• In much management theory, there is an emphasize on the overall vision that a business leader can provide for the people working under him/her.

• A good leader can take a step beyond merely offering a plan by creating a common vision with which an organization can rally behind.

• The theorist Edwin Locke first made this approach to leadership theory popular in the 1960s, with his emphasize on goal-setting for organizations and their management.
Many management theorists emphasize the role of bottom-up leadership in business effectiveness.

In this model it is more important what the workers underneath a manager think, as they are closer to the facts.

A good manager will know to respect the opinions of the people working for him/her and will regularly consult with them.

This kind of leadership style emphasizes consensus.

Notable theorists who pushed for this sort of approach include Peter Drucker.
Some management and leadership theories emphasize the importance of coaching, which involves providing effective feedback that can help a worker improve his performance.

This approach also emphasizes good communication that conveys to workers the overall place of their work in a wider organization.

Theorists who have advanced this view include George Mayo and the group he is associated with called the human relations movement.

They emphasize a more direct, hands-on management style.
CONTINUE
• A well-defined formal hierarchy and chain of command distinguishes the level of authority within an organization. Individuals who hold higher positions will supervise and direct lower positions within the hierarchy.

• Management by rules and regulations provides a set of standard operating procedures that facilitate consistency in both organizational and management practices. For example, when an employee is sick and cannot make it into work that day, he or she must call out to their direct supervisor.
• Division of labour and work specialization are used to align employees with their organizational tasks. This way, an employee will work on things with which he or she has experience and knows how to do well.

• Managers should maintain an impersonal relationship with employees to promote fair and equal treatment of all employees so that unbiased decisions can be made.
• Competence, not personality, is the basis for job appointment. An employee should be chosen, placed and promoted within an organization based on his or her level of experience and competency to perform the job.

• Formal written records are used to document all rules, regulations, procedures, decisions and actions taken by the organization and its members to preserve consistency and accountability.
LEADERSHIP FOUNDATIONS

• Leadership is a process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives.

The ability of an individual to influence, motivate and enable others to contribute towards the effectiveness and success of the organisation of which they are members’ (House et al., 2004).
Organisational behaviour (OB) researchers began their study of leadership in the early 1920s by focusing on the traits associated with leadership effectiveness.

1950s and 1960s, examined the behaviour or styles exhibited by effective leaders - led to realisation that there is not one best style of leadership.

This in turn produced various contingency approaches to leadership in 1960s and 1970s.

1980s to date, transformational approach is the most popular perspective.
LEADERSHIP VS MANAGEMENT

- Bass (1990) concluded that “leaders manage and managers lead” - reflects that leadership and management overlap. However, each entail a unique set of activities or function.

- Generally managers perform functions associated with planning, investigating, organizing and control.

- Leaders inspire others, provide emotional support and try to get employees to rally around a common goal - key role in creating vision and strategic plan for the organisation.
## Leadership vs Management

<table>
<thead>
<tr>
<th>Being a Leader Means</th>
<th>Being a Manager Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivating, influencing and changing behaviour</td>
<td>Practising stewardship, directing and being held accountable for resource</td>
</tr>
<tr>
<td>Inspiring, setting the tone and articulating a vision</td>
<td>Executing plans, implementing and delivering the goods and services</td>
</tr>
<tr>
<td>Managing people</td>
<td>Managing resources</td>
</tr>
<tr>
<td>Being charismatic</td>
<td>Being conscientious</td>
</tr>
<tr>
<td>Being visionary</td>
<td>Planning, organizing, directing and controlling</td>
</tr>
<tr>
<td>Understanding and using power and influence</td>
<td>Understanding and using authority and responsibility</td>
</tr>
</tbody>
</table>

**SA’ODAH AHMAD/FEM3104/JPMPK/FEM**
<table>
<thead>
<tr>
<th>BEING A LEADERS MEANS</th>
<th>BEING A MANAGER MEANS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acting decisively</td>
<td>Acting responsibly</td>
</tr>
<tr>
<td>Putting people first; the leader knows, responds to and acts for his or her followers</td>
<td>Putting customers first; the manager knows, respond to and acts for his or her customers</td>
</tr>
</tbody>
</table>

**Leaders can make mistake when:**
1. They choose the wrong goal, direction or inspiration due to incompetence or bad intentions
2. They overlead
3. They are unable to deliver on, implement the vision due to incompetence or lack of follow through commitment

**Managers can make mistake when:**
1. They fail to grasp the importance of people as the key resource
2. They underlead; they treat people like other resource, number
3. They are eager to direct and to control but are unwilling to accept accountability


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CONTINUE

Manager:
- Controls
- Asks when?
- Makes rules
- Blames
- Organizes
- Instructs
- Avoids conflict
- Maintains
- Reactive
- Being right
- Money
- Accepts
- Dictates
- Delegates
- Enforces
- Results
- Plans

Leader:
- Breaks rules
- Excites
- Positive
- Passionate
- Changes
- Influences
- Empowers
- Disrupts

Shapes culture
Develops vision
Asks why?
Innovates
Risk-taker
Uses conflict
Challenges
• There is no one perfect indicator of leadership effectiveness but the work performance of the leader’s workgroup or organisation is probably the best.

