ixamBee

Prepare 50% Faster

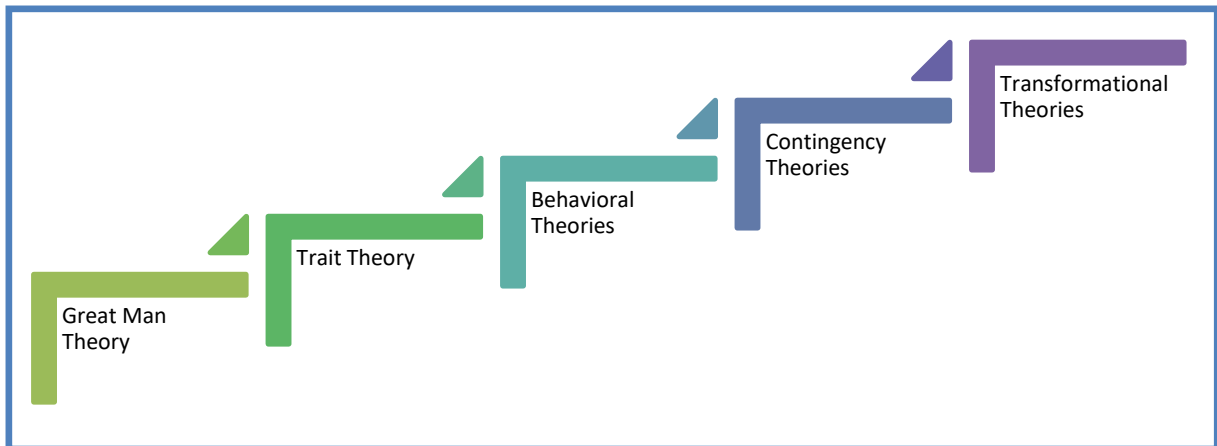## Study Notes

Leadership – Leadership Theories – Part 1

Introduction

Theories of leadership have been used to explain what a leader is, since a long time and as far back as the 1800s. These theories have noticeably changed over time and till date, and some are now even obsolete.

The evolution of the various theories can be summarised as follows:
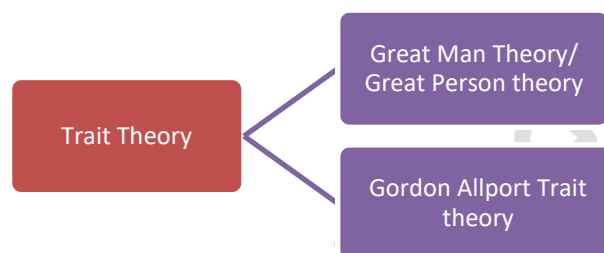

- The **great man theory** can be linked to as early as the Greek era and later developed around 1840s. This theory sees the leader as a great hero with certain inborn qualities.
- The **Trait theory** originated in the 1930s and stated that anyone who has the right characteristics or traits would be a successful leader. The major criticism of this theory was as to what was the right combination of traits required to be a successful leader.
- This was followed by the **behavioural theories** that focussed on a leader's behaviour rather than the traits that make someone a leader. It originated in the late 1940s and early 1950s and suggests a person can learn specific leader behaviours.
- Then in the 1960s, the **contingency leadership theory** was established. According to these theories, the leadership style depended on the situation. it argued that some leaders are good only in certain situations and not in others.
- Following this, in the 1970s, the **transactional and transformational leadership theories developed.**
  - o **Transactional theory** stated that the key was the relationship between the leader and the followers. The leader has to reward or punish each follower as necessary according to how the follower has completed a particular task.
  - o **Transformational leadership theory** argued that a leader is charismatic and able to inspire the followers. The leader first establishes trust with the followers, and through trust and inspiration, increases motivation and a sense of belonging.

