

MST 514– Introduction to Organisation Behaviour

Lecture 14

September, 2015



Topics to be covered today

1. Leadership
 1. Trait Theory
 2. Behavioral theory
 1. Ohio State Studies
 2. University of Michigan
 3. Contingency theory
 1. Fred Fiedler's Model
 2. Hersey and Blanchard's Situational Leadership Theory
 3. Robert House Path-Goal Theory
 4. Contemporary theories of leadership
 1. Charismatic Leadership
 2. Transformational and Transactional Leadership

What Is Leadership?

- Leadership
 - The ability to influence a group toward the achievement of goals
- Management
 - Use of authority inherent in designated formal rank to obtain compliance from organizational members
- Both are necessary for organizational success

Trait Theories of Leadership

- 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
- Essential Leadership Traits
 - Extroversion (most important trait of a leader, around people, assertive)
 - Conscientiousness (Disciplined and keep up commitments)
 - Openness (Creative and flexible)
 - Emotional Intelligence (Empathetic for the followers)
- Traits can predict leadership, but they are better at predicting leader emergence than effectiveness.

Behavioral 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

- Initiating structure
 - *Organise work, work relationships and goals.*
- Consideration
 - *Job relations based upon trust, respect and regards.*

Michigan

- Employee-oriented
 - *Emphasis on interpersonal relations, needs and interest.*
- Production-oriented
 - *Emphasis on technical aspects, focus on goals.*

Contingency Theories

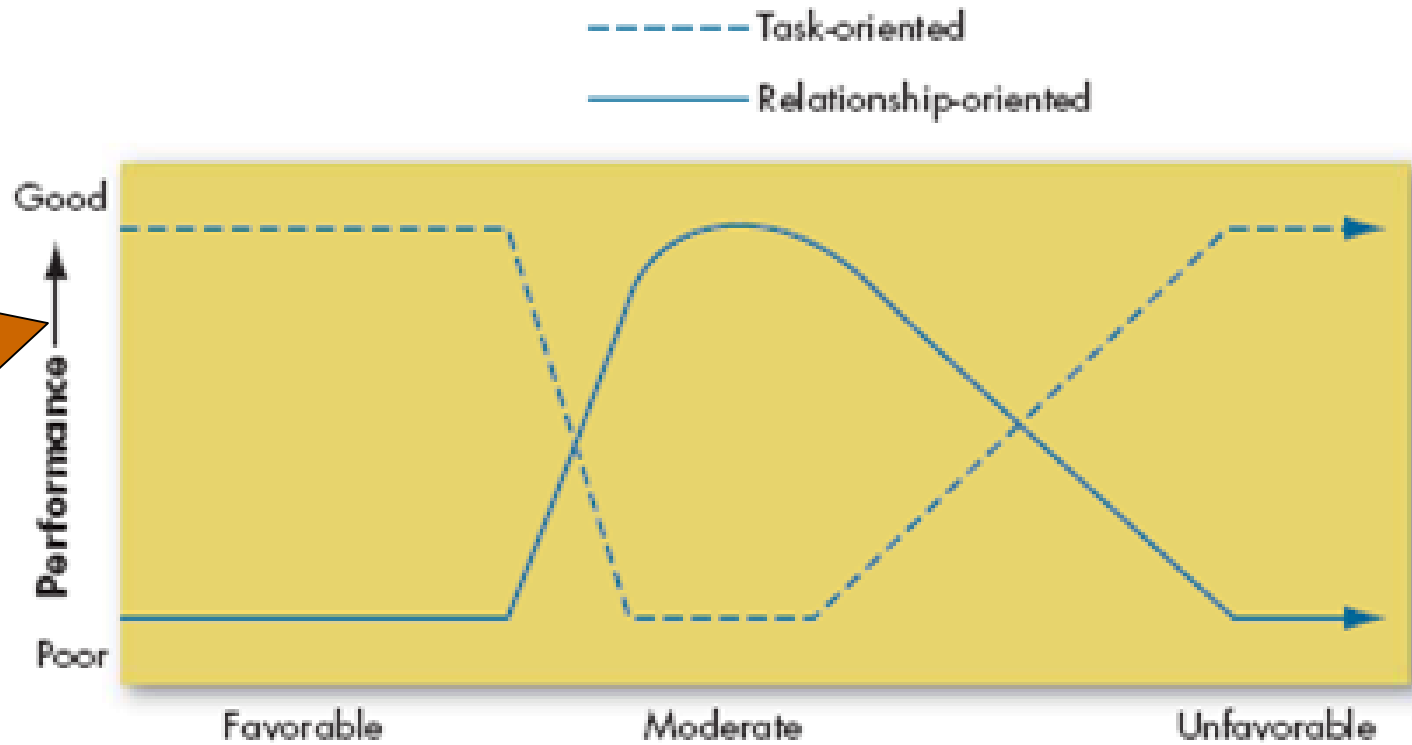
- While trait and behavior theories do help us understand leadership, an important component is missing: the environment in which the leader exists
- Contingency Theory adds this additional aspect to our understanding leadership effectiveness studies
- Three key contingency models for leadership:
 - Fiedler's Model
 - Hersey and Blanchard's Situational Leadership Theory
 - Path-Goal Theory