• The Industrial-organisational (I/O) psychologists recognise that effective leadership depends on the interaction of three factors:

1. The traits and behaviours of the leaders.
2. The characteristics of the followers.
3. The nature of the situation in which leadership occurs.
LEADERSHIP AND GENDER

Findings from various studies:

1. Men and women were seen as displaying more task and social leadership respectively.

2. Women used a more democratic or participative style than men and men used a more autocratic and directive style than women.

3. Men and women were equally assertive.

4. Women executives when rated by their peers, managers and direct reports scored higher than their male counterparts on variety of effectiveness criteria.

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APPROACHES TO LEADERSHIP

1. Traits approaches
2. Behavioral approaches
3. Contingency approaches
4. Transformational approach
5. Emerging approaches
1. TRAIT THEORIES

• Trait perspectives assumes that traits play a central role in differentiating between leaders and nonleaders or in predicting leader or organisational outcomes - the great person-trait approach.

• Leader must have the right stuff.

• Traits are considered inborn and hard to change.

• Although no single trait fully explains leadership, personal characteristics such as intelligence and personality appear to be important for the emergence of leaders and the effectiveness of leaders.
• The leadership characteristics that are desired and acceptable may vary across different organisational contexts.

• Personality characteristics in themselves do not make leaders inherently effective. What matters is how those characteristics are expressed in leaders’ behaviour and how that behaviour is understood by others.
<table>
<thead>
<tr>
<th><strong>TRAITS WITH POSITIVE IMPLICATIONS FOR SUCCESSFUL LEADERSHIP</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENERGY AND ADJUSTMENT OR STRESS TOLERANCE</strong></td>
</tr>
<tr>
<td><strong>PROSOCIAL POWER MOTIVATION</strong></td>
</tr>
<tr>
<td><strong>ACHIEVEMENT ORIENTATION</strong></td>
</tr>
<tr>
<td><strong>EMOTIONAL MATURITY</strong></td>
</tr>
<tr>
<td><strong>SELF CONFIDENCE</strong></td>
</tr>
<tr>
<td><strong>INTEGRITY</strong></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td><strong>PERSEVERANCE OR TENACITY</strong></td>
</tr>
<tr>
<td><strong>COGNITIVE ABILITY, INTELLIGENCE, SOCIAL INTELLIGENCE</strong></td>
</tr>
<tr>
<td><strong>TASK-RELEVANT KNOWLEDGE</strong></td>
</tr>
<tr>
<td><strong>FLEXIBILITY</strong></td>
</tr>
</tbody>
</table>

SCHERMERHORN, HUNT & OSBORN, ORGANIZATIONAL BEHAVIOR 10/E (2008), pg. 244
2. BEHAVIORAL THEORIES

• Similar to the trait perspective, behavioral theories argue that leader behaviour have a major impact on performance and other outcomes.

• Michigan studies (late 1940s): The researcher sought to identify the leadership pattern that results in effective performance.

• Interviews were conducted with high- and low-performing groups in different organisations.
Two basic leadership forms were derived:

1. Employee-centered supervisors (human-relations oriented): place strong emphasis on their subordinates’ welfare.

2. Production-centered supervisors (task oriented): more concerned with getting the work done.

Findings: employee-centered supervisors were found to have more productive workgroups.
Ohio State Studies (late 1940s): a questionnaire was administered in both industrial and military settings to measure subordinates’ perceptions of their superiors’ leadership behaviour.

Two dimensions of leadership were identified:

1. Consideration (socioemotional): sensitive to people’s feelings and tries to make things pleasant to the followers.

2. Initiating structure (task leadership): concerned with spelling out the task requirements and clarifying other aspects of work agenda.
• **Findings:** at first the researcher believed that a leader high in consideration would have more highly satisfied or better performing subordinates. However, later result indicated that leader should be high in both consideration and initiating structure.

• **Query:** Cross-culture implications?
3. CONTINGENCY LEADERSHIP

- Developed by Fred Fielder (1978): suggests that leader effectiveness is determined by the interaction between the leader’s personal characteristics and aspects of the situations.
- Leaders are classified as primarily person-oriented (relation-motivated) or task-oriented (task-motivated).
- The type of leader who will be more effective depends on the leader’s degree of control over the situation.
CONTINUE

• Control is reliant on three factors:
  1. **The Relationship between the leader and followers.**
  2. **The degree of task structure.**
  3. **The leader’s authority or position power.**

• If the leader is popular, is directing a highly structured or routine task and have the authority or power to enforce discipline, then he have a high degree of control over the situation - favourable situation.
• The **task-oriented** leader will be more effective in extremely favourable or extremely unfavourable situations.