Early Leadership theories

Great Man Theory/Great Person Theory

- The leaders are born and not made
- They possess certain traits/attributes that set them apart from others and that
- these traits are responsible for their assuming positions of power and authority
- Great leaders can arise when there is a great need

Trait Theory

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                          ┌─────────────────────┐
                          │ Great Man Theory/    │
          ┌───────────────┤ Great Person theory  │
┌─────────────┐           └─────────────────────┘
│ Trait Theory│
└─────────────┘           ┌─────────────────────┐
          └───────────────┤ Gordon Allport Trait │
                          │ theory               │
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Basic Theory:
An individual who has traits relevant to leadership emerges as an effective leader. It seeks to determine "what makes a successful leader" from the personal characteristics of the leader himself. The following are the core traits identified:
- *Achievement drive:* High level of effort, high levels of ambition, energy and initiative
- *Leadership motivation:* an intense desire to lead others to reach shared goals
- *Honesty and integrity:* trustworthy, reliable, and open
- *Self-confidence:* Belief in one's self, ideas, and ability
- *Cognitive ability:* Capable of exercising good judgment, strong analytical abilities, and conceptually skilled
- *Knowledge of business:* Knowledge of industry and other technical matters
- *Emotional Maturity:* well adjusted, does not suffer from severe psychological disorders.
- *Communication skills :* coherent and objective communication
- *Others:* charisma, creativity and flexibility, social skills, empathy

Advantages
- It serves as a yardstick against which the leadership traits of an individual can be assessed.
- It gives a detailed knowledge and understanding of the leader element in the leadership process.

Limitations
- Involves subjective judgment in determining who is regarded as a 'good' or 'successful' leader

- The list of possible traits tends to be very long. More than 100 different traits of successful leaders in various leadership positions have been identified. These descriptions are simply generalities.
- disagreement over which traits are the most important for an effective leader
- The model attempts to relate physical traits such as, height and weight, to effective leadership.
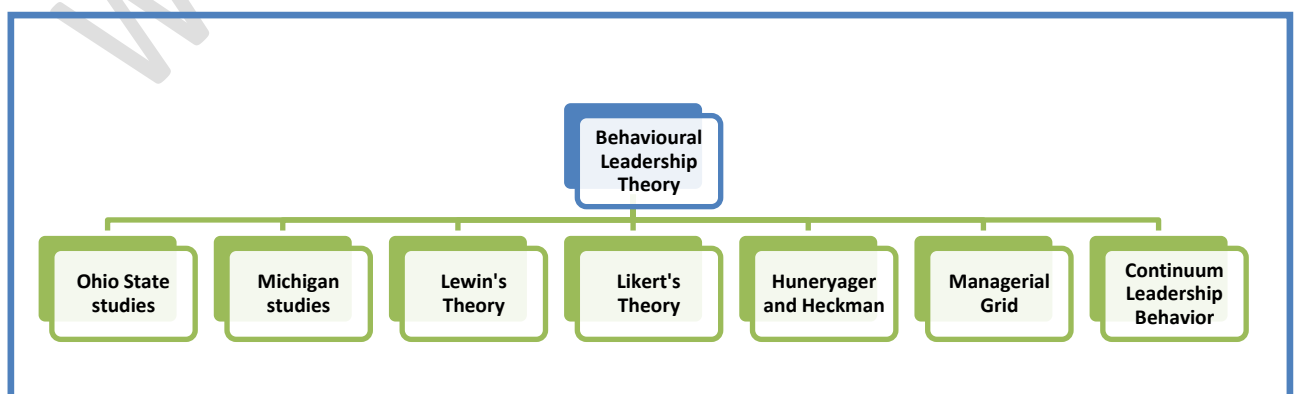
Gordon Allport's Trait theory

- Gordon Allport believed that personality traits are influenced by one's childhood experiences, current environment, and the interaction between them
- Accordingly, the trait theory of personality has categorized traits into three dimensions: cardinal, central, and secondary.

