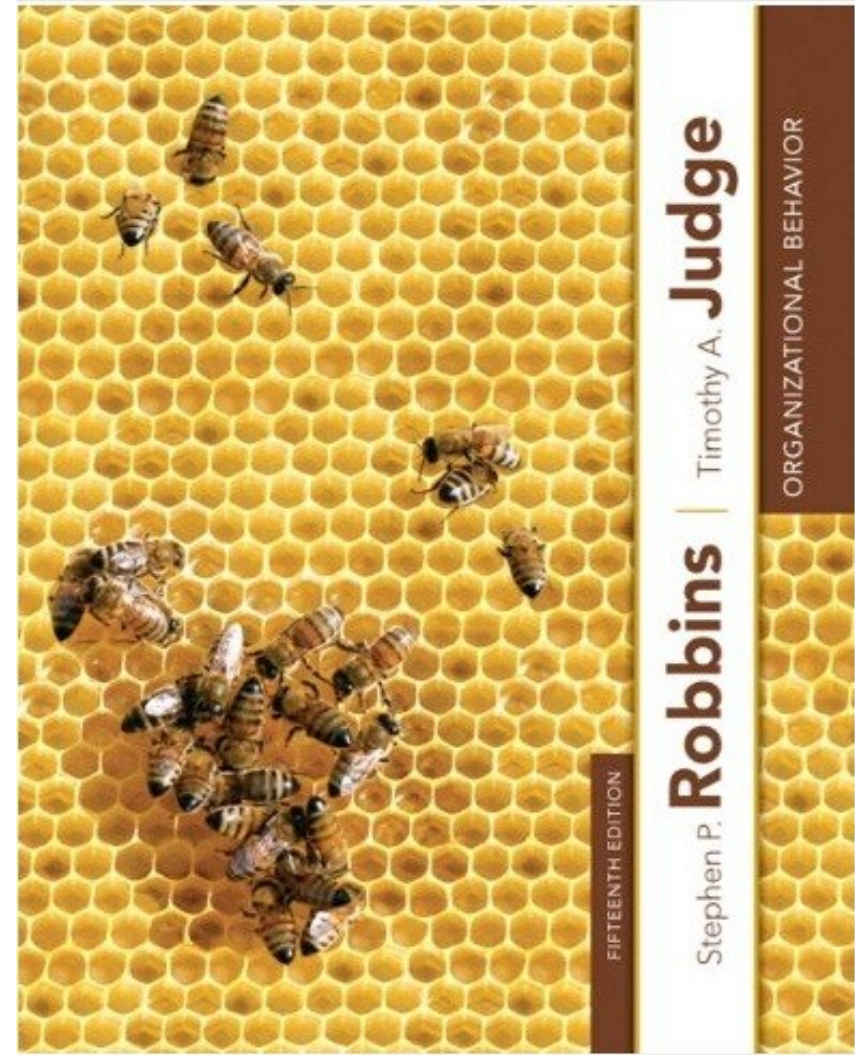# Chapter 12 – Leadership

**Robbins and Judge
Organization Behavior
15 Edition**

The material used in producing this presentation derived from the book. Several examples has been added to enrich the student's understanding

Definition of Leadership

- Stogdill (1974): 'Leadership is an influencing process aimed at goal achievement'

- Dixon (1994) 'Leadership is no more than exercising such an influence on others that they tend to act in concert towards the achievement of a goal that they might not have achieved so readily had they been left to their own devices'.

- Ivancevich et al (2008): Leadership is 'the process of influencing people to enable the achievement of relevant goals'.

- House et al (2004): 'Leadership is the ability to motivate, influence and enable individuals to contribute to the objectives of organizations of which they are members'.

Definition of Leadership

- Sources of influence can be
  - Formal : position in the organization
  - Informal : knowledge, skills, interpersonal,

- Nonsanctioned leadership → the ability to influence that arises outside the formal structure of the organization

- Leaders : challenge the status quo, create visions of the future, and inspire organizational members to want to achieve the visions.