Fiedler Model

- Effective group performance depends on the proper match between leadership style and the degree to which the situation gives the leader control.
- Assumes that **leadership style** (based on orientation revealed in LPC questionnaire) is fixed
 - Relationship oriented: Preferred co-worker
 - Task oriented: Interested primarily in production
- Considers Three **Situational Factors**:
 - Leader-member relations: degree of confidence and trust in the leader
 - Task structure: degree of structure in the jobs
 - Position power: leader's ability to hire, fire, and reward
- **For effective leadership: must change to a leader who fits the situation or change the situational variables to fit the current leader**

Graphic Representation of Fiedler's Model

Used to determine which type of leader to use in a given situation



| 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 |

Assessment of Fiedler's Model

- **Merits:**

- Considerable evidence supports the model, especially if the original eight situations are grouped into three

- **Demerits:**

- The logic behind the LPC scale is not well understood
- LPC scores are not stable
- Contingency variables are complex and hard to determine

Situational Leadership Theory

- A model that focuses on follower “readiness”
 - “Readiness” is the extent to which people have the ability and willingness to accomplish a specific task
 - Followers can accept or reject the leader
 - Effectiveness depends on the followers’ response to the leader’s actions

| Ability to follow | Willingness to Follow | Leadership Behavior |
|-------------------|-----------------------|---|
| Unable | Unwilling | Give <u>clear and specific directions</u> |
| Unable | Willing | Display <u>high task orientation</u> |
| Able | Unwilling | Use a <u>supportive and participatory style</u> |
| Able | Willing | <u>Doesn’t need to do much</u> |

House's Path-Goal Theory

- Builds from the Ohio State studies and the expectancy theory of motivation
- **The theory:**
 - Leaders provide followers with information, support, and resources to help them achieve their goals
 - Leaders help clarify the “path” to the worker's goals
 - Leaders can display multiple leadership types
- Four **types of leaders:**
 - Directive: focuses on the work to be done
 - Supportive: focuses on the well-being of the worker
 - Participative: consults with employees in decision making
 - Achievement-Oriented: sets challenging goals

Contemporary theories of leadership

Charismatic Leadership Theory

- Max Weber defined charisma (means gift in Greek) as a certain quality of an individual personality which sets him apart from ordinary people and is endowed with exceptional powers.
- **Robert House** in his theory, followers attribute heroic or extraordinary leadership abilities when they observe certain behaviors.



Charismatic Leadership

How do charismatic leaders influence followers?



Transformational Leaders

- Inspire followers to go beyond their self-interests for the good of the organization
- Ohio State studies, Fiedlers model and path goal theory describe transactional leaders who guide followers by clarifying roles and task requirements.

Transactional

- Dependent Reward
- Management by Exception
- Laissez-Faire

Transformational

- Perfect Influence
- Inspirational Motivation
- Intellectual Stimulation
- Individualized Consideration

Leadership Model

Transaction Approaches

- Laissez-Faire: Abdicates responsibilities, avoid making decisions.
- Management by Exception (active): watches and searches for deviations from rules and take corrective action.
- Management by Exception (passive): intervenes only if standards not met.
- Contingent Reward: In exchange of efforts, good performance, recognize accomplishment.

Transformational Approaches

- Individualized Consideration: Personal attention, treat each employee individually, coach
- Intellectual Stimulation: Promotes intelligence, rationality and careful problem solving.
- Inspirational Motivation: Communicates high expectations, express important purpose in simple way.
- Idealized Influence: Provide vision, instill pride, gain respect and trust.

Thank you

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