Cardinal Traits	Central Traits	Secondary Traits
• Allport believed that cardinal traits are rare and tend to develop over the years. • They dominate and shape an individual's behavior (e.g. Kindness in Mother Teresa)	• They are the general characteristics that form the basic foundations of personality. • They are relatively less dominant than cardinal traits	• They are only seen in certain situations or under specific circumstances. • They include prefernces and atitudes of a person

- Allport believed that internal (genotypes) and external forces (phenotypes) influence an individual's behavior and personality.

Behavioural Leadership Theory

- This theory is opposite to trait theory as it assumes leadership skills can be learned rather than being inherent.
- It focuses on the behaviour of the leader and what leaders do, how they act.
- Broadly defines the leadership behaviour into two types –
  - Task oriented and
  - People oriented

Behavioural Leadership Theory

- Ohio State studies
- Michigan studies
- Lewin's Theory
- Likert's Theory
- Huneryager and Heckman
- Managerial Grid
- Continuum Leadership Behavior

Ohio State studies of Leadership

- Ohio State University Leadership Study focused on identifying behaviors (as opposed to traits) that were indicative of a strong leader.
- Studies on leadership were done at Ohio State University using the Leader Behavior Description Questionnaire to identify the leader's observable behaviors.
- Accordingly, the study on leadership found two behavioral characteristics of leadership - people-oriented (consideration) and task-oriented (initiating structure) leadership style.

Consideration – People Oriented	Initiating Structure – Task Oriented
Leader has mutual respect for subordinates and their ideas. Due importance is given to subordinates feelings. Leaders try to fulfill the inner needs of employees. Leaders focus on task and results without compromising on the well-being of employees	Leaders try to establish concrete organizational structures, channel of communication, etc. Leaders are mainly concerned with accomplishment of tasks through set procedures. They are concerned with the employee welfare as well but no so much as in the case of people oriented leaders

University of Michigan studies

A series of studies on leadership were done in Michigan University in 1950s with the objective of identifying the principles and types of leadership styles that led to greater productivity and enhanced job satisfaction among workers.

The studies founded three critical characteristics of effective leaders; two of which were previously observed in studies that had been conducted at Ohio State University.

- **Task-oriented behavior**: Same as under Ohio Studies
- **Relationship-oriented behavior**: Same as under Ohio Studies
- **Participative leadership**: The leader encourages the particpation of employees in decision-making. The role of a manger is more of a facilitator rather than a director in building a cohesive team focusing on team objectives. The manager takes recommendations/suggestions from the team into consideration before coming up with any final decision. However, the manager remains responsible for the results

Lewin's Leadership theory

Given By – Kurt Lewin

Probably the oldest way of categorizing leadership styles was by Kurt Lewin in the 1930s. Kurt Lewin, a psychologist, through his research in 1939, had identified three 'styles ' of leadership behaviour in an article in the Journal of Social Psychology. The 3 Styles are:

- **Autocratic (authoritarian) leaders**, who make decisions without consulting their team members, even when their input would be useful. They use direct supervision as a way of maintaining the environment. This may create a climate of fear, where there is little or no room for dialogue and where complaining may be considered futile. This style can be demoralizing, and it can lead to high levels of absenteeism and staff turnover.
- **Democratic (participative) leaders**, who make the final decisions, but who include team members in the decision-making process. They encourage creativity, and people are often highly engaged in projects and decisions. Team members usually have high job satisfaction and high productivity. This leadership style is usually the most effective, although it isnt so good when quick decisions need to be made.
- **Laissez-faire (delegative) leaders**, who let team members have lots of freedom in how they do their work, and how they set their deadlines, although they do offer support with resources and advice if needed, but otherwise they don't get involved. This style works well with highly-qualified experts, but it can lead to poorly defined roles and a lack of motivation.

