

Subject: Business Economics

Course: B.A., 4th Semester, Undergraduate.

Paper No: 402

Paper Title: Organisational Behaviour.

Unit No.: 3 (Three)

Title: Group Behaviour.

Lecture No: 2 (Two)

Title: Leadership

Academic Scripts

1. Leadership Theories

Hello friends, in today's session we will understand, one, the basic theories of leadership and then, critically evaluate in detail, the trait approach to leadership.

So, let's begin with discussing all the basic theories of leadership developed by various researchers.

One must know that in recent years there has been a wide recognition in the international community that 'leadership matters' for growth and development. Leadership is a concept which is often talked about, and which has generated a proliferation of literature, especially in the field of management and organizational science. Although the practice of leadership has changed considerably over time, the need for leaders and leadership has not (Bass, 1990a; Kouzes & Posner, 1995). The historical evolution of leadership theory begins from its initial focus on Great Man and Trait Theory to the contemporary study of Transformational Leadership Theory offered by Bass. Over time, while many different leadership theories have emerged, most can be classified as one of eight major types:

1. Great Man Theory.

The GMT is based on the assumption that Leaders are born and not made. it was originally proposed by Thomas Carlyle. it was based on the study of people who were already great leaders. These people were often from the aristocracy, as few from lower classes had the opportunity to lead. This contributed to the notion that leadership had something to do with breeding. the best part about this theory was that it believed that leadership was gender neutral.

2. Trait Theory

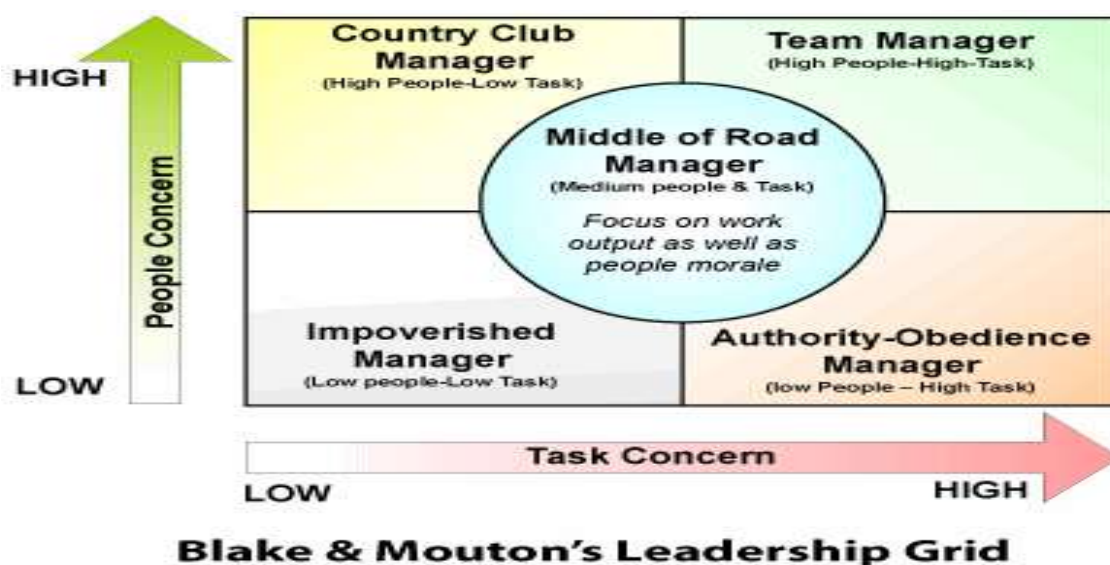
Trait theory assumes that People are born with inherited traits. Some traits are particularly suited to leadership. People who make good leaders have the right (or sufficient) combination of traits. after discussing the different leadership theories, we shall critically evaluate this trait approach to leadership in detail.

3. Behavioural Theories.

Behavioural is a big leap from Trait Theory, in that it assumes that leadership capability can be learned, rather than being inherent. Successful leadership is based in definable, learnable behaviour. This theory is explained with Role Theory and the Managerial Grid.

Role theory describes that we all have internal schemas (a mental structure we use to organize and simplify our knowledge of the world around us) about the role of leaders, based on what we read, discuss and so on. We subtly send these expectations to our leaders, acting as role senders, for example through the balance of decisions we take upon ourselves and the decisions we leave to the leader.

On the other hand, Managerial Grid is a well-known grid defined by Blake and Mouton in the early 1960s, that uses the Task vs. Person preference in leadership style. It describes five types of leadership or management styles based on either low or high concern for people or task.



