocating specific tasks
 - Establishing standards of job performance
 - Encouraging use of uniform procedures
 - Informing subordinates of the requirements of the role

Consideration

- Refers to degree to which a leader shows concern and respect for followers.
- Looks for their welfare & express appreciation & support.
- Leaders assume that subordinates want to work well & make it easy for them to do so.
- Place little reliance on their formal position and power.
- Typical behaviours:
 - Expressing appreciation for a job well done
 - Helping subordinates with personal problems
 - Approachable and available
 - Rewards high performance



University of Michigan Model

Researchers at University of Michigan (Likert 1967) conducted similar studies and found 2 types of behaviour distinguished effective from ineffective managers:

Job-Centred

- Ensured they work on different tasks to subordinates
- Concentrate on planning, coordinating & supplying a range of support activities

Employee-Centred

- Combined task-orientated behaviour with human values
- Considerate, helpful and friendly to subordinates
- Engaged in broad supervision rather than detailed observation



McGregor (1960) Model of Behaviour

Theory X Assumptions	Theory Y Assumptions
People dislike work and will avoid it if possible.	Work can be as natural as rest or play.
Employees must be controlled, directed or threatened with punishment to achieve organisational goals.	People are capable of self-direction and self-control when committed to objectives.
Most people prefer to be directed and avoid responsibility.	People can accept and seek responsibility.
Employees have little ambition and prioritise job security.	Employees can be creative and use imagination in solving problems.
Workers are primarily motivated by money and security.	Workers are motivated by achievement, recognition and personal development.

Blake and McCanse (1991) – Leadership grid

Leadership Style	Concern for People	Concern for Production	Description
Impoverished Management (1,1)	Low	Low	Minimal effort is made by the leader. Managers avoid responsibility and show little concern for people or performance.
Country Club Management (1,9)	High	Low	Leaders focus on maintaining good relationships and a comfortable work environment, sometimes at the expense of productivity.
Produce or Perish / Authority-Compliance (9,1)	Low	High	Leaders focus strongly on tasks and results while giving little attention to employees' needs.
Middle-of-the-Road Management (5,5)	Moderate	Moderate	Leaders try to balance productivity and employee needs but may compromise on both.
Team Management (9,9)	High	High	Leaders encourage teamwork, participation and high productivity. This style is often considered the most effective.

3. Styles of Leadership

The way in which the functions of leadership are carried out or how the manager typically behaves towards members of the group.

3 main broad classifications:

Autocratic Leadership:

- Make decisions independently with little input from employees
- Focuses on control, direction & efficiency
- Can be effective in situations needing quick decisions
- Can reduce employee motivation

Democratic (Participative) Leadership

- Involve employees in decision-making
- Encourages communication, teamwork and responsibility
- Linked to higher job satisfaction and commitment

Laissez-Faire Leadership

- Minimal direction and allows employees significant freedom to make decisions
- Works with highly skilled and motivated teams
- Can cause confusion without clear guidance

What makes a good manager?



Blake & Mouton – Forces in Employees

- According to contingency and behavioural leadership theories:
- Employees with low skills or low confidence may require more directive leadership.
- Employees with high competence and motivation may respond better to participative or delegative leadership.

Force	Explanation
Needs and motivations	Employees have personal needs (e.g., achievement, security, recognition) that influence performance.
Attitudes towards work	Beliefs about work affect commitment and effort levels.
Confidence and self-efficacy	Employees who believe in their abilities are more likely to take responsibility.
Experience and skills	Competence affects how much guidance they require from managers.
Desire for responsibility	Some employees prefer independence, others prefer direction.
Group influence	Team norms and peer pressure can shape behaviour.

