

## Leadership

Dr. Vinod Sharma

**Objectives:**

This unit will help you to understand:

- The important traits of effective leaders
- The impact of personality traits and behavior of individuals on leadership
- The various leadership skills
- The different types of leadership theories.

**Introduction**

The study of leadership in organizations is very crucial in the field of organizational behavior. An effective leader is capable of inspiring and motivating even the most inefficient employees to strive toward attaining the goals of the organization. According to Warren G. Bennis, Founding Chairman of the Leadership Institute at the University of South California, "Failing organizations are usually over-managed and under-led." Therefore effective leadership plays a vital role in ensuring the smooth functioning of organizations.

**Definition of Leadership**

Leaders are people who have a vision, set goals to realize the vision, and motivate and gain the commitment of their people to work toward the achievement of the goals. However, all leaders do not follow the same method to attain their goals. Some leaders believe in employing coercion to influence their subjects, while others gain the confidence of their followers by sharing knowledge and caring for their well-being.

Leadership and management are different from each other. The following are some of the distinctions between the two:

- Leaders have a personal and active interest in achieving goals. Managers, however, are passive about the achievement of goals.
- Leaders have an inborn power with which they strive to achieve goals. Managers need to be entrusted with power by the management.
- Leaders usually arise from a group and do not require any formal appointment. Managers seek authority as a result of their position in the organization. In other words, they derive their power from the formal authority that comes with their position.

**Traits of Effective Leaders**

Although, there are no specific characteristics that can define the leadership qualities in a person, most researches have shown that there are certain traits which differentiate leaders from non-leaders. The following are some of the leadership traits:

- initiative
- ambition
- desire to lead
- integrity
- self-confidence
- analytical ability

- knowledge of a specific company, industry, or technology
- creativity
- flexibility

### **Leadership Behavior vs. Traits**

Some researchers believe that the success of leaders is largely dependent upon their behavior and actions and less on personality traits. According to them, behavior could be modified over a period but personality traits remain more or less the same throughout a person's life. Therefore, they believed that leaders were not born but had to be developed.

### **. Leadership Skills**

The continuous advancement in technology in the present business environment has implied that the leaders require more than just personality traits or behavior to accomplish their tasks. In other words, it has now become necessary for leaders to possess the relevant knowledge and skills to survive in the highly competitive and complex business world. According to Robert Katz, the following skills would help leaders in achieving their goals. These skills also have a great degree of interrelationship between them.

#### **Technical Skills**

Employees at operational and professional levels should have certain technical skills, which will help them perform their jobs well. However, as employees are promoted to higher managerial positions in the hierarchy, the relevance of these skills decreases.

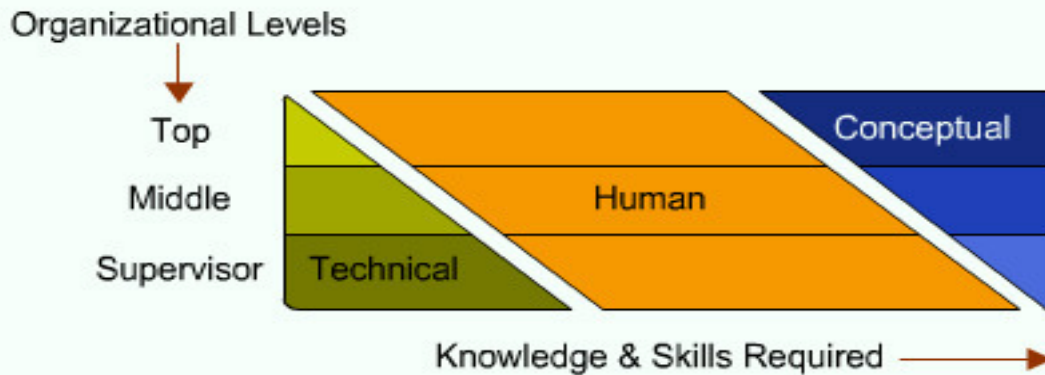
#### **Human Skills**

Human skills such as co-operating with members of the organization, developing positive interpersonal relationships, and working effectively in teams are essential for employees at all levels in the hierarchy. However, human skills are more important to people in leadership positions.

#### **Conceptual Skills**

With the help of conceptual skills, an individual can analyze complex situations, rationally process and interpret available information, and accordingly design a suitable solution to a problem. Also conceptual skills help the individual to foresee what the consequences of his actions will be. Therefore, conceptual skills are very important for managers who are constantly exposed to complex and difficult business situations and are also involved in the construction of long-term plans and goals of organization.

In Figure 11.1, we can see that all levels of management require similar level of human skills whereas the need for technical skills decreases and the need for conceptual skills increases as we move up the organizational hierarchy.



