Chapter 13 – Leadership

OBJECTIVES

The goal of this chapter is to make the student familiar with the current thinking about the role of leadership in work organizations and how it has been studied over the years. In this chapter, we discuss the conventional theories of leadership and the research those theories have generated. However, there are a few other things that we think should be emphasized. First, we try to link the topic of leadership to the material presented in the previous chapter (power and politics) and also to stress the fact that leadership is only one of several factors that work to achieve organizational objectives. More important, from a conceptual point of view, we think it important that students realize that the role and structure of leadership is different as a function of organizational level.

KEY CONCEPTS

The first important point in this chapter is to clarify the distinction between leadership and those ideas discussed in the previous chapter. This may cause some problems in the discussion because, admittedly, it is a little fuzzy. However, when we studied the leadership literature in organizational behavior, it appears that most of the theory and all of the research views leadership as <u>influence directed</u> toward specific organizationally desired goals. You will recall that in the previous chapter, our conception of legitimate authority was very similar. As you examine the leadership research, we are sure that you will find most studies focus upon the role of individuals in positions with some legitimate authority.

A second set of important ideas revolves around the different perspectives, or approaches, to the study of leadership. Trait theories, behavioral theories, contingency theories, and content theories form the basic structure of this discussion. It is the contingency theories that traditionally have given the students the most problems. You will have to discuss why the different theories have different moderator variables and how they are related to each other. We have given you some help with this in the discussion questions for this chapter.

One thing that certainly warrants discussion is the issue of whether or not leaders can change their behavior to fit the situation, as some of the theories suggest is necessary. Fiedler takes the position that leader orientation is not easily modified. But you must remember that leader orientation is a personality dimension, not a description of behavior. Thus, while personality might remain constant, it is quite possible that a person may modify his or her behavior.

TOPICAL OUTLINE

Leadership

Trait Approaches

Behavioral Approaches
Distribution of Decision Influence
Task and Social Behaviors
The Ohio State Studies
The Michigan Studies

Contingency Theories of Leadership
Fiedler's Contingency Model
Path-Goal Theory

Process Theories of Leadership
Transformational Leadership Theory
Vertical Dyad Linkage Theory

Substitutes for Leadership

Summary

KEY CONCEPTS
Achievement-Oriented Leadership
Autocratic Leadership
Behavioral approaches to leadership
Capacity
Consideration
Contingency theories of Leadership
Directive Leadership
Employee-centered leadership
Goal Emphasis
High LPC Leader
Initiating structure
Interaction Facilitation
Laissez-Faire Leadership
Leader Motive Pattern
Leader-Member Relations
Leader Orientation
Leadership
Low LPC Leader
LPC scale (least preferred coworker)
Participative Leadership
Path-goal theory
Position Power
Production-centered leadership
Process theories of leadership
Situational Control
Status
Substitutes for Leadership
Supportive Leadership
Task Structure
Trait theories of leadership
Transactional Leadership
Transformational Leadership
Vertical Dyad Linkage (VDL) Theory
Work Facilitation

EXERCISES

A. Exercise: Leader Description Questionnaire

This exercise illustrates some of the more common concepts that are used in the study of leadership.

Instructions: Look at the list of 15 items. Each item describes a specific kind of behavior, but does not ask you to judge whether the behavior is desirable or undesirable. Each item should be considered as a separate description. The purpose of these items it to describe, as accurately as you can, the behavior of a supervisor on some managers for whom you've worked. If you haven't worked for a manager then describe the leader behavior of your instructor.

Read each item carefully.
Think about how frequently the leader engages in the behavior described in the item.
Decide whether the leader always (5), often (4), occasionally (3), seldom (2), or never (1) acts as described by the item.
Draw a circle around one of the five numbers (5,4,3,2,1) following the item to show which answer you select.

Group I: The leader...

	Always	Often	Occasionally	Seldom	Never
1. ...lets group members know what is expected of them.	5	4	3	2	1
2. ...encourages the use of uniform procedures.	5	4	3	2	1
3. ...decides what shall be done and how it shall be done.	5	4	3	2	1
4. ...assigns group members to particular tasks.	5	4	3	2	1
5. ...schedules the work to be done.	5	4	3	2	1

Group I total (sum of items 1-5) _____

Group II: The leader...