• The **person-oriented** leader will be effective when the situation is moderately favourable.

• However, most of the researches were conducted in laboratory setting not on the job. So, the validity of the contingency theories remains in question – whether the laboratory findings can be generalised to the workplace.
Other contingency theories:

1. House’s Path-Goal Theory.
2. Hersey and Blanchard’s Situational Leadership Theory.
3. Graen’s Leader-Member Exchange Theory.
4. Kerr and Jermier’s Substitutes for Leadership Theory.

Sometimes as in the case of Substitutes for Leadership Theory, the role of contingences replaces that of the leadership, so that leadership has little or no impact in itself.
4. TRANSFORMATIONAL LEADERSHIP

• Transformational leaders motivate employees to pursue organisational goals above their own self-interests.

• Individual characteristics and culture are antecedents of transformational leadership.

• Transformational leaders transform followers by creating changes in their goals, values, needs, beliefs and aspiration.

• They achieve this by appealing to followers self-concepts (values and personal identity).
• Research reveals that transformational leaders tend to have personalities that are extraverted, agreeable, proactive and less neurotic.

• Female leaders were found to use transformational leadership more than male leaders.

• Transformational leadership is less traitlike and more inclined to managerial influence.
<table>
<thead>
<tr>
<th>INDIVIDUAL AND ORGANOSATIONAL CHARACTERISTIC</th>
<th>LEADERSHIP BEHAVIOUR</th>
<th>EFFECTS ON FOLLOWERS AND WORK GROUPS</th>
<th>OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traits</td>
<td>Inspirational motivation</td>
<td>Increased intrinsic motivation, achievement orientation and goal pursuit</td>
<td>Personal commitment to leader and vision</td>
</tr>
<tr>
<td>Life experiences</td>
<td>Idealised influence</td>
<td>Increased identification and trust with leaders</td>
<td>Self-sacrificial behaviour</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>Individualised consideration</td>
<td>Increased identification and cohesion with work group members</td>
<td>Organisational commitment</td>
</tr>
</tbody>
</table>
## Transformational Model

<table>
<thead>
<tr>
<th>Individual and Organisational Characteristic</th>
<th>Leadership Behaviour</th>
<th>Effects on Followers and Work Groups</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational culture</td>
<td>Intellectual stimulation</td>
<td>Increased self-esteem, self-efficacy and intrinsic interests in goal accomplishment</td>
<td>Task meaningfulness and satisfaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase role-modeling of transformational leadership</td>
<td>Increased individual, group and organisational performance</td>
</tr>
</tbody>
</table>
5. EMERGING APPROACHES

A. THE LEADER-MEMBER EXCHANGE (LMX)

✓ Based on the assumption that leaders develop unique one-to-one relationships with each of the people reporting to them - *vertical dyad*.

✓ In group exchange: leader and follower develop partnership characterised by reciprocal influence, mutual trust, respect and liking, sense of common fate.

✓ Out-group exchange: leaders are characterised as overseer who fail to create a sense of mutual trust, respect and liking, sense of common fate.
B. SHARED LEADERSHIP (SL)

- Based on the notion that people need to share information and collaborate to get things done at work.
- Entails simultaneous, ongoing, mutual influence process in which individuals share responsibility for leading regardless of formal roles and titles.
- Eg: Mayo Clinic in the USA: relies on SL provide high-quality health care and customer service. Believes that SL a matter of life and death.
CONTINUE

✓ SL is most likely to be needed:

- When people work in teams.
- When people are involved in complex projects.
- When people are doing knowledge work – require voluntary contributions of intellectual resources by skilled professionals.

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C. LEVEL 5 LEADERSHIP (COLINNS, 2001)

**LEVEL 5 EXECUTIVE**
Builds enduring greatness through a paradoxical blend of personal humility and professional will.

**EFFECTIVE LEADER**
Catalyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulating higher performance standards.

**COMPETENT MANAGER**
Organizes people and resources toward the effective and efficient pursuit of predetermined objectives.

**CONTRIBUTING TEAM MEMBER**
Contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting.

**HIGHLY CAPABLE INDIVIDUAL**
Makes productive contributions through talent, knowledge, skills, and good work habits.
Level 5 leadership represents a hierarchy of leadership capabilities that are needed to lead companies in transforming from good to great.

Level 1 & 2: consistent with trait theory - leaders are intelligent, self-confident, determined, honest, sociable, emotionally intelligent, extroverted and conscientious.

Level 3 & 4: seem to contain behaviours associated with transactional and transformational leadership.
CONTINUE

- **Level 5:** integrate components of trait theory and full-range theory of leadership.
- Good-to-great leaders are not only transactional and transformational but most importantly they possess the traits of humility and determination.
- Eg: Prophet Muhammad SAW, Michael Dell.