Leadership

- What are the bases of power?
- What are the different theories of leadership?
- What’s the difference between leadership behaviors and traits?
- What’s the difference between transactional and transformational leadership?

What is Leadership?

- Many diverse definitions of leadership but all share some component of influence.
- Controversies center on
  - Whether leadership is one main leader in a group or shared leadership w/ many informal leaders.
  - Difference between leader & manager
    - Leaders influence by gaining commitment
    - Managers exercise authority

Does Leadership Matter?

- Incompetent leadership can result in massive consequences.
- It is estimated that between 60% and 75% of employees report that immediate boss is most stressful part of job.
- Employees reactions to incompetent leadership include turnover, insubordination, sabotage, and malingering.

Why so many poor leaders?

- Failed Leaders
  - Many managers are bright and technically competent but –
    - Are perceived as arrogant, vindictive, untrustworthy, compulsive, abrasive, etc.
  - Can these leaders be trained?
    - Yes, but many leadership programs are too brief to provide the necessary time and feedback for any reliable change.

Why so many poor leaders?

- How are people promoted?
  - Based on their technical competence OR
  - Perceived ability to work with upper management.
- What is missing?
  - Subordinates rate their bosses on integrity and trust.
  - Critical elements for building a committed team.

Power

- A resource that provides the potential to influence the attitudes and behaviors of others
- French & Raven’s Model – 5 Bases
  - Legitimate – Bestowed on an individual by the organization, analogous to authority
  - Reward – Control rewards or outcomes of others
  - Coercive – Control over punishments and used to get people to do what one wants
Power
- Expert – Affiliated with special knowledge or proficiency
- Referent – Gained by the respect of others

Power is not always a good thing
- Sometimes it can corrupt decision making or follower perceptions of a leader’s intent
- Referent and expert power not limited to top of the organization

Leadership Theories
- Much research effort has been devoted to the explanation of effective leadership
- Several families of theories have emerged
  - Trait
  - Behavior
  - Contingency
  - Contemporary

Trait Theories
- Focus was on identifying the individual characteristics that make people good leaders
  - Gender, Dominance, Intelligence, Appearance, Physical Energy, Need for Power, and Need for Achievement
  - Seminal paper by Stogdill (1948) concluded that there weren’t any universal traits predictive of leadership
  - Traits disappear for a while.

Behavior Theories
- If traits don’t predict well, perhaps what leaders actually do will help us understand them

Lewin – Iowa Studies
  - Authoritarian, democratic, and laissez-faire
  - Subordinates prefer democratic, but there has been no consistent relationship found between style and subordinate behavior (or effectiveness)

Ohio State Studies – 2 major dimensions of leader behavior
  - Initiating Structure (task-oriented) – Define role of subordinates toward achieving goals
  - Assigning specific tasks, planning ahead for the next job
  - Consideration (relationship-oriented) – Supportive behaviors that show concern and respect for subordinates
  - Participative decision making, establishing a favorable rapport
Behavior Theories
- Not two ends of a continuum – can be high or low on both; most effective leaders probably are high on both
- Results are quite mixed, sometimes high IS leaders seem more effective and sometimes high C leaders seem more effective

Contingency Theory
- Take into account situational and contextual variables
- What did we just say about the effectiveness of leader style or behaviors? C or IS?
- 2 Theories to talk about:
  - Fiedler’s Contingency Theory: Effective leadership is a joint function of leader characteristics and situational features
  - Path–Goal Theory: Leaders are effective to the extent that they use their resources to complement the environment in which their subordinates work

Contemporary Theories
- Three theories have received considerable research attention over the past 25 years
  - Transformational Leadership Theory
  - Leader–Member Exchange
  - Implicit Leadership Theory

Contemporary Theories
- Four common characteristics of new leadership theories:
  - Explain how leaders can take organizations to new heights
  - Explain how certain leaders are able to achieve extraordinary levels of motivation, commitment, and dedication
  - Stress emotionally appealing behaviors such as empowering, developing a vision, and role modeling
  - Result in increased follower satisfaction and identification with leader values

Transformational Leadership
- Leader and subordinate interact so that they are raised to a higher level of motivation and morality than they would otherwise achieve (Bass, 1985)
  - Transactional Leadership – Based on contingent reinforcement such that the relationship between a leader and follower is based on exchanges
    - Follower rewarded for meeting leader expectations

Transformational Leadership
- Transformational leaders provide:
  - Idealized Influence (Charisma)
  - Inspirational Motivation
  - Intellectual Stimulation
  - Individualized Consideration
- They do more than motivate, they inspire
- Transformational leadership typically results in greater subordinate motivation, commitment, and performance
Transformational Leadership

- Even more successful if they exhibit transactional behaviors as well
  - Must still set expectations and clarify roles
- Perceptions of transformational leadership predicted voting behavior in the 1996 U.S. presidential election
- Could there be a "Dark Side" of leadership?