	Always	Often	Occasionally	Seldom	Never
6. ...is friendly and approachable.	5	4	3	2	1
7. ...puts suggestions made by group into operation.	5	4	3	2	1
8. ...treats all group members as equals.	5	4	3	2	1
9. ...gives advance notice of changes.	5	4	3	2	1
10. ...looks out for the personal welfare of group members.	5	4	3	2	1

Group II total (sum of items 6-10) _____

Group III: The leader...

11. ...stresses being ahead of competing groups.	5	4	3	2	1
12. ...keeps the work moving at a rapid pace.	5	4	3	2	1
13. ...pushes for increased production.		4	3	2	1
14. ...asks the members to work harder.	5	4	3	2	1
15. ...keeps the group working up to capacity.	5	4	3	2	1

Group III total (sum of items 11-15) _____

Now look at your three totals and answer these diagnostic questions.

1. What type of leader behavior does Group I total describe?
2. What type of leader behavior does Group II total describe?
3. What type of leader behavior does Group III total describe?

Substitutes For Leadership
Ask the students to think about ways that performance can be improved without resorting to managerial pressure or leadership influence. They can take a few minutes to list these factors, which can then become the basis for a general discussion in the class.

The Romance Of Leadership

Assign the students the task of bringing to class an article from the public press about any situation in which they believe the result (positive or negative) was, in their judgment, incorrectly attributed to a manager or political leader. Have them prepare a short statement about why they believe this to be the case.

During the class session, the class can be formed into groups of 4-6 students. Select one of the abstracts or articles for group discussion. After a discussion of 15 minutes, one of the groups should be designated to report to the class.

As a class, you can lead a discussion about the different ideas that have emerged and whether or not the attribution of leadership effects is justified.

STUDY QUESTIONS

1. Define leadership. How is it different from the concept of political activity discussed in the chapter on Power and Politics?

Both leadership and political activity are conceptually similar. Both are based on influence. Influence is a process through which a person attempts to extract compliance from another. Power is a force that can be used to extract compliance. We defined force that can be used to extract compliance. We defined administration as the use of legitimate authority. Political behavior is the use of power beyond legitimate authority, but it is defined as influence to act in the direction intended by the political actor. This may or may not be in organizationally intended directions.

Leadership, on the other hand, is influence directed toward organizationally desired goals. The distinction between the two concepts is the purpose for which the influence is intended.

Some may be regard this as a fine point, but it seems to us one consistent with the way leadership has been studied in the field. Almost without exception, leadership research is directed at studying specific organization outcomes such as productivity, satisfaction, or stress levels.

2. What are trait theories of leadership? Why are they deficient as good explanations of leadership?

The idea is rather simple. Someone who is able to lead others must possess some trait or set of traits which would differentiate them from others who did not exert this influence. The research on traits has not produced a trait or set of traits acceptable to those who study these matters, though there are some very good scholars (Stogdill and Dunnette, for example) who have reviewed studies and found that there might be constellations of traits associated with effective leaders.

There are some other issues that we discuss in the text. Traits may be situation specific, and the traits that were studied were too narrow in definition. There is also another possibility that you might mention. It is quite possible that those individuals visualized by researchers when they form a concept of leadership might possess some very strong or outstanding traits (Such as Hitler, Kennedy, Regan). When it is necessary to go into the field to study leadership, most of the people studied are more normal and in managerial positions. They are not charismatic leaders. If charismatic leaders do possess these traits, it is not likely that they will be represented in the normal population.

3. How do behavioral approaches differ from trait theories of leadership?

Trait theories focus on personality characteristics, which are related to tendencies to behave. Behavioral theories, on the other hand, seek to understand leadership in terms of what kinds of

behavior, or activities, are demonstrated by leader. The Ohio State Studies and the Michigan Studies were among the early theories that took a behavioral approach to leadership.

4. How do contingency theories of leadership differ from trait theories and behavioral theories?

Any contingency theory of leadership differs from trait or behavioral theory in that contingency theories have the basic premise that leadership effectiveness depends on the situation. Further, there is an attempt to specify what it is about the situation that leadership depends. Path-goal theory and Fiedler's theory of leadership are contingency theories, as is the Vroom-Yetton model of decision making.