(1) Impoverished management describes leadership with minimum effort to get the work done. A basically lazy approach of leader that avoids as much work as possible. Leaders with (2) Authority-compliance have a strong focus on task, but little concern for people. They focus on efficiency, including the elimination of people wherever possible. (3) A Country Club management cares for people and has concern for the people, with a comfortable and friendly environment and collegial style. But their low focus on task may give questionable results. (4) Middle of the road management style is a weak balance of focus on both people and the work. Doing enough to get things done, but not pushing the boundaries of what may be possible results describes these types of leaders. (5) Team management leaders are those who are firing on all cylinders: people are committed to task and leader is committed to people (as well as task). Behavioural theory (with the help of role their and managerial grid) brought to surface many important dimensions to leadership. however, later, there were models developed that pointed out certain more dimensions beyond what behavioural theory did.

4. Participative Leadership.

Participative leadership rules on the fact that Several people deciding together make better decisions than one person alone. This theory is based on the assumption that involvement in decision-making improves the understanding of the issues involved by those who must carry out the decisions. People are more committed to actions where they have involved in the relevant decision-making. And people are less competitive and more collaborative when they are working on joint goals. Thus, a Participative Leader, rather than taking autocratic decisions, seeks to involve other people in the process, possibly including subordinates, peers, superiors and other stakeholders. Often, however, as it is within the managers' whim to give or deny control to his or her subordinates, his/her leadership ranges from being highly participative to not participative at all.



This approach is also known as consultation, empowerment, joint decision-making, democratic leadership, Management By Objective (MBO) and power-sharing. It can be a sham when managers ask for opinions and then ignore them.

Participative Leadership style was researched upon by Lewin and Likert further and based on their research, they proposed certain leadership styles. Both researchers studied leadership styles based on the degree of decision making aptitude of the leader.

Kurt Lewin and colleagues did leadership decision experiments in 1939 and identified three different styles of leadership. (1) Autocratic, where, leader takes decisions without consulting with others. (2) Democratic, in which, the leader involves the people in the decision-making, although the process for the final decision may vary from the leader having the final say to them facilitating consensus in the group. and (3) Laissez-Faire. Here, style is to minimize the leader's involvement in decision-making, and hence allowing people to make their own decisions. these three leadership styles were identified in particular around decision-making of the leader.

Rensis Likert identified four main styles of leadership. (1) Exploitive authoritative where the leader has a low concern for people and uses such methods as threats and other fear-based methods to achieve conformance. (2) Benevolent authoritative in which the leader adds concern for people to an authoritative position (3) Consultative where the leader promotes upward flow of information and make genuine efforts to listen carefully to ideas of subordinates and (4) Participative style in which the leader makes maximum use of participative methods like engaging people lower down the organization in decision-making. These four leadership styles were also developed around decision-making and the degree to which people are involved in the decision.

5. Situational Leadership.

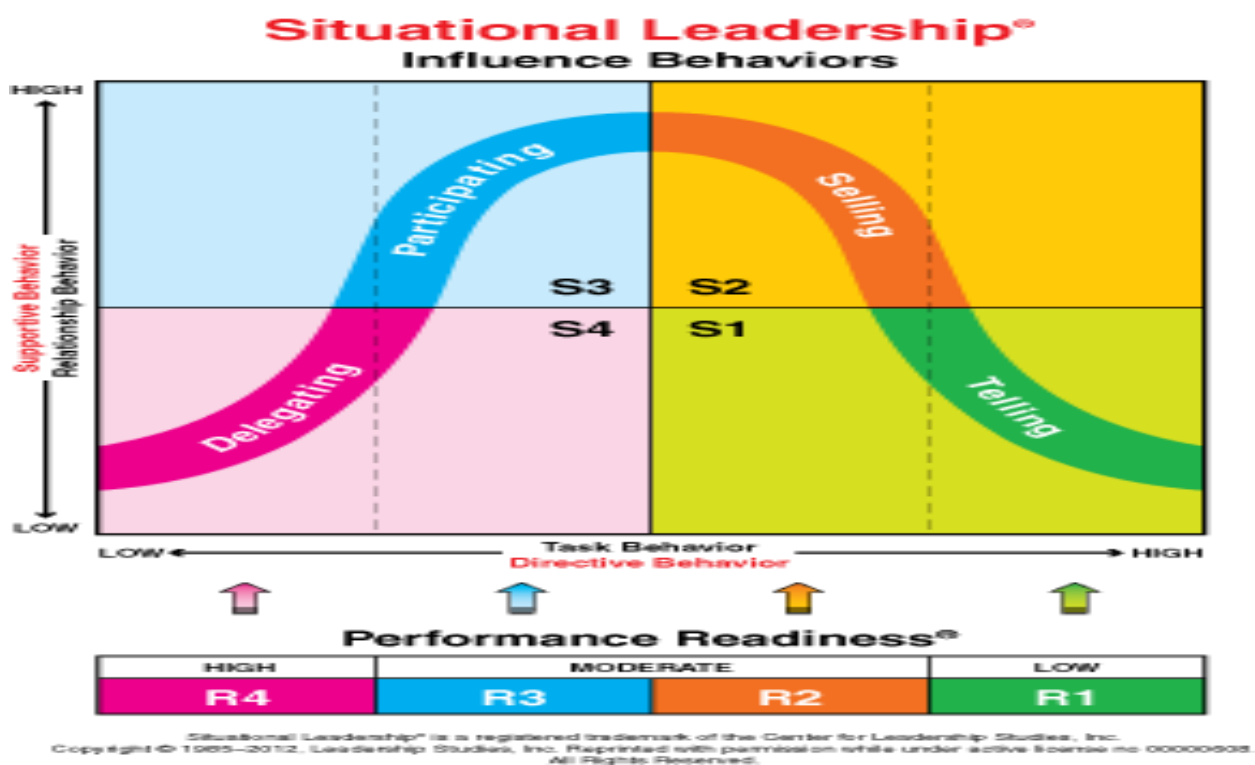
Situational leadership has been explained with the help of the following three models.