- Managers : formulate detailed plans, create efficient organizational structures, and oversee day-to-day operations

- What is the differences between Leader and Manager?

Traits Theory of Leadership

- Theories that consider personality, social, physical, or intellectual traits to differentiate leaders from nonleaders

- Specific traits of great & effective leaders are varied & confusing. Traits theory is best when combined with Big Five Personality Framework :

  - Extraversion: engage, relations, enthusiast, talkative

  - Conscientiousness: self discipline, control, direct, responsible

  - Openness: curious, creative, interest in new thing

  - Agreeableness: gett along, considerate, friendly, helpful, generous

  - Neuroticism: tendency to experience negative emotions (anger, anxiety, or depression).

Traits Theory of Leadership

- The trait theory have something to offer about Leader :

  - who like being around people and able to assert themselves (extraverted, agreeableness),

  - who are disciplined and able to keep commitments they make (conscientious),

  - who are creative and flexible (open),

  - who are in control of their emotions do have advantages.

- Traits can predict leader emergence but not the effectiveness

- Emotional Intelligence emerge as the new alternative (emphaty)

Behavioural Theory of Leadership

- Theories proposing that specific behaviors differentiate leaders from nonleaders. Leader can be trained

- 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

- Two sources Ohio State & Michigan University

Behavioural Theory of Leadership

- Ohio State approach

  - Initiating structure, the extent to which a leader is likely to define and structure his or her role and those of employees in the search for goal attainment (planning, directing)

  - Consideration, the extent to which a person's job relationships are characterized by mutual trust, respect for employees' ideas, and regard for their feelings. (motivate, emphaty, support)

Behavioural Theory of Leadership

- Michigan University approach

  - Employee oriented, interpersonal relationships by taking a personal interest in the needs of employees and accepting individual differences among them

  - Production/task oriented, emphasized the technical or task aspects of the job, focusing on accomplishing the group's tasks.

- These dimensions are closely related

  - Employee-oriented leadership is similar to consideration, and production-oriented leadership is similar to initiating structure.

  - In fact, most leadership researchers use the terms synonymously

Contingency Theory of Leadership

- Trait and behavior theories analyze leadership from individual point of view: the environment in which the leader exists

- Contingency Theory suggest that leader exists in an environment therefore influenced by it

- Three key Contingency theories:
  - Fiedler's Model
  - Hersey and Blanchard's Situational Leadership Theory
  - Path-Goal Theory
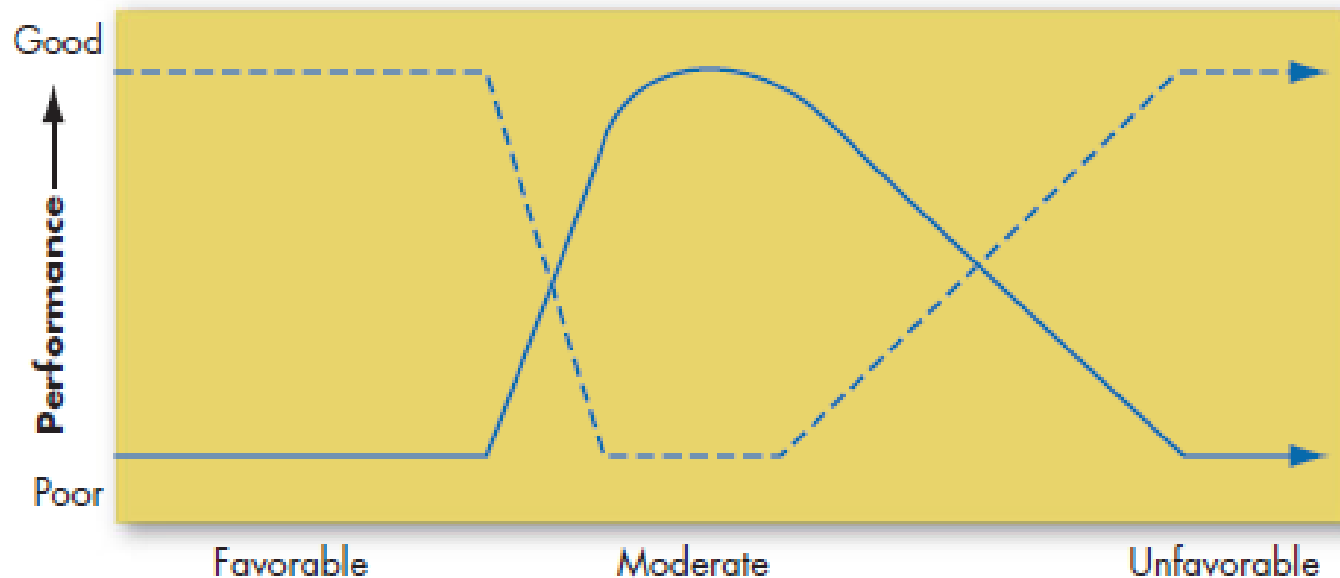
Contingency Theory of Leadership