5. What are process theories of leadership?

Trait approaches, behavioral approaches and contingency approaches focus mainly on the leader, what the leader is or what the leader does. An example of behavioral theories is path-goal theory, which gives you some idea of how leaders should behave to clarify the way that a task should be performed (the path) and the objective of the task (the goal). Many of these behavioral approaches are built around the concepts of leader task behaviors of leader social behaviors. An example of trait theory, with a touch of the contingency approach, is Fiedler's Theory. The leader is characterized in terms of leader orientation (LPC) that is much like a personality orientation.

Process theories explain the ways, or the process, by which a relationship develops between leaders and subordinates. For example, transformational leadership theory explains how leaders develop and enhance the commitment of followers. In this approach, transformational leaders are contrasted with transactional leaders.

The vertical dyad linkage (VDL) theory is based on the idea that leadership can be understood best in terms of role relationships between managers and subordinates, members of a vertical dyadic relationship, in an organization. Managers must ensure that the superior-subordinate relationships are well defined since managerial success depends on subordinate performance. Therefore, managers and subordinates negotiate these role relationships through a range of formal and informal processes that occur primarily in the early stages of their relationship.

6. What are the main characteristics of transformational leaders? How do they differ from charismatic leaders?

Like the charismatic leader, the transformational leader has strong effects on the followers' values, self-esteem, trust, and their confidence in the leader and motivation to perform above and beyond the call of duty. However, the transformational leadership is a much broader concept than charismatic leadership. It includes the concept of charisma, but there are other behaviors that are part of transformational leadership. Overall, the transformational is charismatic, inspirational, practices individual consideration, and is capable intellectually stimulating.

7. Do you believe there is much difference between a transformational and transactional leader? Why?

In transactional leadership the leader and subordinate are bargaining agents, negotiating to maximize their own position. The subordinate's motivation to comply with the leader is self-interest, because the leader can provide payoffs, perhaps both economic and psychological, that are valued by the follower. The transactional view of leadership assumes rational, goal directed human beings will behave in ways that pay off over time, while those that do not pay off will not persist and the norms of reciprocity govern the exchange relationship.

The transformational leader doesn't negotiate, but is able to affect the followers' values, self-esteem, trust, and their confidence in the leader and motivation to perform above and beyond the call of duty. The transactional leader's influence is derived from the exchange process, but it is different in an important way from transformational leadership. Transactional leadership works within the context of the followers' self-interests while transformational leadership seeks to change that context.

This would lead one to think that there are important distinctions between the two types of leaders. However, if you think about it some, there are some similarities. For example, in both cases there is a strong dependence relationship between the leader and the followers. This, of course, is necessary if leaders are to have any effect at all. Second, in both instances, this dependence relationship does involve an exchange of one type or another. In the case of the transformational leader, the subordinate is exchanging commitment and "going beyond" the normal requirements for the psychological identification with the leader. In the transactional situation, the exchange is more calculating, or rational.

8. Can you apply the concepts from the substitutes for leadership to a situation in which you have had to work?

For this question, you will have to draw the students out about issues like the following: To what extent is performance in the job affected by the policies; Is the manager more influential in affecting results than the competence of the worker; Is there a congenial work group that will be a substitute for the "considerate" behavior of the manager? The important point here is that the students come away with the idea that performance can be affected by many factors and leadership is only one of them.

9. Analyze the leadership style of a nationally recognized leader using at least two different theories of leadership.

You might ask the class to focus on path-goal theory. Focus on a stated goal of the leader. How does this get articulated?

You might also direct the class toward some of the trait theories. They may be able to describe the leader in terms of some of the traits, or cluster of traits which have been associated with leadership such as capacity, achievement, participation, responsibility and status.

More than likely, you class will want to discuss the leader in terms of charismatic leadership. The answer to the next question will help you here.

10. How can you integrate some ideas about charismatic power with the concepts of leadership?

This is a tricky question. Most of the research and theory about leadership is developed from the study of ordinary managers but the underlying concept that most of us think about when we think of leadership is charismatic influence. Most of the theory discussed in this chapter is not very relevant to charismatic influence. This kind of influence comes from the feelings of oneness that a person develops with another so that the compliance results from interpersonal feelings that emerge, rather than the capacity that the influence agents has to reward, punish, or provide expert information.

11. How would the substitutes for leadership vary by type of organization (see chapter or organizational structure)? By level of the organization? For professionals compared to indifferents compared to organization-oriented personality types (see chapter on personality)?

There are many ways this question can go. The easiest way to begin is by contrasting the mechanistic and organic types. There will be more rules and policies in the mechanistic type of organization. In the organic organization, there is more likely to be a larger number of professionals who will be guided by professional values.