Likert's Management System

Given By – Rensis Likert
Basic Theory –
- The efficiency of the organization is influenced by their system of management.
- The theory identifies 4 management systems based on the organizational variables

	System 1	System 2	System 3	System 4
Leadership Style	Exploitative Authoritative	Benevolent Authoritative	Consultative	Participative
Variables				
Responsibility	Top management	managerial levels but not at the lower levels	spread widely	Widespread
Trust in subordinates	Nil	condescending confidence (master-servant relationship	Substantial	Complete trust
Decision Making	with superiors; orders to subordinates	with superiors; instructions to subordinates	Some amount of discussion with subordinates	Goals based on participation by subordinates
Communication	Very little; always distrust	Little; always caution	Moderate	Extensive interaction; friendly
Motivational forces	Fear, threats and punishment	Rewards and punishment	Rewards, involvement in job	Goal setting and improvement in job

A firm should aim to move from System 1 to System 4

Blake and Mouton's Managerial Grid/Leadership Grid

Given By – Robert Blake & Jane Mouton

Basic Theory - The grid depicted two dimensions of leader behavior,
- **concern for people** (accommodating people's needs and giving them priority) on y-axis and
- **concern for production** (keeping tight schedules) on x-axis,

with each dimension ranging from low (1) to high (9), thus creating 81 different positions in which the leader's style may fall

However, there are **five distinct styles of leadership** discussed in the theory as follows:

Figure 1: Managerial Grid
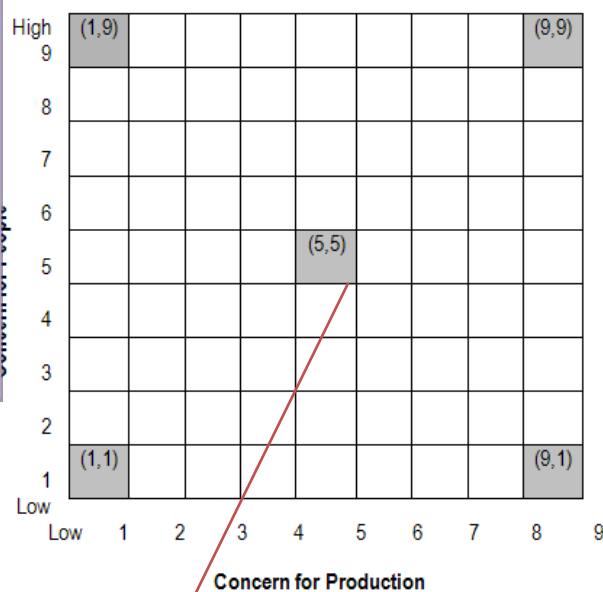
Country Club (1,9)
- collegial style
- low task and high people orientation
- leader believes that a friendly and comfortable treatment with employees = self-motivation to work hard
- low focus on tasks = questionable results

Team Management (9,9)
- high people and task focus
- based on theory Y of McGregor
- Most effective style according to Blake and Mouton
- Result = team atmosphere with high employee satisfaction and production

Impoverished Mgt. (1,1)
- Low concern for people and low concern for work deadlines
- Result = disharmony in firm
- Leader = ineffective

Middle of the Road (5,5)
- compromising style
- leader tries to maintain a balance between goals of company and the needs of people
- Result = average performance for organization

Task Management (9,1)
- Dictatorial/Perish style
- Based on Theory X of McGregor
- more concern for production and less concern for people
- Result = high output in short run, high labor turnover & cost in long run

