CHAPTER SIXTEEN

Leadership

INTRODUCTION

“I must follow the people. Am I not their leader?” —Benjamin Disraeli.

The current chapter discusses leadership, a topic as complex as this quotation indicates. Indeed, although a leader is thought of as having power in influencing others, a leader’s power is nothing without followers. In other words, leaders derive their power from the very people who follow them.

This chapter discusses the traits and behaviors of effective leaders as well as the influence of situations. Mainstream and Multistream leadership will are differentiated.

DETAILED LECTURE OUTLINE

I. Leadership and management
   A. According to Fayol’s conceptualization of management, leadership is one of the four functions of management (along with planning, organizing, and controlling)
   B. In contrast to Fayol, some scholars believe that leading and managing are distinct functions
   C. Leadership is the process of influencing others so that their work efforts lead to the achievement of organizational goals
      1. Transactional leaders
         a) Sometimes equated with “managers”
         b) Clarify roles and tasks, set up structures, provide appropriate rewards, and encourage conformity to organizational norms and values
      2. Transformational leaders
         a) Differentiated as going beyond the role of a manager
         b) Inspire extraordinary change in members and the organization by:
            (1) Identifying with followers and creating personal loyalty
            (2) Motivating employees to transcend individual goals for the sake of a team by articulating a clear vision
            (3) Paying personal attention to followers’ needs by supporting and encouraging their attempts
            (4) Challenging followers to be innovative, modeling new behaviors, and exhibiting high moral standards

II. Mainstream leadership
   A. Leadership traits
      1. Traits are personal characteristics that are relatively stable
      2. Early leadership research focused on identifying the traits that distinguish leaders from non-leaders
      3. Traits often associated with leadership
         a) Desire to lead
b) Drive
c) Self-confidence
d) Honesty and integrity
e) Intelligence and job-relevant knowledge
f) Big Five traits: Extraversion, Conscientiousness, and Openness to Experience
g) Charisma
   (1) Charisma refers to a special trait or “gift” that some leaders have to attract and inspire others
   (2) Charismatic leaders are visionaries who inspire followers to endorse their vision

B. Leadership behavior
   1. Behaviors are the ways in which people act (what people do)
   2. Dimensions of leadership behavior (identified in studies at Ohio State and University of Michigan in 1940s and 1950s)
a) Ohio State studies identified two independent dimensions of leader behavior:
   (1) Consideration = supportive, relational, employee-oriented behaviors
      (a) Also known as “concern for people”
      (b) Related to employee job satisfaction
   (2) Initiating structure = directive, structural, task-oriented behaviors
      (a) Also known as “concern for production”
      (b) Related to productivity
b) Leadership Grid = combines the two leader dimensions to identify five behavioral types:
   (1) Impoverished (low concern for people, low concern for production)
   (2) Country club (high concern for people, low concern for production)
   (3) Task management (low concern for people, high concern for production)
   (4) Middle of the road (moderate concern for people, moderate concern for production)
   (5) Team (high concern for people, high concern for production)

C. Situational leadership theories recognize that the effect of leadership style is contingent upon the situational context
   1. Fiedler’s Contingency Theory
      a) Assumes that a leader’s style is predominantly either relationship-oriented or task-oriented and that this fixed style should be the one most appropriate to the situation
      b) Three basic situational “contingencies”
         (1) Leader-member relations: refers to the nature of the relationship between the leader and the work group
         (2) Task structure: the degree to which tasks are well defined, formalized, and standardized
         (3) Position power: the degree of legitimate and reward power the leader possesses
c) Matching leader type with situational contingencies
   (1) Task-oriented leaders are most successful when situational contingencies are either very favorable or very unfavorable
   (2) Relationship-oriented leaders are most successful when situational contingencies are moderately favorable
   2. House’s Path-Goal Theory
      a) Idea that the leader’s role is to provide direction and support to goal attainment by:
(1) Clearly identifying the outcomes that subordinates are trying to obtain
(2) Rewarding high performance and the attainment of goals
(3) Clarifying the path that will bring about goal attainment

b) Acceptable leadership behavior: refers to satisfying followers’ needs
c) Motivational leadership behavior: refers to coaching, guidance, support
d) Four leadership styles
   (1) Directive leadership: occurs when leaders tell subordinates exactly what is expected of them
   (2) Supportive leadership: leader behavior that shows concern for subordinates’ well-being and needs
   (3) Participative leadership: leader consults with subordinates about decisions
   (4) Achievement-oriented leadership: leaders set clear and challenging goals for subordinates
e) The ideal leadership style depends on situational factors related to:
   (1) Personal characteristics of subordinates
   (2) Workplace environment