In looking at differences by organizational levels, we would expect to find more controls at lower levels, which substitutes for initiating structure and it is likely that the tasks would be more simple, requiring less ability. Thus workers will know how to get the job done and will not need much direction.

There are some ways that the substitutes can vary by type of organization orientation. For example, we have already suggested that the professional will be guided by professional norms. He or she will most likely have relatively high levels of ability to perform the task.

The key point you want to draw from this question is that these substitutes do not exist in similar degrees across different types of organizations, at different levels, and for different people.

DIVERSITY, ETHICAL AND GLOBAL ISSUES

Diversity Issues:
U.S. Managers from Middle Eastern cultures

Like managers of other ethnic origins many managers with a Middle Eastern background have been successful in the United States. While they tend to adopt a managerial style than they used in their native countries, they still are affected strongly by their native cultures that are very different from the culture in the United States. For example, Americans are informal, direct, competitive, and achievement oriented. They are uncomfortable with silence, prefer stability, and tend to punctual. The Middle Eastern culture is more diverse and strongly affected by Islam. Middle Easterners tend to be more traditional, family oriented, value friendship, are more conservative, more intuitive and instinctive, and work in organizations that are male dominated.

A study evaluated how these Middle Eastern immigrant managers differed from U.S. born managers, a study of the managerial styles of done. The Middle Eastern managers were primarily Arabic, but the sample also include several Persians and some with a Turkish background.

The main finding was that, for the most part, the managerial styles of the two groups were relatively similar. The main difference is that the managers with Middle Eastern backgrounds operate with a style that can be characterized as a "do it the way I tell you" coercive style, providing clear direction by telling subordinates what to do, without listening to or permitting much subordinate input. They expect immediate subordinate compliance or obedience. They like to maintain tight control, often by requiring many detailed reports. They give more negative and "personalized" feedback and motivate by threats of discipline or punishment.

The preference for this management style among Middle Eastern immigrant managers relative to U.S.-born managers was interpreted as resulting from the authoritarian element in the political and social environments of the Middle East societies.

What these results show, overall, however, is that these Middle Eastern immigrant managers have adapted their managerial style reasonably well to their new home (U.S.) culture (Bakhtari, 1995).

A Question of Ethics:
When There is a Special "In-Group" Relationship

There are some difficult issues, both ethical and organizational, that arise for a manager who takes a romantic interest toward subordinates. On one hand, it is possible that it will be seen as sexual harassment or, perhaps, the creation of a hostile work environment. On the other hand, there is the question of the person's right to consensual relationships with another.

In the past, it was easy. If you were a powerful male manager and you had a romantic relationship with a female subordinate, you were the beneficiary of a double standard. Usually the manager, particularly a powerful one, would have a great deal of license to pursue whom he pleased. If a relationship developed and became even the slightest of an issue, it was condoned for the manager, but the woman was asked to leave, even though the relationship was mutually agreeable.

Today many companies realize that romantic relationships, sometimes just the perceptions about them, between bosses and subordinates might cause performance and morale problems. A survey of American managers reported that they had at least one office romance during their careers. One-third of the men and 15% of the women said that the relationship was with a subordinate and over 20% thought that such relationships were acceptable.

The current view in many larger companies is that they recognize that these relationships will occur and think that a better approach is to try to manage these situations. Should these relationships result in marriages, many companies, like AT&T try to make some internal transfers so that the direct supervisory relationship is eliminated.

However, other companies have taken a different approach. They are so concerned with sexual-harassment issues that they are unable to develop policies that are consistent with permitting consensual relationships while there is a clear prohibition of the sort of harassment that often occurs in the workplace (Hymowitz and Pollock, 1998)

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Global Focus:
Differences Between German and British Middle Managers

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There are obvious cultural effects on how managers manage, some of which are demonstrated in a study of the perceptions of 30 British and 30 German middle managers about their jobs and how they actually worked. The study focussed on middle managers in the brewing, insurance, and construction industry.

One difference is the way that the English and German managers view how to prepare for a managerial position. The German managers believe that technical training is crucial for managerial effectiveness. Technical competence is an important prerequisite for advancement, but advancement tends to be slow and within their work function. To get to the top, additional formal education is seen as important. In addition, these managers are very task oriented, and are more concerned with the work to be done than the personalities involved.