**Figure 11.1: Leadership Skills Required at Different Organization Levels**

### Leadership Theories

Many theories have tried to explain the characteristics that individuals require to become effective leaders. There are three important theories in this context. They are: personality traits theories, behavior theories, and contingency theories. The personality traits and behavior theories were criticized by some OB experts on the ground that they were based on unsupported and oversimplified assumptions. Further, research led to the development of the contingency theories.

#### Traits Theories

Earlier researchers believed that there were certain unique characteristics in people that made them leaders. They concentrated their research on the traits of leaders. According to them, a person must possess certain unique personality traits that are essential for effective leadership.

One of the traits theories of leadership, the 'great person' theory, suggested that the personality traits necessary to become an effective leader could be acquired through training and experience. This theory was probably influenced by behavioral psychologists who believed that leadership traits could be acquired through training and experience.

Researchers also tried to study the relationship between physical traits and leadership. However, these theories could not establish a valid relationship between the two. The traits theories were not well established as they failed to prove that traits alone were responsible for the emergence of some of the successful leaders. In fact, the traits theories provided only a description of leaders and had little analytical or predictive value.

#### Behavioral Theories

The behavioral theorists concentrated on the unique behavioral aspects found in leaders that enabled them to attain effective leadership. Following are the four main behavioral theories of leadership:

##### The ohio state studies

In 1945, researchers from various fields conducted studies on leadership at the Ohio State University. The research was based upon a questionnaire called 'Leader Behavior Description Questionnaire.' Initially, the researchers suggested that there were thousands of dimensions along which the behavior of leaders could be studied. Later, they narrowed it down to initiating structure and consideration.

*Initiating structure:* This refers to the ability of individuals to design their own tasks as well as those of their subordinates and also to get these tasks accomplished in time. Individuals who are highly inclined to such behavior tend to put pressure on their subordinates to meet deadlines and achieve the goals on time.

*Consideration:* This refers to the level to which individuals are considerate about their

subordinates' feelings, respect their ideas, and strive to establish a healthy work relationship. People who score high on this dimension are very friendly and open with their subordinates. They extend help to their employees to solve both personal and work-related problems.

According to researchers, people who score high on both the dimensions make effective leaders.

### **University of Michigan studies**

A research conducted at the Survey Research Center at the University of Michigan gave similar results as that of the Ohio State Studies. The research was conducted on twelve pairs of sections. Each pair consisted of one high producing section and one low producing section. During the study, the researchers also interviewed 24 supervisors and 400 workers. The research led to the following results:

*Employee-oriented dimension:* This dimension emphasizes the interpersonal relationship between the leader and his subordinates. Leaders with a high score on this dimension were capable of accepting individual differences among the employees. It was also observed that high productivity sections usually had employee-oriented supervisors.

*Production-oriented dimension:* In contrast, the production-oriented dimension concentrates on productivity rather than on employees. Leaders who score high on this dimension considered employees only as a means to achieve goals.

Researchers concluded that leaders with an inclination toward the employee-oriented dimension resulted in higher job satisfaction (in employees) and higher group productivity.

### **The managerial grid**

The managerial grid was developed by Blake and Mouton. Their study was based on their own research as well as the results of the earlier Ohio State Studies and the University of Michigan Studies.

