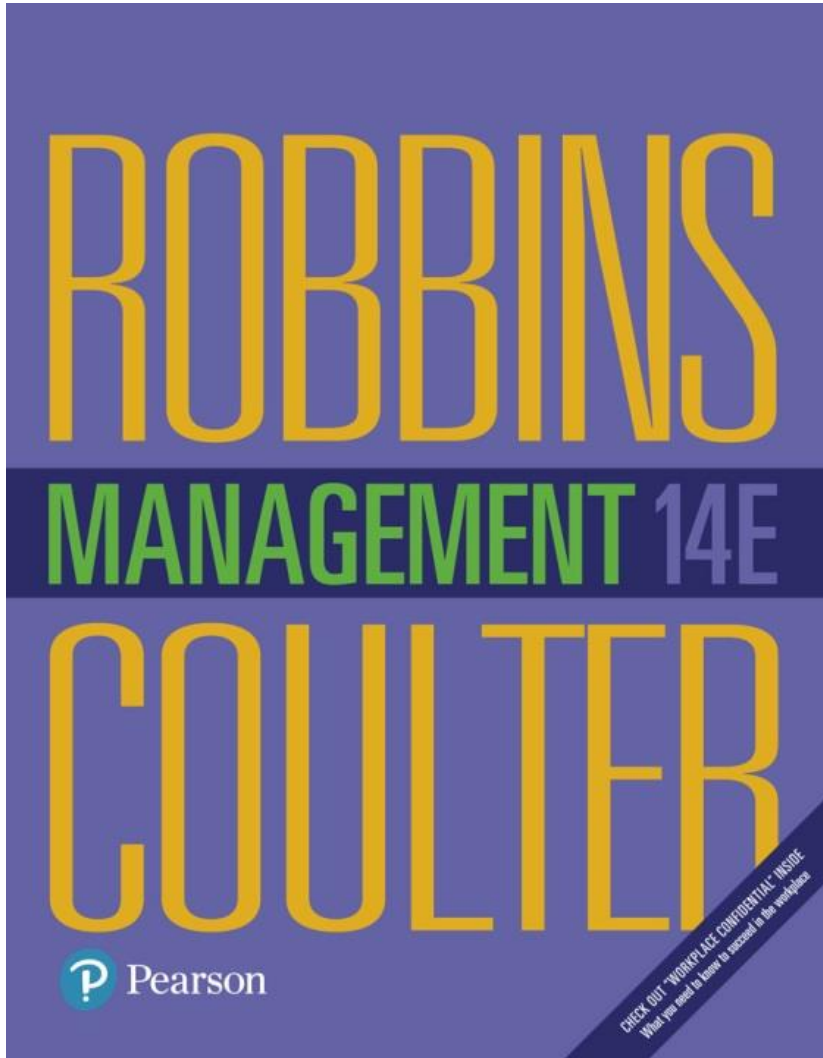


# Management

Fourteenth Edition



## Chapter 17

### Being an Effective Leader

# Who Are Leaders and What is Leadership?

- **Leader:** someone who can influence others and who has managerial authority
- **Leadership:** a process of influencing a group to achieve goals
- Weblink:  
<https://www.youtube.com/watch?v=gSz2kNSpiNA>

# Leadership Traits versus Leadership Behaviors

- Research focused on identifying personal characteristics that differentiated leaders from non-leaders was unsuccessful who can influence others and who has managerial authority.
- It proved impossible to identify a set of traits that would always differentiate a leader (the person) from a nonleader of influencing a group to achieve goals.
- **Behavioral theories:** leadership theories that identify behaviors that differentiate effective leaders from ineffective leaders

# University of Iowa Studies

- **Autocratic style:** a leader who dictates work methods, makes unilateral decisions, and limits employee participation
- **Democratic style:** a leader who involves employees in decision-making, delegates authority, and uses feedback as an opportunity for coaching employees
- **Laissez-faire style:** a leader who lets the group make decisions and complete the work in whatever way it sees fit



- **Autocratic leadership style:**
- In this style of leadership, a leader has **complete command** and hold over their employees/team.
- The team **cannot put forward their views** even if they are best for the teams or organizational interests.
- They **cannot criticize or question** the leader's way of getting things done.
- The leader **himself** gets the things done.
- The advantage of this style is that it leads to **speedy decision-making** and greater **productivity** under leader's supervision.
- Drawbacks of this leadership style are that it leads to greater employee **absenteeism and turnover**.
- This leadership style works only when the leader is the best in performing or when the job is **monotonous, unskilled and routine** in nature or where the project is **short-term and risky**.