- Fiedler's Model

  - Effective group performance depends on the proper match between leadership style and the degree to which the situation gives the leader control.

  - Three Situational Dimensions:

    - 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 direct, command, hire, fire, & reward

  - Fiedler assumes an individual's leadership style is fixed (unchangeable)

  - In order to be effective: change the leader who fits the situation or change the situational variables to fit the current leader

Contingency Theory of Leadership

- Fiedler's Model
  - Combining 3 dimensions will yield to 8 possible situation
  - Adjust the traits theory (relation/task oriented) with the 8 possible situations

Contingency Theory of Leadership

Contingency Theory of Leadership

- Situational Leadership (Hersey & Blanchard)

  - Focus on the follower "readiness" (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

  - A leader should choose one of four behaviors depending on follower readiness.

  - Leaders can compensate their employee limited ability and motivation with their behaviour style

Contingency Theory of Leadership

- Situational Leadership (Hersey & Blanchard)

Behaviour	Ability to Follow	Willingness to Follow
Give clear & specific order	Unable	Unwilling
High task orientation, high relationship	Unable	Willing
Supportive & participative	Able	Unwilling
No need to do anything	Able	Willing

Path-Goal Theory of Leadership

- Develop by Robert House

- Leaders provide followers with information, support, and resources to help them achieve their goals

- The term path–goal implies that effective leaders clarify followers' paths to their work goals and make the journey easier by reducing roadblocks.

- Leaders can display multiple leadership types:

  - 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

Leader Participation Theory of Leadership

- Develop by Vroom & Yetton

- A leadership theory that provides a set of rules to determine the form and amount of participative decision making in different situations.

- The way the leader makes decisions is as important as what they decides

- Provides a decision tree of seven contingencies and five leadership styles for determining the form and amount of participation in decision making

- Develop to 12 contingency variables, eight problem types, and five leadership styles to select the decision process for a problem.

# Leader Participation Theory of Leadership

- The Critics:
  - Leaders do not exist in a vacuum"
  - Leadership is a symbiotic relationship between leaders and followers

Leader-Member Exchange Theory of Leadership

- A theory that supports leaders' creation of in-groups and out-groups; subordinates with in-group status will have higher performance ratings, less turnover, and greater job satisfaction

- Because of time pressures, leaders establish a special relationship with a small group of their followers (in-group).
  - They are trusted, get a disproportionate amount of the leader's attention, and are more likely to receive special privileges.