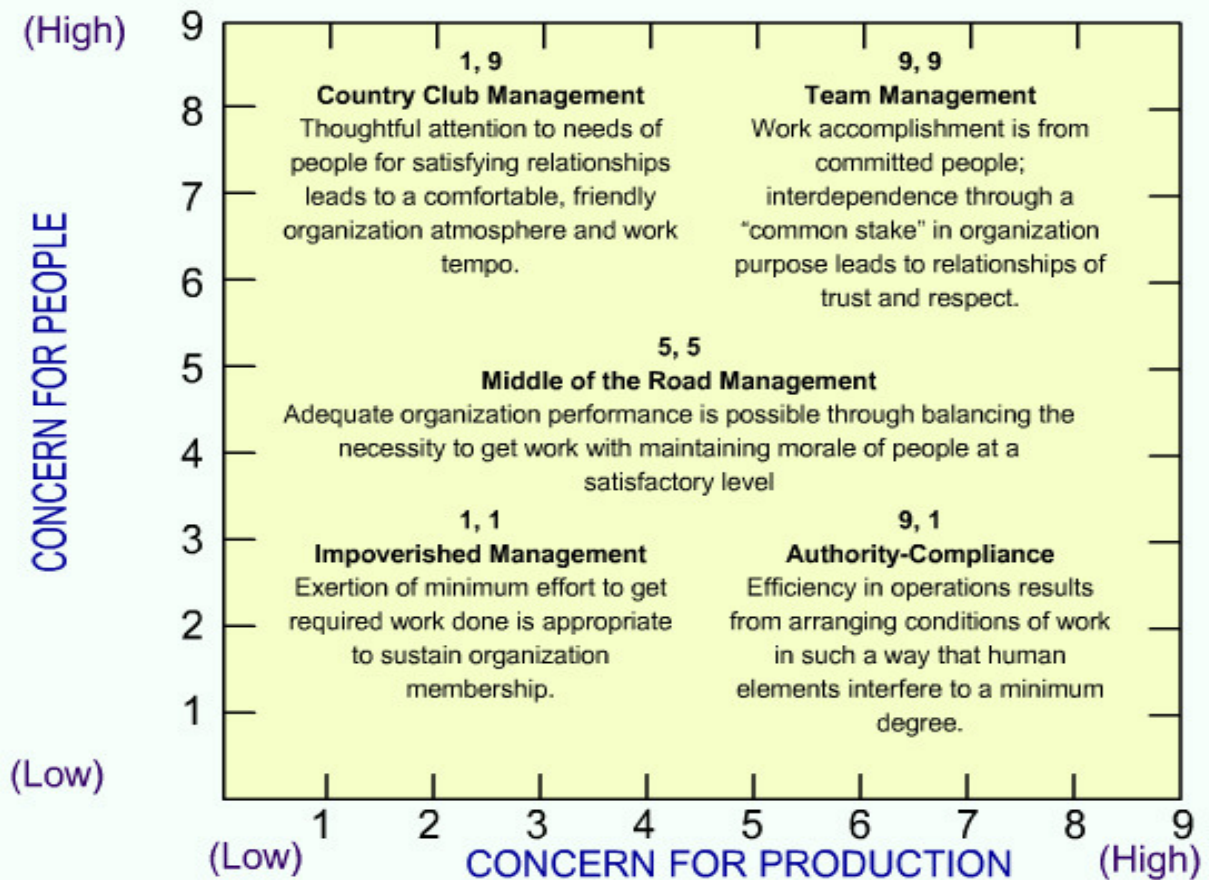
The managerial grid consists of nine rows and nine columns. While the rows represent the leader's concern for production, the columns represented the leader's concern for people. A leader could be located in any of the total 81 leadership styles on the managerial grid. Blake and Mouton specifically identified five leadership styles at 1,9; 1,1; 9,1; 5,5 and 9,9 that helped in better understanding of the relationship between behavioral aspects and leadership (Refer Fig. 11.2).

This theory was criticized on the ground that it failed to reveal any new facts or establish new relationships that could clarify the conflicting views on leadership.

### **Scandinavian Studies**

According to some theorists, the three behavioral theories discussed above did not take into account the dynamics, or even chaotic environments that influence modern organizations. Therefore, some Finnish and Swedish theorists began reviewing the earlier studies in order to discover new dimensions that could incorporate the dynamics of the environment.

The studies led to the finding of a new dimension called 'development-oriented behavior.' According to this dimension, leaders were ready to experiment with new ideas and practices and embrace change. It also showed that subordinates considered leaders who were development-oriented to be more job effective and competent. The studies also stated that subordinates showed higher job satisfaction under development-oriented leaders.



**Figure 11.2: The Leadership Grid**

Although the behavioral theories were successful in establishing a relationship between behavior and leadership, they failed to consider one important aspect that influences leadership -- 'situational factors.' Leaders need to be flexible and capable of adapting their behavior to changes in situations in order to be successful.

### **Contingency Approaches to Leadership**

According to the contingency approach of leadership, a single leadership style is not applicable to all situations. Every leader is required to carefully analyze the situation before adopting a style that best suits the requirements of the situation. Following are the five contingency models of leadership styles:

#### **Fiedler's contingency model**

This model was developed by Fred Fiedler. According to him, the choice of the most appropriate leadership style is dependent upon whether the overall situation is favorable or unfavorable to the leader. The favorability or unfavorability of a situation to a leader is dependent upon the following factors:

*Leader-member relationship:* This refers to the extent to which the leader shares good rapport with and is considered acceptable by his/her subordinates.

*Degree of task structure:* This refers to the degree to which the task on hand can be performed efficiently by following a particular method.

*The leader's position:* This refers to the degree of power or formal authority that is given to the leader in the organization.

According to Fiedler, a situation is favorable when a leader scores high on all these dimensions.