Forces in the Situation

External forces that affect how a leader behaves and makes decisions

- **Organisational rules and policies** – company's procedures, regulations and structures may limit or guide leadership style
- **Nature of the task** – complex or urgent tasks may require more directive leadership
- **Time Pressure** - tight deadlines often require quicker, more controlling decisions
- **Organisational culture** – shared values and norms influence how leadership is practised
- **Team Structure** – size of team and level of coordination needed affect leadership approach
- **External Environment** – competition, economic conditions and industry changes influence decisions

4. Transactional v Transformational

Transactional – focuses on exchanges between leader and follower. Employees receive rewards for good performance & corrective action for poor performance

- Based on legitimate authority
- Emphasis on the clarification of goals, tasks, outcomes and rewards
- Appeals to the self-interest of followers
- Based on a relationship of mutual dependence and exchange

Transformational - focuses on inspiring & motivating employees to exceed expectations and achieve organisational change

- A process of engendering high levels of motivation and commitment
- Generating a vision for the organisation, an appeal to higher ideals of followers, creating a feeling of loyalty and trust
- Is about transforming the performance or fortunes of a business

Yukl's (1981, 2006 & 2013) Guidelines for Transformational Leadership

Yukl proposed practical behaviours that leaders should use to strengthen transformational influence.

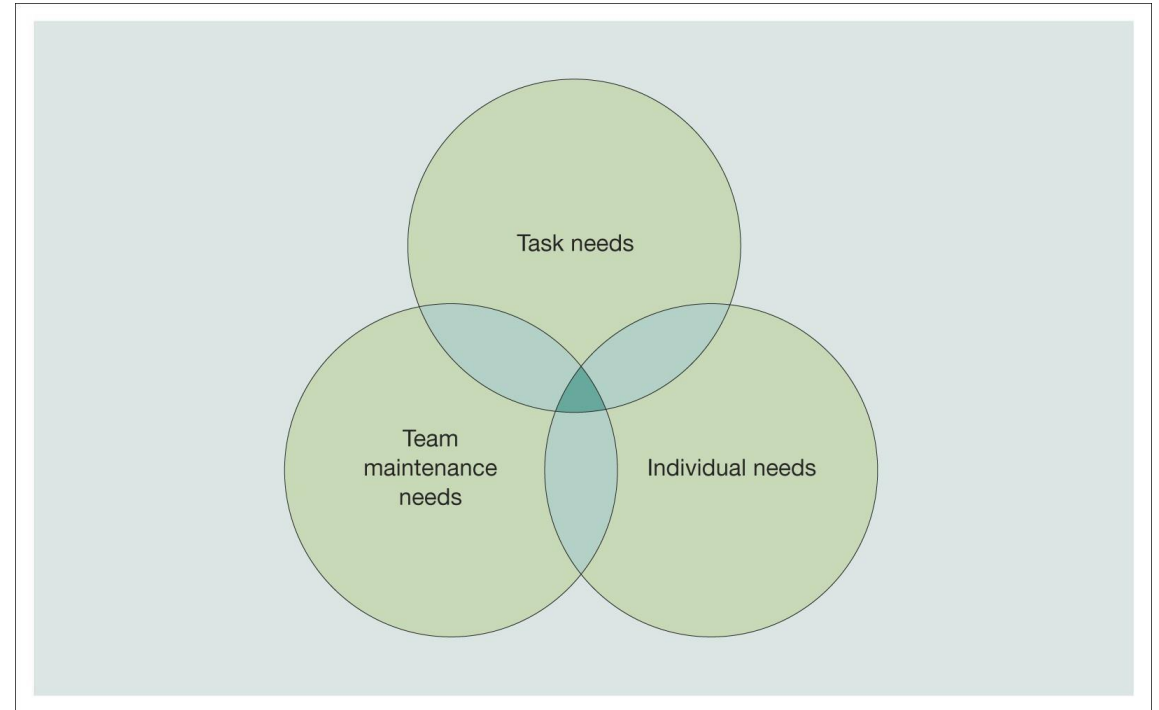
1. Articulate a Clear and Compelling Vision - Leaders should communicate an inspiring future direction for the organisation.
2. Act as a Role Model - Leaders should demonstrate the values and behaviours they expect from others.
3. Encourage Acceptance of Group Goals - Promote commitment to shared objectives rather than individual interests.
4. Provide Intellectual Stimulation - Encourage creativity, critical thinking and new ideas.
5. Support Individual Development - Coaching, mentoring and recognising employee strengths.
6. Empower Followers - Delegate responsibility and increase employee participation in decision-making.
7. Build Trust and Confidence - Maintain consistency, integrity and fairness to strengthen credibility.