- Leaders induce LMX by rewarding those employees with whom they want a closer linkage and punishing those with whom they do not

Leader–Member Exchange Theory of Leadership

- Ingroup members have demographic, attitude, and personality characteristics similar to those of their leader or a higher level of competence than outgroup members

- Leader does the choosing, and the follower's characteristics drive the categorizing decision

Exhibit 12-2 — Leader–Member Exchange Theory
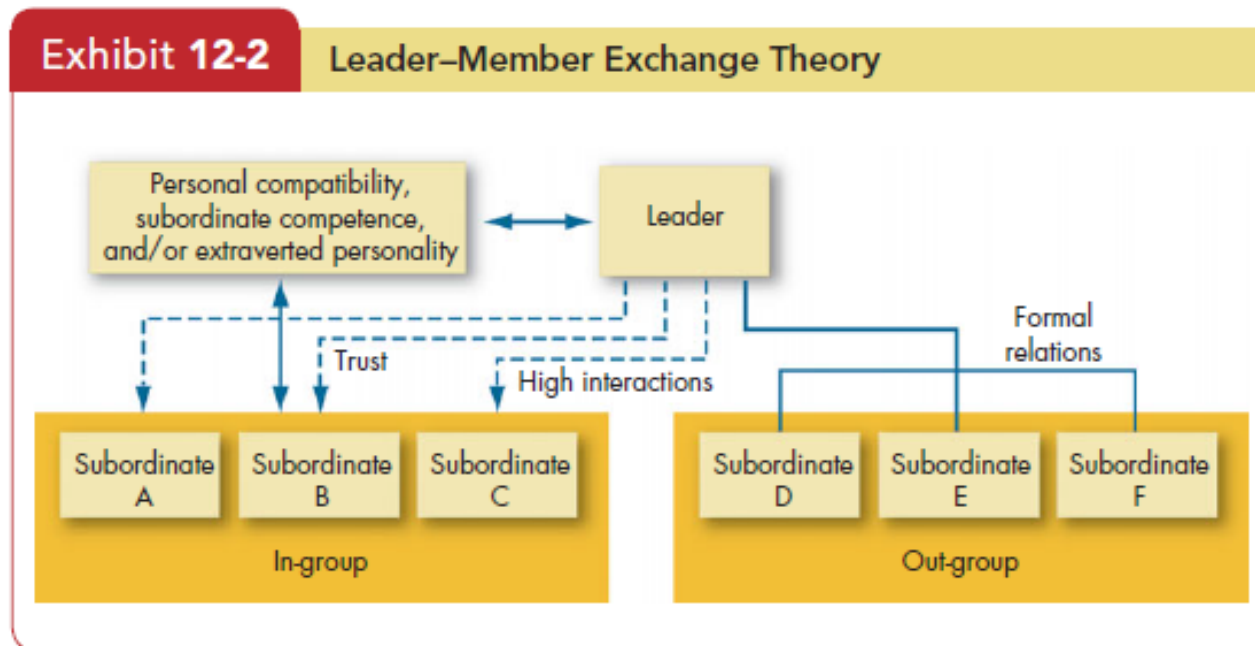
Charismatic Theory of Leadership

- A leadership theory that states followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors.

- Charisma: A certain quality of an individual personality, by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities, regarded as of divine origin or as exemplary

- Characteristic of Charisma leadership: vision, take risk, empathy, extraordinary behavior
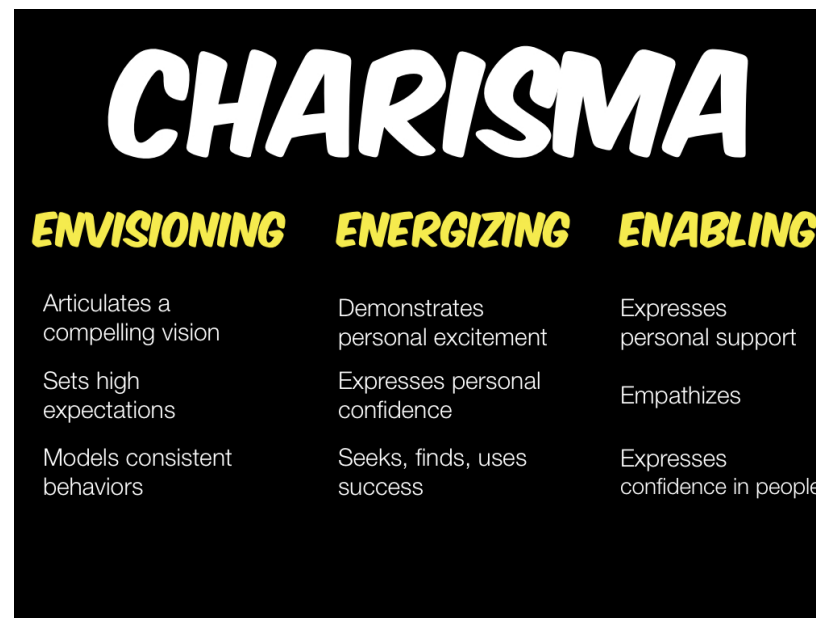
Charismatic Theory of Leadership