1. Hersey and Blanchard's Situational Leadership
2. Vroom and Yetton's Normative Model
3. House's Path-Goal Theory of Leadership

Let us briefly understand each model.

1. Hersey and Blanchard's Situational Leadership

The situational leadership theory (or situational leadership model) was first developed by Paul Hersey and Ken Blanchard. The theory was first introduced as "Life Cycle Theory of Leadership" which was later in mid-1970s renamed to "Situational Leadership theory. Thus, the Hersey-Blanchard Situational Leadership Model rests on two fundamental concepts; leadership style and the individual or group's maturity level.

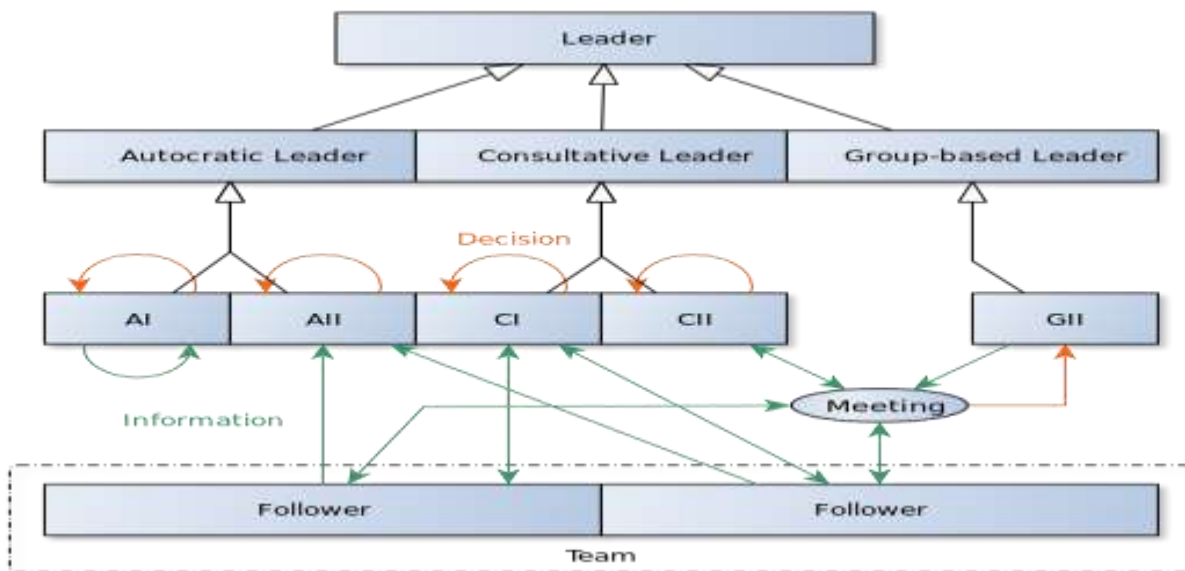


In this, the leadership style is described by a participative curve that follows the association between superior and subordinates through a "life cycle" of four phases: Telling, Selling, Participating, and Delegating. According to Hersey and Blanchard, knowing when to use each of these style is largely dependent on the maturity of the person or group the leader is leading. (In this figure, maturity level is depicted by performance readiness. R1, R2, R3 and R4 can be understood as M1, M2, M3 and M4). They break maturity down into four different levels: M1 – People at this level of maturity are at the bottom level of the scale. They lack the knowledge, skills, or confidence to work on their own, and they often need to be pushed to take the task on. M2 – at this level, followers might be willing to work on the task, but they still don't have the skills to do it successfully. M3 – Here, followers are ready and willing to help with the task. They have more skills than the M2 group, but they're still not confident in their abilities. M4 – These followers are able to work on their own. They have high confidence and strong skills, and they're committed to the task.

