Chapter Outline

• Are Managers and Leaders the Same?
• Leadership as Supervision
• Behavioural Theories: Do Leaders Behave in Particular Ways?
• Contingency Theories: Does the Situation Matter?
• Inspirational Leadership
• Contemporary Leadership Roles
• Contemporary Issues in Leadership
Leadership

1. What is the difference between a manager and a leader?
2. Are there specific traits, behaviours, and situations that affect how one leads?
3. How does a leader lead with vision?
4. Are there leadership roles for non-managers?
5. What are some of the contemporary issues in leadership?
Are Managers and Leaders the Same?

- Managers promote stability while leaders press for change.
- Leaders establish direction by developing a vision for the future and inspiring workers to overcome hurdles.
- Managers implement the vision and strategy provided by leaders.
- Managers also coordinate staff and handle day-to-day problems.
# Exhibit 11-1 Distinguishing Leadership from Management

<table>
<thead>
<tr>
<th>Management</th>
<th>Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Engages in day-to-day caretaker activities: Maintains and allocates resources</td>
<td>1. Formulates long-term objectives for reforming the system: Plans strategy and tactics</td>
</tr>
<tr>
<td>2. Exhibits supervisory behaviour: Acts to make others maintain standard job behaviour</td>
<td>2. Exhibits leading behaviour: Acts to bring about change in others congruent with long-term objectives</td>
</tr>
<tr>
<td>3. Administers subsystems within organizations</td>
<td>3. Innovates for the entire organization</td>
</tr>
<tr>
<td>4. Asks how and when to engage in standard practice</td>
<td>4. Asks what and why to change standard practice</td>
</tr>
<tr>
<td>5. Acts within established culture of the organization</td>
<td>5. Creates vision and meaning for the organization</td>
</tr>
<tr>
<td>6. Uses transactional influence: Induces compliance in manifest behaviour using rewards, sanctions, and formal authority</td>
<td>6. Uses transformational influence: Induces change in values, attitudes, and behaviour using personal examples and expertise</td>
</tr>
<tr>
<td>7. Relies on control strategies to get things done by subordinates</td>
<td>7. Uses empowering strategies to make followers internalize values</td>
</tr>
<tr>
<td>8. Status quo supporter and stabilizer</td>
<td>8. Status quo challenger and change creator</td>
</tr>
</tbody>
</table>

Leadership as Supervision

- Three general types of theories:
  - Trait Theories
  - Behavioural Theories
  - Contingency Theories
Trait Theories

- Theories that consider personality, social, physical, or intellectual traits to differentiate leaders from non-leaders
- Not very useful until matched with the Big Five Personality Framework
- Leadership Traits
  - Extroversion
  - Conscientiousness
  - Openness
  - Emotional Intelligence (Qualified)
- Traits can predict leadership, but they are better at predicting leader emergence than effectiveness.
Behavioural Theories of Leadership

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

• Differences between theories of leadership:
  – *Trait theory*: leadership is inherent, so we must identify the leader based on his or her traits
  – *Behavioral theory*: leadership is a skill set and can be taught to anyone, so we must identify the proper behaviors to teach potential leaders
Important Behavioral Studies

• Ohio State University
  – Found two key dimensions of leader behavior:
    • Initiating structure – the defining and structuring of roles
    • Consideration – job relationships that reflect trust and respect

• University of Michigan
  – Also found two key dimensions of leader behavior:
    • Employee-oriented – emphasizes interpersonal relationships and is the most powerful dimension
    • Production-oriented – emphasizes the technical aspects of the job

• The dimensions of the two studies are very similar
Blake and Mouton’s Managerial Grid

- Draws on both studies to assess leadership style
  - “Concern for People” is Consideration and Employee-Orientation
  - “Concern for Production” is Initiating Structure and Production-Orientation

- Style is determined by position on the graph
### EXHIBIT 11-2 The Leadership Grid