Inspirational Leadership



6. Action Centred Leadership

- **Action Centred Leadership** - developed by Adair (1973)
- Explains that effective leaders must balance **three key areas of responsibility** to achieve success.
- The three areas overlap because they influence each other.



Task Needs

The **task** refers to the work that needs to be completed in order to **achieve organisational objectives**.

- Achieving the objectives of the work group
- Defining group tasks
- Planning the work
- Allocation of resources
- Organisation of duties and responsibilities
- Controlling quality and checking performance
- Reviewing progress

A background image showing several hands of different skin tones stacked on top of each other in a circular formation, symbolizing teamwork and unity. The hands are positioned around a central white rectangular area that contains text.

Team Functions

The team refers to the **group working together to complete the task.**

- Appointment of sub-leaders
- Maintaining morale and building team spirit
- The cohesiveness of the group as a working unit - cooperation & teamwork
- Setting standards and maintaining discipline - conflict resolution
- Systems of communication within the group - including clear, understandable communication
- Training the group and creating supportive working environment

Individual Functions

Each team member has **personal needs, skills and motivations..**

- Meeting the needs of the individual members of the group
- Understand each person's strengths and weaknesses
- Attending to personal problems
- Giving praise, support and coaching
- Offering feedback and recognition
- Reconciling conflicts between group needs and needs of the individual
- Offer training, development, upskilling.



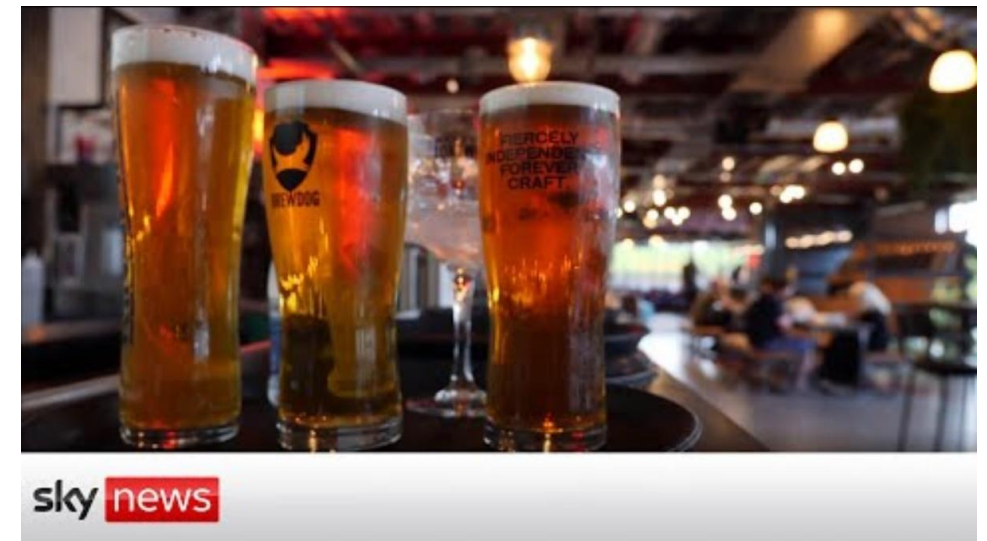
Group Discussion - Brewdog

Organisational Culture

- How would you describe BrewDog's organisational culture (e.g. innovative, aggressive, fast-paced, controversial)?
- Did the company's culture support sustainable growth or did it create long-term risks?
- How important is culture in shaping employee behaviour and decision-making?

Leadership Style

- What type of leadership style has been associated with BrewDog's founders?
- Would you describe the leadership as transformational, transactional or another style?
- Did the leadership style align with the branded company's culture?





Modern Leaders

Leadership in modern organisations requires new competencies due to:

- Globalisation
- Digital transformation
- Changing workforce expectations.