- **The Laissez Faire Leadership Style:**
- Here, the leader totally **trusts** their employees/team to perform the job themselves.
- He just concentrates on the **intellectual/rational aspect** of his work and does not focus on the **management** aspect of his work.
- The team/employees are welcomed to **share their views and provide suggestions** which are best for organizational interests.
- This leadership style works only when the employees are **skilled, loyal, experienced and intellectual.**

- **Democratic/Participative leadership style:**
- The leaders **invite and encourage** the team members to play an important role in decision-making process, though the ultimate decision-making power rests with the leader.
- The leader **guides the employees** on **what** to perform and **how** to perform, while the employees communicate to the leader their experience and the suggestions if any.
- The advantages of this leadership style are that it **leads** to satisfied, **motivated** and more **skilled** employees.
- It leads to an **optimistic work environment** and also encourages **creativity**.
- This leadership style has the only drawback that it is **time-consuming**.



- **Bureaucratic leadership:**
- Here the leaders strictly adhere to the organizational **rules and policies**.
- Also, they make **sure** that the employees/team also **strictly** follows the rules and procedures.
- Promotions take place on the basis of employees' **ability to adhere to organizational rules**.
- This leadership style gradually develops over time.
- This leadership style is more suitable when **safe work conditions and quality** are required.
- But this leadership style discourages **creativity** and does not make employees **self-contented**.



# Ohio State Studies

- **Initiating structure:** the extent to which a leader defines his or her role and the roles of group members in attaining goals
- **Consideration:** the extent to which a leader has work relationships characterized by mutual trust and respect for group members' ideas and feelings
- **High–high leader:** a leader high in both initiating structure and consideration behaviors

# University of Michigan Studies

- Two dimensions of leadership:
  - Employee oriented
  - Production oriented

# The Managerial Grid

- **Managerial grid:** a two-dimensional grid for appraising leadership styles



# The Fiedler Model

- **Fiedler contingency model:** a leadership theory proposing that effective group performance depends on the proper match between a leader's style and the degree to which the situation allows the leader to control and influence
- **Least-preferred coworker (LPC) questionnaire:** a questionnaire that measures whether a leader is task or relationship oriented

# Fiedler's Situational Contingencies

- **Leader–member relations:** describes the degree of confidence, trust, and respect employees have for their leader
- **Task structure:** describes the degree to which job assignments are formalized and structured
- **Position power:** describes the degree of influence a leader has over activities such as hiring, firing, discipline, promotions, and salary increases