<table>
<thead>
<tr>
<th>Concern for People</th>
<th>Concern for Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td><strong>Country club management 1,9</strong></td>
<td><strong>Team management 9,9</strong></td>
</tr>
<tr>
<td>Thoughtful attention to the needs of people for satisfying relationships leads to a comfortable, friendly organization atmosphere and work tempo.</td>
<td>Work accomplishment is from committed people who have a “common stake” in the organization’s purpose. This leads to relationships of trust and respect.</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Middle-of-the-road management 5,5</td>
<td></td>
</tr>
<tr>
<td>Adequate organizational performance is possible through balancing the necessity to get out work with maintaining morale of people at a satisfactory level.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Impoverished management 1,1</strong></td>
<td><strong>Authority-obedience 9,1</strong></td>
</tr>
<tr>
<td>Exertion of minimum effort to get required work done is appropriate to sustain organization membership.</td>
<td>Efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree.</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

Contingency or Situational Leadership Theories

• Stress the importance of considering the context when examining leadership.

  – *Fiedler Contingency Model*
  – *Hersey and Blanchard’s Situational Theory*
  – *Path-Goal Theory*
  – *Substitutes for Leadership*
Fiedler Contingency Model

- Effective group performance depends upon the proper match between the leader’s style and the degree to which the situation gives control to the leader.

- Least preferred co-worker (LPC) questionnaire determined whether individuals were primarily interested in:
  - good personal relations with co-workers, and thus relationship oriented, or
  - productivity, and thus task oriented.
Fiedler Contingency Model

- Fiedler’s contingency situations:
  - **Leader-member relations**
    - Degree of confidence, trust and respect members have for leader.
  - **Task structure**
    - Degree to which jobs are structured.
  - **Position power**
    - Degree to which leader has control over “power”: hiring, firing, discipline, promotions, salary.
- Fiedler assumed that an individual’s leadership style is fixed.
Hersey and Blanchard’s Situational Theory

- A model that focuses on follower “readiness”
  - Followers can accept or reject the leader
  - Effectiveness depends on the followers’ response to the leader’s actions
  - “Readiness” is the extent to which people have the ability and willingness to accomplish a specific task
- A paternal model:
  - As the child matures, the adult releases more and more control over the situation
  - As the workers become more ready, the leader becomes more laissez-faire
- An intuitive model that does not get much support from the research findings
Exhibit 11-3 Hersey and Blanchard’s Situational Leadership Theory

EXHIBIT 11-3  Hersey and Blanchard’s Situational Leadership®

Leader Behaviours

- (High) Delegating
- (High) Participating
- (High) Selling
- (Low) Telling

Follower Readiness

- (High) Able and willing
- (High) Able and unwilling/apprehensive
- (High) Unable and willing
- (Low) Unable and unwilling/insecure

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Hersey and Blanchard’s Situational Theory

- Follower: *unable and unwilling*
  - Leader: needs to give clear and specific directions.

- Follower: *unable but willing*
  - Leader: needs to display high task orientation and high relationship orientation.

- Follower: *able but unwilling*
  - Leader: needs to use a supportive and participative style.

- Follower: *both able and willing*
  - Leader: a laissez-faire approach will work
Path-Goal Guidelines to Be Effective Leader

- Determine the outcomes subordinates want.
  - e.g., good pay, job security, interesting work, and autonomy to do one’s job, etc.

- Reward individuals with their desired outcomes when they perform well.

- Be clear with expectations.
  - Let individuals know what they need to do to receive rewards (the path to the goal).
  - Remove barriers that prevent high performance.
  - Express confidence that individuals have the ability to perform well.
Path-Goal Leadership Styles

- **Directive**
  - Informs subordinates of expectations, gives guidance

- **Supportive**
  - Friendly and approachable, shows concern for status, well-being, and needs of subordinates.

- **Participative**
  - Consults with subordinates, solicits suggestions, takes suggestions into consideration.