Continuum Leadership Behavior

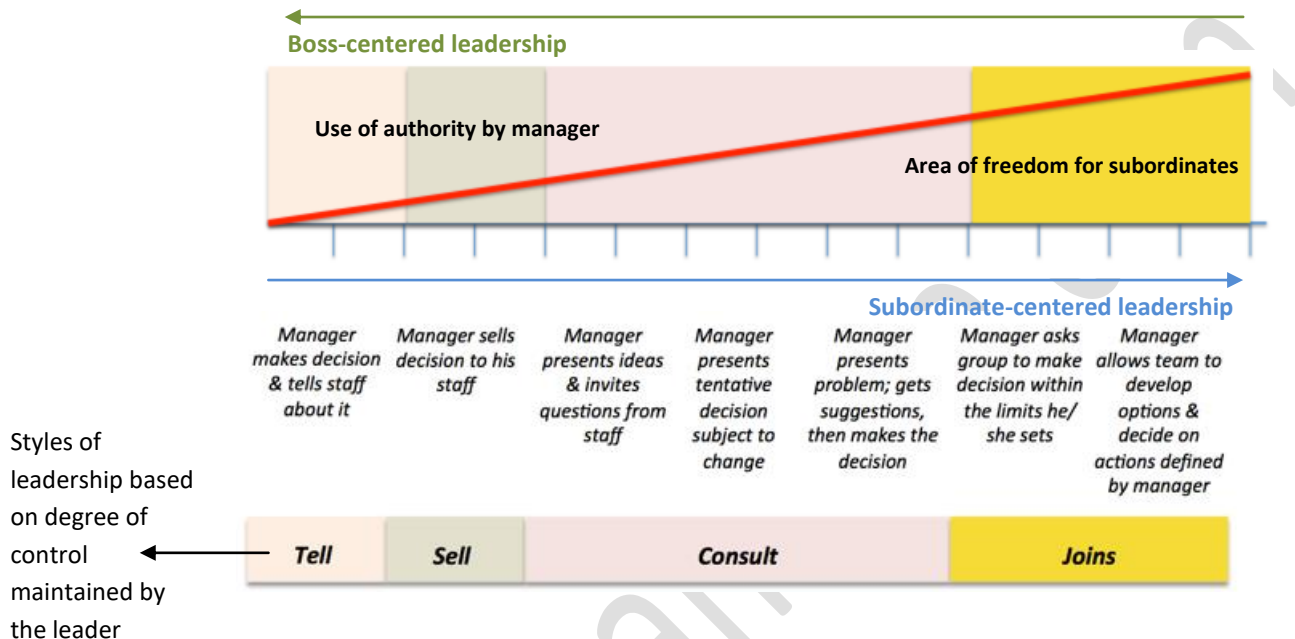**Given By -** Tannenbaum and Schmidt
Basic Theory –
- continuum of possible leadership behavior available to a manager and along which many leadership styles may be placed
- can be related to McGregor's supposition of Theory X and Theory Y. Boss-centered leadership is towards theory X and subordinate-centered leadership is towards theory Y
- Choice of leadership style depends on 3 factors –

- o *Forces in manager* (leader's value system, confidence in subordinates, leadership inclination, feelings of security in an uncertain situation, etc.)
- o *Forces in subordinates* (Readiness to assume responsibility, degree of tolerance for ambiguity, Interest in the problem, needs for independence, Knowledge and experience, Understanding and identification with the goals of the organization, etc.)
- o *Forces in the situation* (type of organisation, group effectiveness, nature of problem, time pressure, etc.)

Styles of leadership based on degree of control maintained by the leader

Boss-centered leadership

Use of authority by manager

Area of freedom for subordinates

Subordinate-centered leadership

| Manager makes decision & tells staff about it | Manager sells decision to his staff | Manager presents ideas & invites questions from staff | Manager presents tentative decision subject to change | Manager presents problem; gets suggestions, then makes the decision | Manager asks group to make decision within the limits he/ she sets | Manager allows team to develop options & decide on actions defined by manager |

| **Tell** | **Sell** | **Consult** | **Joins** |

Huneryager and Heckman Four styles of management

They propunded 4 styles of leadership which are given below

Dictatorial style	**Autocratic style**	**Democratic style**	**Laissez-Faire style**
Leader threatens the subordinates and punishes and penalizes in case of any deviation	Leader believes in centralized decision making. All sort of participation is discouraged.	Decision making is decentralized and participation in decision making is encouraged.	Subordinates given absolute freedom to set up their own goals and to take their own decisions.