# Exhibit 17-3

## The Fiedler Model

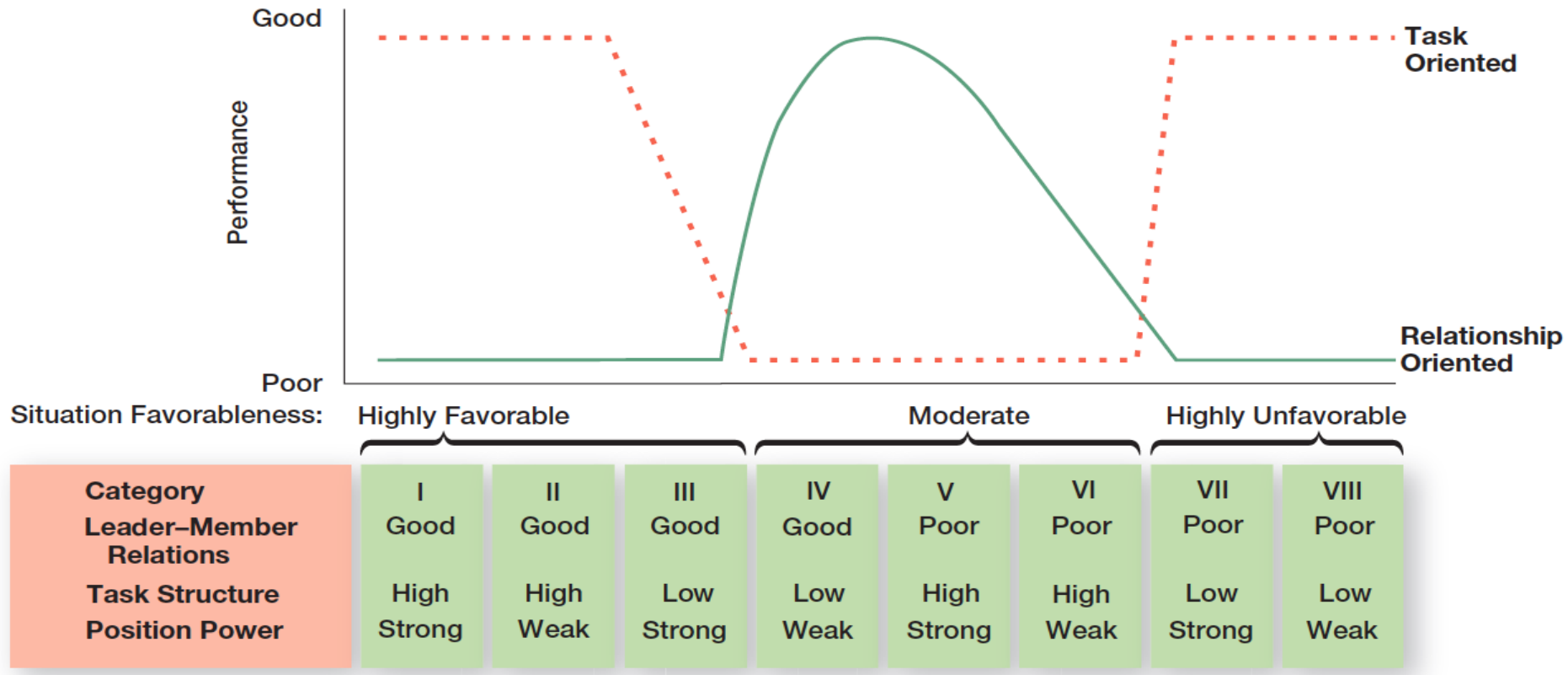


Exhibit 17-3 illustrates the Fiedler Model.



# Hersey and Blanchard's Situational Leadership Style

- **Situational leadership theory (SLT):** a leadership contingency theory that focuses on followers' readiness
- **Readiness:** describes the degree to which job assignments are formalized and structured

# SLT Leadership Styles

- Telling (high task–low relationship)
- Selling (high task–high relationship)
- Participating (low task–high relationship)
- Delegating (low task–low relationship)

# Path-Goal Model

- **Path-goal theory:** a leadership theory that says the leader's job is to assist followers in attaining their goals and to provide direction or support needed to ensure that their goals are compatible with the goals of the group or organization