- **Achievement oriented**
  - Sets challenging goals, expects subordinates to perform at highest level, continuously seeks improvement in performance, has confidence in highest motivations of employees.
Exhibit 11-4 Path-Goal Theory

CONTINGENCY FACTORS

Environmental
- Task Structure
- Formal Authority System
- Work Group

Leader Behaviour
- Directive
- Achievement-oriented
- Participative
- Supportive

Subordinate
- Locus of control
- Experience
- Perceived ability

Outcomes
- Performance
- Satisfaction
## Exhibit 11-5 Substitutes and Neutralizers for Leadership

<table>
<thead>
<tr>
<th>Characteristics of Individual</th>
<th>Effect on Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience/training</td>
<td>Substitutes for task-oriented leadership</td>
</tr>
<tr>
<td>Professionalism</td>
<td>Substitutes for relationship-oriented and task-oriented leadership</td>
</tr>
<tr>
<td>Indifference to rewards</td>
<td>Neutralizes relationship-oriented and task-oriented leadership</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristics of Job</th>
<th>Effect on Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly structured task</td>
<td>Substitutes for task-oriented leadership</td>
</tr>
<tr>
<td>Provides its own feedback</td>
<td>Substitutes for task-oriented leadership</td>
</tr>
<tr>
<td>Intrinsically satisfying</td>
<td>Substitutes for relationship-oriented leadership</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristics of Organization</th>
<th>Effect on Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explicit formalized goals</td>
<td>Substitutes for task-oriented leadership</td>
</tr>
<tr>
<td>Rigid rules and procedures</td>
<td>Substitutes for task-oriented leadership</td>
</tr>
<tr>
<td>Cohesive work groups</td>
<td>Substitutes for relationship-oriented and task-oriented leadership</td>
</tr>
</tbody>
</table>

Can You Be a Better Follower?

• Ineffective followers may be more of a handicap to an organization than ineffective leaders.

• What qualities do effective followers have?
  – They manage themselves well.
  – They are committed to a purpose outside themselves.
  – They build their competence and focus their efforts for maximum impact.
  – They are courageous, honest, and credible.
Inspirational Leadership

• The focus is leader as communicator

• **Framing**
  – A way of communicating that shapes meaning
  – Selective highlighting of facts and events
  – Ignored in traditional leadership studies

• Two contemporary leadership theories
  – *Charismatic Leadership*
  – *Transformational Leadership*
Charismatic Leadership

• House’s Charismatic Leadership Theory:
  – Followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors

• Four characteristics of charismatic leaders:
  – Have a vision
  – Are willing to take personal risks to achieve the vision
  – Are sensitive to follower needs
  – Exhibit behaviors that are out of the ordinary

• Traits and personality are related to charisma
• People can be trained to exhibit charismatic behaviors
How Charismatic Leaders Influence Followers?

1. Leader articulates an attractive vision
   - Vision Statement:
     A formal, long-term strategy to attain goals
   - Links past, present, and future

2. Leader communicates high performance expectations and confidence in follower ability

3. Leader conveys a new set of values by setting an example

4. Leader engages in emotion-inducing and often unconventional behavior to demonstrate convictions about the vision
Charismatic Leadership Issues

• Importance of vision
  – Must be inspirational, value-centered, realizable, and given with superior imagery and articulation

• Charismatic effectiveness and situation
  – Charisma works best when:
    • The follower’s task has an ideological component
    • There is a lot of stress and uncertainty in the environment
    • The leader is at the upper level of the organization
    • Followers have low self-esteem and self-worth

• Dark Side of Charisma
  – Ego-driven charismatic leaders allow their self-interest and personal goals to override the organization’s goals
Beyond Charisma: Level-5 Leaders

• Very effective leaders who possess the four typical leadership traits
  – Individual competency
  – Team skills
  – Managerial competence
  – Ability to stimulate others to high performance

• Plus one critical new trait…
  – A blend of personal humility and professional will
  – Personal ego needs are focused toward building a great company
  – Take responsibility for failures and give credit to others for successes
Exhibit 11-6 Characteristics of Transactional Leaders

- **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 leader**
  - Abdicates responsibilities, avoids making decisions.

Exhibit 11-6 Characteristics of Transformational Leaders

• Charisma
  – Provides vision and sense of mission, instills pride, gains respect and trust.