These categorized maturity levels are also task-specific. A person might be generally skilled, confident and motivated in their job, but would still have a maturity level M1 when asked to perform a task requiring skills they don't possess.

2. Vroom and Yetton's Normative Model

Vroom and Yetton developed this model in 1973. The model is defined based on a rational logic that participation increases decision acceptance (the degree to which a follower accepts a decision made by a leader) and decision acceptance increases commitment and effectiveness of action.



Vroom and Yetton defined five different decision procedures. Two are autocratic (A1 and A2), two are consultative (C1 and C2) and one is Group based (G2).

A1: Leader takes known information and then decides alone.

A2: Leader gets information from followers, and then decides alone.

C1: Leader shares problem with followers individually, listens to ideas and then decides alone.

C2: Leader shares problems with followers as a group, listens to ideas and then decides alone.

G2: Leader shares problems with followers as a group and then seeks and accepts consensus agreement.

Situational factors that influence the method are relatively logical:

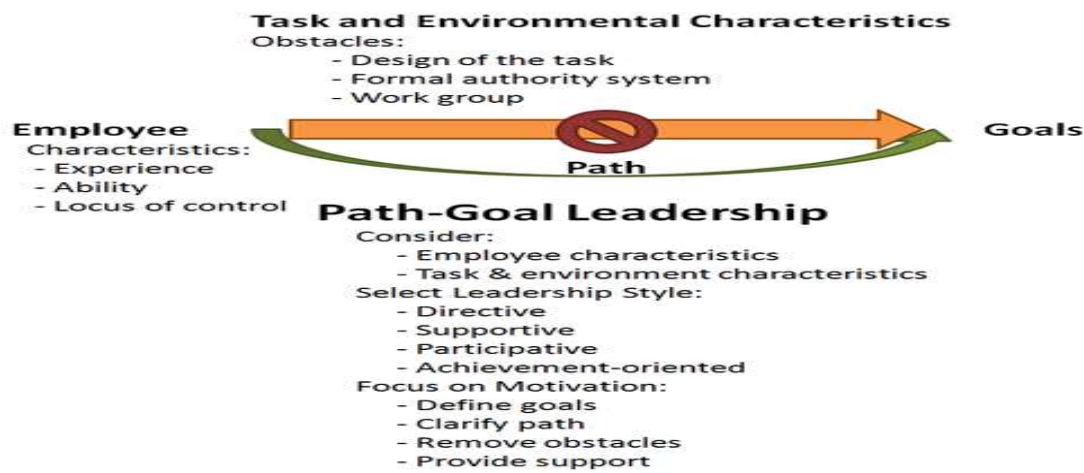
- 1) When decision quality is important and followers possess useful information, then A1 and A2 are not the best method.
- 2) When the leader sees decision quality as important but followers do not, then G2 is inappropriate.
- 3) When decision quality is important, when the problem is unstructured and the leader lacks information / skill to make the decision alone, then G2 is best.
- 4) When decision acceptance is important and followers are unlikely to accept an autocratic decision, then A1 and A2 are inappropriate.
- 5) When decision acceptance is important but followers are likely to disagree with one another, then A1, A2 and C1 are not appropriate, because they do not give opportunity for differences to be resolved.
- 6) When decision quality is not important but decision acceptance is critical, then G2 is the best method.
- 7) When decision quality is important, all agree with this, and the decision is not likely to result from an autocratic decision then G2 is best.

The model is most likely to work when there is clear and accessible opinions about the decision quality importance and decision acceptance factors.

3. House's Path-Goal Theory of Leadership

The Path-Goal Theory of Leadership was developed in 1974 by House and Mitchell to describe the way that leaders encourage and support their followers in achieving the goals they have been set by making the path that they should take clear and easy. In particular, leaders:

- Clarify the path so subordinates know which way to go.
- Remove roadblocks that are stopping them going there.
- Increasing the rewards along the route.



The theory assumes that leaders take a strong or limited approach to these based on their leadership styles. The four styles of leadership described by House and Mitchell include supportive leadership (showing concern for welfare of followers), directive leadership (giving appropriate guidance to followers along the way), participative leadership (Consulting with followers and taking their ideas into account) and achievement-oriented leadership (Setting challenging goals, both in work and in self-improvement).