The British managers place more emphasis on skills in managing people, and, for senior posts, on experience in different aspects of the business.   They also prefer a great deal of autonomy on their jobs. In addition, they also do not differentiate as much between their home life and their

work life as the Germans. The Germans work hard but tend to leave the job at the end of the day. The British work less intensively during the day by often take work home and work weekends. The also socialize more with their colleagues after work than the German managers.

In managing others, the British prefer persuasion, which means that they must know something about how others will react to their persuasive attempts. Their motivational approaches tend to focus on the individual. The German managers, on the other hand, The German managers tend to be more direct, relying on presenting facts and expecting that the facts will make the case. The German managers also place a greater emphasis on teamwork and team spirit, cooperation that is easy because of their technical credibility

Source: Adapted from Stewart (1996)

CASE: CLIFF CITY BANK

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**Case:
Cliff City Bank**

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Some years ago, Charles Boyd was appointed president of the Cliff City Bank. At the time, Cliff City Bank was a small, marginally profitable bank controlled by an old Cliff City family, the Oliver family. The bank was having some managerial and financial problems and Bill Oliver, the chairman of the board, thought that Charlie was the person to bring the bank back to profitability, Charles Boyd had the qualifications for the job. He had graduated from State University in 1960 with an MBA. For ten years he worked with an accounting firm. Eventually he became a partner and was well-known in financial circles in the state and in the region.

When Charles took charge of the bank, he made some significant changes. First, he was successful in attracting several of Cliff City's largest business firms to use the bank's services. He also made some very sound loans and, more importantly, was able to work out a solution to some of the problem investments that Cliff City had made. Second, he was able to improve the internal operating efficiency of the bank by a careful study of the bank's operating systems.

Over the years, Charles Boyd has become the dominating force at Cliff City. This is because he is an excellent businessman, he keeps almost complete control of all the bank's operations, and he has personally picked all the current managers.

Now Boyd is near retirement. The board of directors, still heavily influenced by the Oliver family, has asked a consultant to help them select a new chief executive. The consultant proposed, first, that an analysis of the management structure of the bank would be useful because this would help him understand what kind of person would best meet the bank's needs.

Here is what the consultant found:

- Boyd selected executives who were loyal and committed to him. They were expected to know all the different phases of the bank's operations.
- There were ambiguous job descriptions and policies governing the work of those bank executives who reported to Boyd. Boyd was unwilling to formalize policies and procedures for them.
- Boyd was often vague in making assignments to these managers. Often the goals and the activities assigned to them were not clear. Sometimes he would assign the same project to more than one person. Very rarely did he give anyone enough authority to get the job done. Usually, the manager would have to come to Boyd for approval for some aspects of a project.
- Often Boyd went directly to lower-level managers to find out about problems. It was not unusual for him to short-circuit his direct subordinates.

Now, answer these questions:

1. Analyze the leadership style of Boyd.
2. What is the basis of his power in this organization?
3. What kind of replacement would you recommend if you were the consultant?
4. What changes would you suggest for the Cliff City Bank? What would have to be done to make them work?

Case Discussion: Cliff City Bank

1. Analyze the leadership style of Boyd.

From the information in the case, it appears that Boyd is low in initiating structure. He does not do much to give direction and guidance to his subordinates. What he does is to hire competent people, and they are generally able to get the job done. But he gives them little direction. This leaves him in a somewhat influential position because he will be able to retain control since he is the one who knows most about what is going on.

2. What is the basis of his power in the organization?

There can be no doubt about the legitimate authority of the president of any company. In this case, however, Boyd also has selected loyal subordinates and he withholds information from them. In order to do their jobs well, they probably have to come to him for information and assistance. Since he controls the information, this solidifies his power.

3. What kind of replacement would you recommend if you were a consultant?

First, the technical competence of the replacement must be adequate to perform the job well. Beyond that, it may be a good idea to recommend someone who is more willing to delegate authority and share information. In this way you will be more likely to develop managerial talent in the bank. This should improve the level of overall performance and make it more likely that there will be replacement for the president within the organization the next time there is a need.

4. What changes would you recommend to the Cliff City Bank? What would have to be done to make them work?

It would be a good idea to develop more clear statements of authority and responsibility. The president might let managers know if he is going around them to their subordinates. While loyalty and commitment are important, it is more critical that individuals be selected who have the necessary competence and skill.