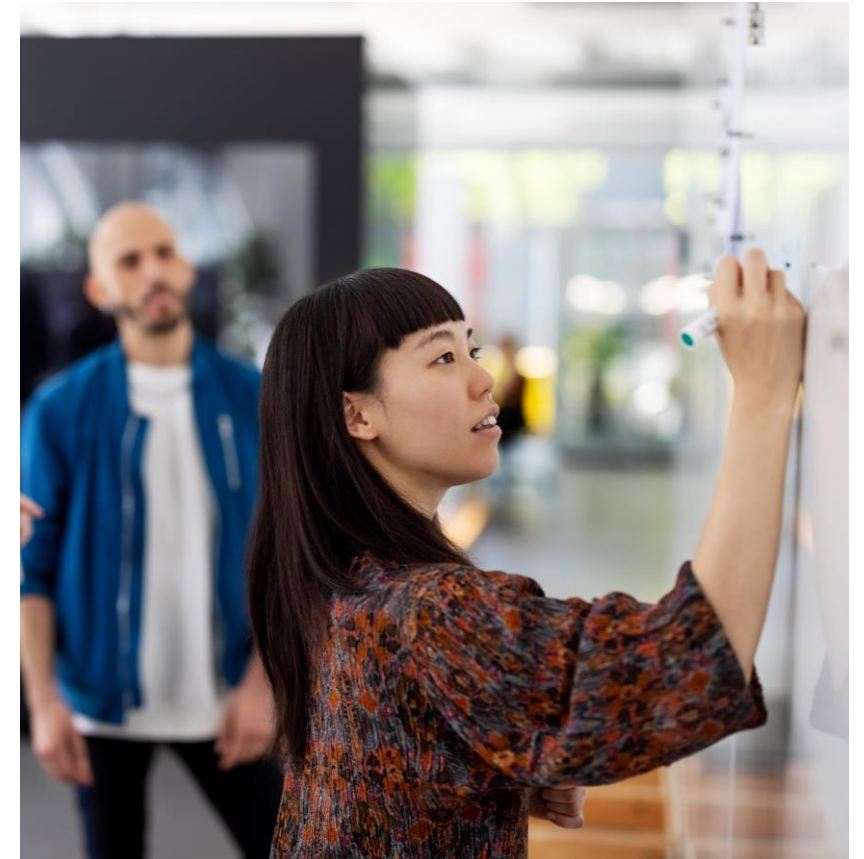
Traditional leadership focused mainly on authority and control but contemporary research emphasises:

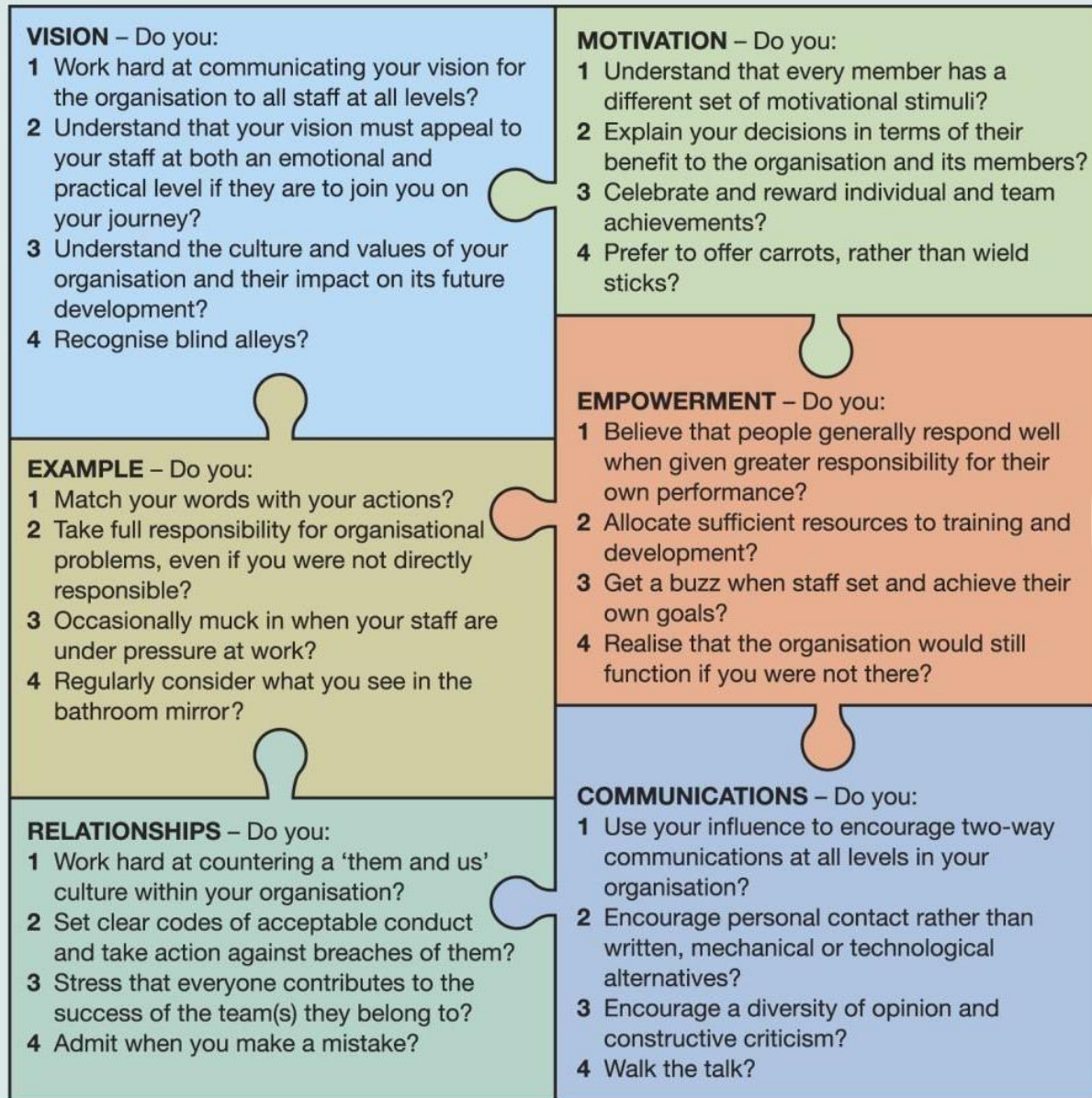
- Adaptability
- Emotional intelligence
- Transformational Leadership
- Authenticity
- Innovation
- Digital Awareness
- Ethical responsibility.
- Inclusive leadership

These skills enable leaders to respond to change, motivate employees and achieve organisational objectives.

Modern Leadership

1. **Emotional Intelligence** - ability to recognise, understand and manage one's own emotions while also recognising and influencing the emotions of others. Helps to motivate employees, manage workplace conflict and develop positive relationships within teams. Goleman (1998)
2. **Transformational Leadership** - inspire followers to achieve higher levels of motivation and performance by creating a compelling vision and encouraging innovation.
3. **Authentic Leadership** - emphasises that authentic leaders demonstrate strong values, honesty and self-awareness. This leadership style helps to strengthen organisational culture and employee engagement. George (2003)
4. **Adaptive Leadership** - focuses on how leaders respond to complex and uncertain environments. Heifetz and Linsky (2002)
5. **Digital Leadership** - ability to lead digital transformation, use data for decision-making and manage remote or virtual teams. According to Westerman et al. (2014) organisations with digitally capable leadership are more likely to successfully adapt to technological change and maintain competitive advantage.
6. **Inclusive Leadership** - focuses on valuing diversity and encouraging participation from all employees. Inclusive leaders create environments where individuals feel respected and able to contribute their ideas. Bourke and Dillon (2016) suggests that inclusive leadership improves team performance, innovation and decision-making.





The Leadership Jigsaw - Pendleton and Furnham (2012)

Explains that effective leadership requires several interrelated elements that fit together like pieces of a jigsaw puzzle.

The model emphasises that leadership success depends on balancing:

- Strategic thinking
- Operational management
- Interpersonal relationships
- Personal leadership qualities

The idea behind the model is that effective leadership emerges when multiple competencies work together.

Summary

- No one best form of leadership
- Different situations call for different styles
- Innovation, people and adaptability are important
- Vision
- Leadership skills need development





**Any
questions?**

**Next lecture –
Monday 16th March–
9.00 am**