3. Hersey-Blanchard Situational Leadership Theory
   a) Argues that leaders should adjust their style of leadership to the “readiness” of followers
      (1) Readiness is based on followers’ ability, willingness, and confidence
   b) Situational Leadership II: a modification of the original model
      (1) Describes four leadership situations and the appropriate leadership style based on the “developmental level” (instead of “readiness”)
         (a) Developmental level is based on follower “competence” and “commitment”
      (2) The four leadership styles
         (a) Directing: appropriate when members lack technical knowledge but are committed
         (b) Coaching: appropriate when members lack technical knowledge and are lacking commitment
         (c) Supporting: appropriate when members are competent but lack confidence or commitment to perform
         (d) Delegating: appropriate when members are competent and committed

III. Multistream leadership
   A. Multistream leaders do not focus exclusively on maximizing productivity and profitability but also value nonfinancial outcomes like stakeholder well-being
   B. Servant leadership
      1. Definition: an active approach to leadership that promotes the interest of others (thus distinguishing Multistream from Mainstream leaders)
      2. Three components of servant leadership
         a) Helping others to grow as persons embedded in a larger community
         b) Modeling service, dignity, and wisdom in the hope of inspiring servant leadership from others
         c) Taking a special interest in people who are the “least privileged” in society
   C. Spirituality and spiritual leadership
      1. Spirituality is a state of heightened sensitivity to one’s human or transcendent spirit
      2. In recent years, employees have expressed greater needs for spiritual growth
      3. Spirituality can be incorporated into the workplace with positive effects as long as it doesn’t isolate those with other beliefs
D. Personality traits of Multistream leaders (as compared to Mainstream leaders)
   1. Desire to lead: desire is driven by group interests rather than self-interest
   2. Drive: motivated to make a difference rather than to get ahead or win
   3. Confidence in the group, not only in the self
   4. Honesty and integrity: viewed as an important end rather than as a means to an end
   5. Intelligence and knowledge: broad and holistic rather than narrow and instrumental
   6. Emotional intelligence (EI) is the innate or developed ability to recognize, manage, and exercise emotions in relationships
      a) Five components of EI
         (1) Self-awareness = ability to recognize when and why emotional responses are triggered
         (2) Self-management = ability to harness emotions to positively influence interactions with others
         (3) Empathy = reading and understanding the emotional content of others’ communication
         (4) Internal motivation = willingness to translate emotional knowledge into behaviors
         (5) Social skills = behaviors that facilitate commitment and collaboration
      b) Research shows a strong relationship between EI and a leader’s success
E. Leadership behaviors
   1. Multistream behaviors are described as “socioemotional” or “structural”
      a) Socioemotional behaviors include the Mainstream supportive behaviors but also address interpersonal and emotional needs
      b) Structural behaviors include Mainstream directive behavior but also address the structure of the task and work context
   2. Multistream leaders try to provide high levels of socioemotional and structural behaviors but vary the transparency or visibility of the behaviors
F. Situational leadership
   1. Multistream leadership styles are defined by two dimensions
      a) Appropriate socioemotional behavior (visible or invisible)
      b) Appropriate structural behavior (visible or invisible)
   2. Four basic Multistream leadership styles
      a) Enabling
         (1) Sharing or explaining information related to a job and its context
         (2) Multistream managers are more interested in the long-term performance gains of learning rather than immediate productivity
         (3) Providing visible structural support and invisible socioemotional support in the form of patience
      b) Equipping
         (1) Creating an environment for continuous learning
         (2) Responding to followers’ need for both direction and socioemotional support by providing visible structural and socioemotional support
         (3) Compared to Mainstream coaching, equipping focuses on what followers are doing well rather than on what needs improvement
      c) Engaging
         (1) Encouraging affiliation and enhancing the intrinsic meaningfulness of work
         (2) Providing visible socioemotional support and invisible structural support
      d) Empowering
         (1) Freeing people to be responsible for work
(2) Providing *invisible* socioemotional and structural support
(3) Broader than Mainstream delegating, which implies that management controls what tasks and decisions to relinquish