Exhibit 12-3	Key Characteristics of a Charismatic Leader

1. *Vision and articulation.* Has a vision—expressed as an idealized goal—that proposes a future better than the status quo; and is able to clarify the importance of the vision in terms that are understandable to others.

2. *Personal risk.* Willing to take on high personal risk, incur high costs, and engage in self-sacrifice to achieve the vision.

3. *Sensitivity to follower needs.* Perceptive of others' abilities and responsive to their needs and feelings.

4. *Unconventional behavior.* Engages in behaviors that are perceived as novel and counter to norms.

Source: Based on J. A. Conger and R. N. Kanungo, *Charismatic Leadership in Organizations* (Thousand Oaks, CA: Sage, 1998), p. 94.

Charismatic Theory of Leadership

- Are charismati leader born or made? 3 steps to adjust

  - Develop an aura of charisma by maintaining an optimistic view; using passion as a catalyst for generating enthusiasm; and communicating with the whole body, not just with words.

  - Draw others in by creating a bond that inspires them to follow.

  - Bring out the best potential in followers by tapping into their emotions

CHARISMA

ENVISIONING

Articulates a compelling vision

Sets high expectations

Models consistent behaviors

ENERGIZING

Demonstrates personal excitement

Expresses personal confidence

Seeks, finds, uses success

ENABLING

Expresses personal support

Empathizes

Expresses confidence in people

Charismatic Theory of Leadership

How charismatic leader influence follower?

- Articulating an appealing vision, a long-term strategy for attaining a goal by linking the present with a better future for the organization
- Formulate articulation of an organization's vision or mission in an encouraging statement
- Conveys a new set of values and sets an example for followers to imitate
- Demonstrate courage and conviction about the vision

Charismatic Theory of Leadership

Does charismatic leader depend on the situational?

- People are receptive to charismatic leadership when they sense a crisis, when they are under stress, or when they fear for their lives.

- Charismatic leaders are able to reduce stress for their employees, perhaps because they help make work seem more meaningful and interesting

- Some peoples' personalities are especially susceptible to charismatic leadership. Consider self-esteem.

- An individual who lacks self-esteem and questions his or her self-worth is more likely to absorb a leader's direction rather than establish his or her own way of leading or thinking

Charismatic Theory of Leadership

- The dark side of charismatic leader
  - Jim Jones, Adolf Hitler, Enron executive, fake investment, Rwanda
  - Larger than life

Tranformational & Transactional Theory of Leadership

- Transactional leaders → guide their followers toward established goals by clarifying role and task requirements.

- Transformational leaders → inspire followers to transcend their self-interests for the good of the organization and can have an extraordinary effect on their followers

- Transactional and transformational leadership complement each other

- Transformational leadership builds on transactional leadership and produces levels of follower effort and performance beyond what transactional leadership alone can do.

- The best leaders are transactional and transformational

Tranformational & Transactional Theory of Leadership

Exhibit 12-4	Characteristics of Transactional and Transformational Leaders

Transactional Leader

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 correct action.

Management by Exception (passive): Intervenes only if standards are not met.

Laissez-Faire: Abdicates responsibilities, avoids making decisions.