• Inspiration
  – 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.
Transactional & Transformational Leadership

- **Transactional Leaders**
  - Leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements

- **Transformational Leaders**
  - Inspire followers to transcend their own self-interests for the good of the organization; they can have a profound and extraordinary effect on followers

- Not opposing, but complementary, approaches to leadership
  - Great transformational
  - Great leaders must also be transactional; only one type is not enough for success
Exhibit 11-7 Full Range of Leadership Model

EXHIBIT 11-7  Full Range of Leadership Model

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Issues with Transformational Leadership

• **Basis for Action**
  – Transformational leadership works by encouraging followers to be more innovative and creative and by providing ambitious goals

• **Evaluation Based on the Research**
  – This theory does show high correlations with desired outcomes
  – This style of leadership can be taught

• **Transformational vs. Charismatic Leadership**
  – Similar concepts, but transformational leadership may be considered a broader concept than charisma.
  – Instrument-based testing shows the measures to be roughly equivalent
Contemporary Leadership Roles: Mentoring

• Mentor:
  – A senior employee who sponsors and supports a less-experienced employee (a protégé)
  – Good teachers present ideas clearly, listen, and empathize
  – Two functions:
    • Career
      – Coaching, assisting, sponsoring
    • Psychosocial
      – Counseling, sharing, acting as a role model
  – Can be formal or informal
  – Mentors tend to select protégés who are similar to them in background: may restrict minorities and women
Contemporary Leadership Roles: Self-Leadership

• Self-Leadership
  – A set of processes through which individuals control their own behavior

• How do leaders create self-leaders?
  1. Model self-leadership
  2. Encourage employees to create self-set goals
  3. Encourage the use of self-rewards
  4. Create positive thought patterns
  5. Create a climate of self-leadership
  6. Encourage self-criticism
Contemporary Leadership Roles: Providing Team Leadership

• Leading teams requires new skills.
  – e.g., patience to share information, trust others, give up authority, and knowing when to intervene

• Leading teams requires new roles.
  • Liaisons with external constituencies
  • Troubleshooters
  • Conflict managers
  • Coaches
Contemporary Leadership Roles: Online Leadership

- Leadership at a Distance: Building Trust
  - The lack of face-to-face contact in electronic communications removes the nonverbal cues that support verbal interactions.
  - There is no supporting context to assist the receiver with interpretation of an electronic communication.
  - The structure and tone of electronic messages can strongly affect the response of receivers.
  - An individual’s verbal and written communications may not follow the same style.
  - Writing skills will likely become an extension of interpersonal skills.
Benefits of Leading Without Authority

• Latitude for creative deviance
  – Easier to raise questions.

• Issue focus
  – Freedom to focus on single issue, rather than many issues.

• Frontline information
  – Often closer to the people who have the information.
Contemporary Issues in Leadership

- Authentic Leadership
- Moral Leadership
- Gender and Leadership
Authentic Leadership

• **Authentic Leaders**
  – Ethical people who know who they are, know what they believe in and value, and act on those values and beliefs openly and candidly (Primary quality: trust)

• **Build trust by:**
  – Sharing information
  – Encouraging open communication
  – Sticking to their ideals
The Moral Foundation of Leadership

• **Socialized Charismatic Leadership**
  – Leadership that conveys values that are other-centered versus self-centered by leaders who model ethical conduct.

• Four cornerstones to a “moral foundation of leadership.”
  – Truth telling
  – Promise keeping
  – Fairness
  – Respect for the individual
How Many Women Make It to the Top?

- Women in general comprise:
  - 46.2 percent of the labour force
  - 32 percent of managers and administrators
  - 14 percent of senior managers
  - 57 percent of graduate degree holders
  - 51 percent of Canadian population

- Half of Canada’s companies have no women in top ranks.
Men’s and Women’s Leadership Styles

• In general, women fall back on a democratic leadership style:
  – Encourage participation.
  – Share power and information.
  – Attempt to enhance followers’ self-worth.
  – Prefer to lead through inclusion.

• Men feel more comfortable with a directive command-and-control style:
  – Rely on formal authority.
Summary and Implications

1. **What is the difference between a manager and a leader?**
   - One theorist suggests that managers promote stability while leaders press for change.

2. **Are there specific traits, behaviours, and situations that affect how one leads?**
   - The research on this topic has been mixed. Contingency theories suggest that leaders need to adjust their behaviours, depending on the situation and employee needs.

3. **How does a leader lead with vision.**
   - Leaders that lead with vision are known as transformational or charismatic leaders. They inspire followers to go beyond their own self-interests for the good of the organization.