# Exhibit 17-4

## Path-Goal Model

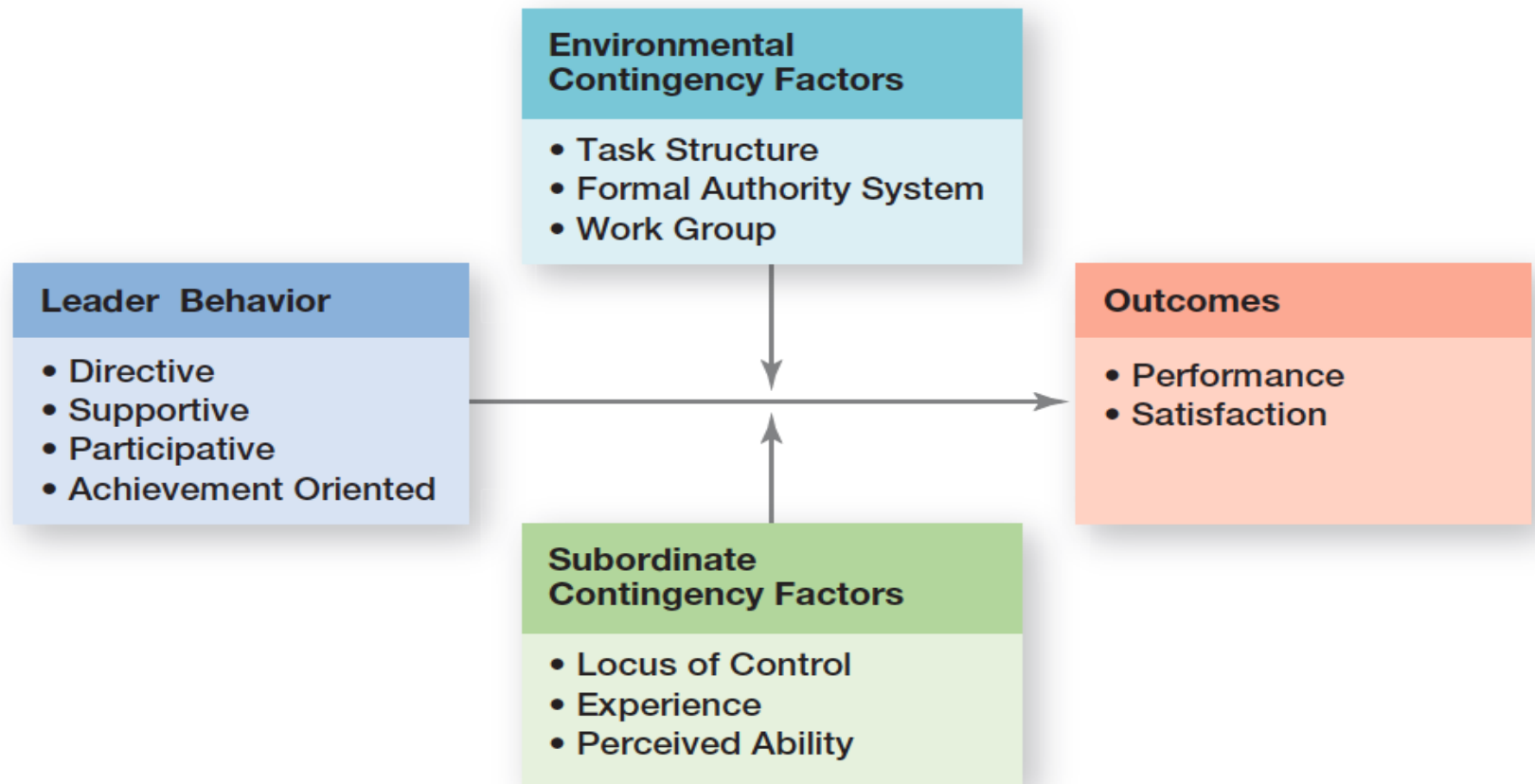


Exhibit 17-4 illustrates that path-goal theory proposes two situational or contingency variables that moderate the leadership behavior–outcome relationship.

# Four Leadership Behaviors

- Directive leader
- Supportive leader
- Participative leader
- Achievement-oriented leader

# Leader-Member Exchange (LMX) Theory

- **Leader-member exchange theory (LMX):** the leadership theory that says leaders create in-groups and out-groups and those in the in-group will have higher performance ratings, less turnover, and greater job satisfaction

# Transformational/Transactional Leadership

- **Transactional leaders:** leaders who lead primarily by using social exchanges (or transactions)
- **Transformational leaders:** leaders who stimulate and inspire (transform) followers to achieve extraordinary outcomes
- Web links:  
[https://www.youtube.com/watch?v=eQ5vhPowj\\_0](https://www.youtube.com/watch?v=eQ5vhPowj_0)



# Charismatic/Visionary/Authentic Leadership

- **Charismatic leader:** an enthusiastic, self-confident leader whose personality and actions influence people to behave in certain ways
- Weblink:  
<https://www.youtube.com/watch?v=HleLiPjgAbQ>
- **Visionary leadership:** the ability to create and articulate a realistic, credible, and attractive vision of the future that improves upon the present situation

- **Authentic leadership:** leaders who know who they are, know what they believe in, and act on those values and beliefs openly and candidly
- Ethical Leadership
- An ethical leader puts public safety ahead of profits, holds culpable employees accountable, and creates a culture in which employees feel that they could and should do a better job.
- Web link:  
<https://www.youtube.com/watch?v=JG69mNpafbo>

# Judge your style

- Web link
- <https://www.youtube.com/watch?v=7uP30PnCOvc>

# Team Leadership

- Many leaders are not equipped to handle the change to employee teams.
- Two priorities:
  - Managing team's external boundary
  - Facilitating team process