#### **Hersey and Blanchard's situational theory**

According to Hersey and Blanchard, the leadership style to be followed by managers is largely dependent upon the maturity levels of subordinates. An employee's maturity level refers to his/her ability to carry out the assigned tasks and also to the extent to which he/she is motivated to perform them. Since employees differ from each other in terms of competence and commitment, leaders have to adopt different leadership styles to deal with different subordinates. This theory is also known as the 'Life Cycle' model.

Hersey and Blanchard further categorized leadership styles as follows:

*Telling:* In this style of leadership, the leaders constantly give work-related directions to the subordinates. It is to be followed for employees who are low on their ability to perform as well as are not willing to perform.

*Selling:* In this style, the leaders give directions as well as provide the required support to the subordinate. This style can be followed for employees low on their ability to perform but high on willingness to perform.

*Participating:* Leaders adopting this style provide the required support to the employees. They assign more responsibilities and give fewer directions to their subordinates. The participating style is suitable for employees who are high on ability to perform but low on willingness to perform.

*Delegating:* The leaders simply delegate the responsibilities to the subordinates. This style is most suitable for employees who are high on ability to perform as well as high on willingness to perform.

The factor that this model emphasizes is the capability and willingness of individuals to perform their task. This factor was often ignored by other theorists. However, the model tends to ignore other important factors such as leader's attitude that affects leadership behavior.

### **Leader-member exchange theory**

According to this theory, leaders often behave differently with different subordinates. Further, they also establish close relationships with a small group of subordinates early in their interaction. The group of subordinates with whom leaders establish a relationship is known as the in-group, while the others are referred to as the out-group. The leaders maintain a formal relationship with the out-group and interact with this group less frequently than with the in-group.

Although the basis for the formation of in-groups and out-groups is not clear, researches have indicated that leaders do favor people who have attitudes and personalities similar to their own. The theory also suggests that leaders give promotions to the in-group employees quickly and also that the employee turnover rate in such groups is low.

### **Leadership-participation model**

In 1973, Victor Vroom and Philip Yetton came up with the 'leadership-participation' model that tried to establish a relationship between leadership behavior and the decision making style. According to them, leaders are required to adapt their behavior to suit changes in situations. The model proposed a sequential set of rules that could help managers in taking decisions in different situations. Initially, this model consisted of a decision tree with seven contingencies and five alternative leadership styles. Later, Vroom along with another academician Arthur Jago, came up with a revised model that consisted of twelve contingencies. These contingencies were also called 'problem attributes.' Further the problem attributes were categorized into decision-quality and employee acceptance.

Decision-quality attributes consisted of cost considerations, information availability, and nature of problem structure. The dimensions under employee acceptance consisted of need for commitment, their prior approval, congruence of their goals with that of the organization and conflicts among the employees.

**Leadership styles:** The model is based upon the following three assumptions. However, the relevance of these assumptions is yet to be proved:

- The decision tree enables leaders to precisely classify the various problems
- Leaders are willing to and are capable of adopting various leadership styles according to the situation
- Employees accept the changes in leadership styles.

### **Path-goal theory**

The path-goal theory was developed by Robert House. According to this theory, leaders define individual or group goals to the subordinates that are in line with the organizational goals.

They then provide the required support and guidance to their subordinates to achieve the goals. Thus, as leaders, they define the path to attainment of the goals. Also leaders remove any hurdles that come in the way of achievement of the defined goals. Subordinates accept their leader when

- They find that the satisfaction of their needs depends upon their effective performance.
- They are provided the guidance, support, and rewards needed for effective performance.

### **Summary**

- Different theorists have attempted to define leadership differently. However, many agree upon the fact that leadership involves influencing others. According to many theorists, management is different from leadership.
- Although there are some common traits found in leaders, the presence of these characteristics do not guarantee that a person will become an effective leader.
- Some theorists believed that leadership is largely dependent upon the behavioral aspects of the person and not so much on the personality traits.
- Leadership skills such as technical skills, human skills, and conceptual skills have varying degrees of importance in the career ladder of an individual.
- Leadership theories are broadly classified into traits theories, behavioral theories, and contingency theories.
- According to the trait theories, leaders have unique characteristics and personality traits. The trait theorists believed that leaders are born and not made.
- The behavioral theorists tried to establish a relationship between leadership and the behavior of individuals. According to them, leadership could be acquired through learning and experience.
- The various behavioral theories are the Ohio State studies, the University of Michigan studies, the managerial grid, and the Scandinavian studies.
- According to contingency theorists, leaders are required to adapt their behavior to changes in the situation. They believed that one particular leadership style is not applicable to all situations.
- The five contingency models that explain the contingency approach to leadership are Fiedler's contingency model, Hersey and Blanchard's situational theory, leader-member exchange theory, leadership-participation model, and path-goal theory.