Leadership in Organisational Settings

Session 12

Leadership Defined

Leadership is the ability to influence, motivate, and enable others to contribute toward the effectiveness of the organisations of which they are members.

Shared Leadership

The view that leadership is broadly distributed rather than assigned to one person.

Employees are leaders when they champion change in the company or team.

Shared leadership calls for:
- Formal leaders willing to delegate power
- Collaborative culture – employees support each other
- Employee ability to influence through persuasion
Competency Perspective

- Competencies – personal characteristics that lead to superior performance in a leadership role (e.g. skills, knowledge, values)
- Early research – very few ‘traits’ predicted effective leadership
- Emerging view – several competencies now identified as key influences on leadership potential and of effective leaders

Eight Leadership Competencies

**Personality**
- Extroversion, conscientiousness (and other traits)

**Self-concept**
- Positive self-evaluation
- High self-esteem and self-efficacy
- Internal locus of control

**Drive**
- Inner motivation to pursue goals
- Inquisitiveness, action-oriented

**Integrity**
- Truthfulness
- Consistency in words and actions

**Leadership motivation**
- High need for socialised power to achieve organisational goals

**Knowledge of the business**
- Understand external environment
- Aid intuitive decision making

**Cognitive/ practical intelligence**
- Above average cognitive ability
- Able to solve real-world problems

**Emotional intelligence**
- Perceiving, assimilating, understanding, and regulating emotions
Competency Perspective Limitations

1. Implies a universal approach
2. Alternative combinations of competencies might work just as well
3. Assumes leadership is within the person
   • But leadership is also about relations with followers
4. Competencies refer to leadership potential, not performance

Leader Behaviour Perspective

- People-oriented behaviours
  • Showing mutual trust and respect
  • Concern for employee needs
  • Looks out for employee wellbeing
- Task-oriented behaviours
  • Assign specific tasks
  • Ensure employees follow rules
  • Set “stretch goals” to achieve performance capacity

Leader Behaviour Perspective Limitations

- People-task categories mask subcategories of leader behaviour that may be distinct
- Assumes best leaders display a high level of both people and task styles
  • But best style seems to depend on the situation
Path-Goal Leadership

- Originated with expectancy theory of motivation
  - Paths = employee expectancies
  - Goals = employee performance
- States that effective leaders ensure that employees who perform their jobs well receive more valued rewards than those who perform poorly

Path-Goal Leadership Styles

- Directive
  - Provide psychological structure to jobs
  - Task-oriented behaviours
- Supportive
  - Provide psychological support
  - People-oriented behaviours
- Participative
  - Encourage/facilitate employee involvement
- Achievement-oriented
  - Encourage peak performance through goal setting and positive self-fulfilling prophecy

Path-Goal Leadership Model

<table>
<thead>
<tr>
<th>Leader behaviours</th>
<th>Employee effectiveness</th>
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<tbody>
<tr>
<td>Directive</td>
<td>Employee motivation</td>
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<tr>
<td>Supportive</td>
<td>Employee satisfaction</td>
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<tr>
<td>Participative</td>
<td>Acceptance of leader</td>
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<td>Achievement-oriented</td>
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<tr>
<th>Environmental contingencies</th>
<th>Leader contingencies</th>
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<td>Achievement-oriented</td>
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Path-Goal Contingencies

<table>
<thead>
<tr>
<th>Employee Contingencies</th>
<th>Directive</th>
<th>Supportive</th>
<th>Participative</th>
<th>Achievement</th>
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</thead>
<tbody>
<tr>
<td>Skill/experience</td>
<td>low</td>
<td>low</td>
<td>high</td>
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<tr>
<td>Locus of control</td>
<td>external</td>
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<td>internal</td>
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<tbody>
<tr>
<td>Task structure</td>
<td>nonroutine</td>
<td>routine</td>
<td>nonroutine</td>
<td>?</td>
</tr>
<tr>
<td>Team dynamics</td>
<td>--ve norms</td>
<td>low cohesion</td>
<td>+ve norms</td>
<td>?</td>
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</tbody>
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Other Contingency Leader Theories

- Situational Leadership Model
  - Effective leaders vary style with follower “readiness”
  - Leader styles – telling, selling, participating, and delegating
  - Popular model, but lacks research support

- Fiedler’s Contingency Model
  - Leadership style is stable – based on personality
  - Best style depends on situational control
  - Theory has problems, but uniquely points out inflexibility of leadership style

Leadership Substitutes

- Contingencies that limit a leader’s influence or make a particular leadership style unnecessary
  - eg. training and experience replace task-oriented leadership
- Research evidence: substitutes help, but don’t completely substitute for real leadership
Transformational vs. Transactional Leaders

- **Transformational leaders**
  - Leading – changing the organisation to fit the environment
  - Change agents

- **Transactional leaders**
  - Confusing definitions, but originally about seeking employee compliance through rewards, punishment, and negotiation
  - Managing – achieving current objectives more efficiently
    - Link job performance to rewards
    - Provide staff with necessary resources
    - Relates to contingency leadership theories (e.g., path-goal)

Transformational v. Charismatic Leaders

- Some leadership models say charismatic leadership is essential for transformational leadership
- Emerging view – charisma differs from transformational leadership
- Charisma is a personal trait that provides referent power
  - Doesn’t necessarily attempt to change the organisation
- Transformational leadership is a set of behaviours to bring about change

Transformational Leadership Model

- Develop a strategic vision
- Communicate the vision
- Model the vision
- Build commitment to the vision

Elements of transformational leadership
Transformational Leadership Elements

- Create a strategic vision
  - Image of company’s attractive future
  - Motivates and bonds employees
  - Leader champions the vision
- Communicate the vision
  - Frame message around a grand purpose
  - Shared mental model of the future
  - Use symbols, metaphors, stories

Transformational Leadership Elements (cont.)

- Model the vision
  - Walk the talk
  - Symbolise/demonstrate the vision through behaviour
  - Employees trust leader more
- Build commitment to the vision
  - Increased through communicating and modelling the vision
  - Increased through employee involvement in shaping the shared vision

Evaluating Transformational Leadership

- Transformational leadership is important
  - Higher employee satisfaction, performance, organisational citizenship, creativity
- Transformational leadership limitations
  - Some models have circular logic
    - Defines transformational leaders by their success rather than their behaviour (result: no predictive value)
  - Universal theory
    - Need a contingency-oriented theory
    - Recognise differences across cultures
Implicit Leadership Perspective

Follower perceptions of characteristics of effective leaders:

1. Leadership prototypes
   • Preconceived image of effective leader, used to evaluate leader effectiveness

2. Romance of leadership effect
   • Amplify effect of leaders on organisational results
   • Fundamental attribution error
   • Need for situational control

Cultural Issues in Leadership

• Societal cultural values and practices affect leaders
  • Shape leaders’ values/norms
  • Influence decisions and actions
  • Shape follower prototype of effective leaders

• Some leadership styles are universal, others differ across cultures
  • ‘Charismatic visionary’ seems to be universal
  • Participative leadership works better in some cultures than others

Gender Issues in Leadership

• Male and female leaders have similar task- and people-oriented leadership
• Participative leadership style is used more often by female leaders
• Evaluating female leaders
  • Still receive negative evaluations as leaders due to prototypes and gender stereotypes
  • But evidence that they are good at emerging leadership styles (coaching, teamwork)