Transformational Leader

Idealized Influence: Provides vision and sense of mission, instills pride, gains respect and trust.

Inspirational Motivation: 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.

Source: Based on A. H. Eagly, M. C. Johannesen-Schmidt, and M. L. Van Engen, "Transformational, Transactional, and Laissez-faire Leadership Styles: A Meta-Analysis Comparing Women and Men," Psychological Bulletin 129, no. 4 (2003), pp. 569–591; and T. A. Judge and J. E. Bono, "Five Factor Model of Personality and Transformational Leadership," Journal of Applied Psychology 85, no. 5 (2000), pp. 751–765.

Tranformational & Transactional Theory of Leadership

- How Transformational leaders work?

  - Encourage those who follow them to be creative

  - Empowering

  - Building concensus

  - Increase self efficacy in their followers

  - Engenders commitment on the part of followers and instills greater trust in the leader

Authentic Theory of Leadership

- Leaders who know who they are, what they believe in and value, and act on those values and beliefs openly and candidly. Their followers would consider them to be ethical people.

- The primary quality produced by authentic leadership, therefore, is trust & credibility.

- Authentic leaders share information, encourage open communication, and stick to their ideals. The result: people come to have faith in them.

Authentic Theory of Leadership

- Ethics and Leadership

  - Growing interest in ethics throughout the field of management.

  - Ethical shortcoming of the many past leaders

  - Ethics and leadership intersect at a number of junctures.

  - Unethical leaders use their charisma to enhance power over followers, directed toward self-serving ends. Ethical leaders use it in a socially constructive way to serve others.

  - Leadership is not value free

  - Socialized charismatic leadership→ Leadership that conveys other-centered (not self-centered) values, bring employee values in line with their own values through their words and actions.

Authentic Theory of Leadership

- Servant Leadership

  - Go beyond their own self-interest and focus on opportunities to help followers grow and develop.

  - Don't use power to achieve ends; they emphasize persuasion.

  - The characteristic behaviors include listening, empathizing, persuading, accepting stewardship, and actively developing followers' potential.

  - The effect : higher levels of commitment, self-efficacy, perceptions of justice, higher level of organizational citizenship behavior, increases team potency, higher levels of creative performance.

Authentic Theory of Leadership

- Trust and Leadership

  - Trust → A positive expectation that another will not act opportunistically

  - Followers who trust a leader are confident their rights and interests will not be abused

- Developing trust

  - Integrity refers to honesty and truthfulness. Integrity also means having consistency between what you do and say.

  - Benevolence means the trusted person has your interests at heart, even if yours aren't necessarily in line with theirs. Caring & supportive behavior is part of the emotional bond

  - Ability encompasses an individual's technical and interpersonal knowledge and skills.

Authentic Theory of Leadership

- The effect of Trust
  - Trust encourages taking risks.
  - Trust facilitates information sharing.
  - Trusting groups are more effective.
  - Trust enhances productivity.

Leading for the Future: Mentoring

- A senior employee who sponsors and supports a lessexperienced employee, called a protégé

- The Steps:
  - Leaders identify a less experienced, lower-level employee who appears to have potential for future development.
  - If the protégé performs acceptably, the mentor will develop the relationship, informally showing the protégé how the organization really works outside its formal structures and procedures.

- Why mentoring?? Legacy, source of early warning signals

Attribution Theory of Leadership

- A leadership theory that says that leadership is merely an attribution that people make about other individuals.

- the power of the attribution approach to leadership: hero and genius when things are going well, villain when they aren't

- Attribution theory suggests what's important is projecting the appearance of being a leader rather than focusing on actual accomplishments.

- Leader-wannabes who can shape the perception that they're smart, personable, verbally adept, aggressive, hardworking, and consistent in their style can increase the probability their bosses, colleagues, and employees will view them as effective leaders

- Do they perform? Only God knows

Thought on Leadership

- Do you think we need Leader?

- What kind of leader?

- How do you view the Indonesian leader?