# Exhibit 17-5

## Team Leadership Roles

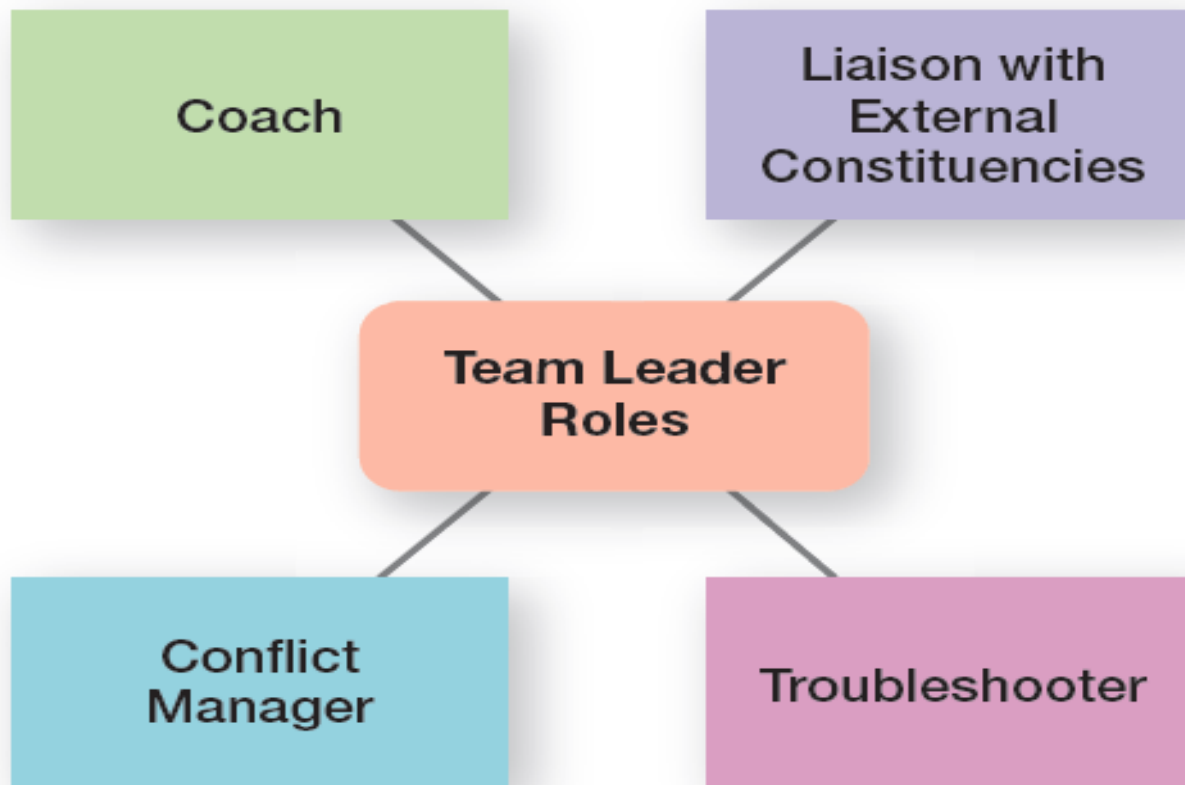


Exhibit 17-4 illustrates the four specific leadership roles.

# Managing Power

- **Legitimate power:** the power a leader has as a result of his or her position in the organization
- **Coercive power:** the power a leader has to punish or control
- **Reward power:** the power a leader has to give positive rewards
- **Expert power:** power that's based on expertise, special skills, or knowledge
- **Referent power:** power that arises because of a person's desirable resources or personal traits



# Developing Trust

- **Credibility:** the degree to which followers perceive someone as honest, competent, and able to inspire
- **Trust:** the belief in the integrity, character, and ability of a leader
  - Dimensions of trust include integrity, competence, consistency, loyalty, and openness

# Empowering Employees

- Empowerment involves increasing the decision-making discretion of workers. Millions of individual employees and employee teams are making the key operating decisions that directly affect their work.

# Leading Across Cultures

- Effective leaders do not use a single style. They adjust their style to the situation.
- National culture is certainly an important situational variable in determining which leadership style will be most effective.

# Becoming an Effective Leader

- Leader training
- Substitutes for leadership

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