Thus, to summarize, situational theory of leadership has been explained with the help of Hersey and Blanchard's Situational Leadership, Vroom and Yetton's Normative Model and House's Path-Goal Theory of Leadership. Situational theory insists that effective leaders need to be flexible, and must adapt themselves according to the situation.

6. Contingency Theories

One another set of theories proposed by researchers are contingency theories. They are a class of behavioural theory that contend that there is no one best way of leading and that a leadership style that is effective in some situations may not be successful in others. They are developed on the assumption that the leader's ability to lead is contingent upon various situational factors, including the leader's preferred style, the capabilities and behaviours of followers and also various other situational factors. Models proposed by researchers for empirical explanation of contingency theories include (1) Fiedler's Least Preferred Co-worker (LPC) Theory, (2) Cognitive Resource Theory and (3) Strategic Contingencies Theory.

(1) Fiedler's Least Preferred Co-worker (LPC) Theory

Fiedler's LPC theory is based on the assumption that leaders prioritize between task-focus and people-focus. Leader-member relations, Leader's position-power and Task structure are the three key factors that drive effective styles. The best LPC approach depends on a combination of these three. Generally, a high LPC approach is best when leader-member relations are poor, except when the task is unstructured and the leader is weak, in which a low LPC style is better.

(2) Cognitive Resource Theory (CRT)

Cognitive resource theory strives to prove that intelligence and experience and other cognitive resources are factors in leadership success. Cognitive capabilities, although significant are not enough to predict leadership success, because, stress impacts the ability to make decisions. CRT arose out of dissatisfaction with Trait Theory. A particularly significant aspect of CRT is the principle that intelligence is the main factor in low-stress situations, whilst experience counts for more during high-stress moments.

(3) Strategic Contingencies Theory

Strategic contingencies theory describes that intraorganizational power depends on three factors: problem skills, actor centrality and uniqueness of skill. Let us understand this with the help of an example. Say for example, A production manager in an organization is in charge of a key manufacturing operation (centrality), and understands its complexities very well (uniqueness). From a long experience, when things go wrong, he is very good at fixing things, both mechanically and with the unions. Therefore, get a job on the critical path through the organization. Become expert in problem solving in it. Acquire and defend knowledge and skills that nobody else has. But do not let any one person become indispensable.

7. Transactional Leadership

Transactional leadership is based in contingency, in that reward or punishment is contingent upon performance. This theory works on the basic assumptions that people are motivated by reward and punishment, social systems work best with a clear chain of command, when people have agreed to do a job, a part of the deal is that they cede all authority to their manager and the prime purpose of a subordinate is to do what their manager tells them to do. Transactional leadership can be well understood by Leader-Member Exchange Theory, also called LMX.

(1) Leader-Member Exchange Theory (LMX)

Leader-Member Exchange Theory, also called LMX or Vertical Dyad Linkage Theory, describes how leaders in groups maintain their position through a series of tacit exchange agreements with their members. This theory works best when a member joining an organization understands that, "When you join a team, work hard to also join the inner circle. Take on more than your share of administrative and other tasks. Demonstrate unswerving loyalty. See your leader's point of view. Be reasonable and supportive in your challenges to them, and pick your moments carefully".

And as a leader, pick your inner circle with care. Reward them for their loyalty and hard work, whilst being careful about maintaining commitment of other people.

8. Transformational Leadership.

Transformational Leaders, by definition, seek to transform. This type of leadership assumes that people will follow a person who inspires them, a person with vision and passion can achieve great things and believes that the way to get things done is by injecting enthusiasm and energy. The only flip side is that when the organization does not need transforming and people are happy as they are, then such a leader will be frustrated. Transformational leader has been well defined by (1) Bass' Transformational Leadership Theory (2) Burns' transformational Leadership Theory and (3) Kouzes and Posner's Leadership Participation Inventory.

All these three models revolve around the fact that if task given to people is important then people will be motivated to work on it, people link work outcome with higher order values and people are motivated most not by fear or reward, but by ideas that capture their imagination.

Thus, the theory of transformation leadership proves that transformational Leaders are often charismatic, but are not as narcissistic as pure Charismatic Leaders, who succeed through a belief in themselves rather than a belief in others.

So friends, to summarize the basic theories of leadership that we studied today begin with Great Man Theory, followed with Trait theory, behavioural theory, participative leadership, situational leadership after which contingency theories were evolved, then after, transactional leadership and finally, transformational leadership.