

INTRODUCTION TO BUSINESS MANAGEMENT: LEADERSHIP THEORIES

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13. Work design Model - Hackman & Oldman
(Job characteristic Model)

It defines five important job characteristics :-

- a. Skill Variety
- b. Task Identity
- c. Task Significance
- d. Feedback
- e. Autonomy:

Leadership Theories :- It focuses on discovering the constant relationships between leadership behaviour & group performance, the contemporary theories

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I Traditional Theory :-

I Great Man Theory (Thomas Carlyle)

- Assumptions :- a) The leaders are born & not made and possess certain traits which were inherited.
- b) Great leaders can arise when there is great need.

2. Trait Theory of Leadership (Gordon Allport) :-

↳ It focuses on certain traits or characteristics which are essential to become a successful leader. Some of those core traits are :-

- a. Achievement drive
- b. Leadership motivation
- c. Honesty & Integrity
- d. Self confidence
- e. Cognitive ability - exercising good judgement, strong analytical abilities & conceptually skilled
- f. Knowledge of business
- g. Emotional Maturity

II. Behavioural Theories of Leadership :-

- ↳ Ohio State University Leadership Studies :- Done in 1945 to identify observable behaviour of leaders instead of focusing on their individual traits

The research was based on questionnaires to leaders &

Subordinates of the organisation over four behaviours within the subtopics of consideration & initiating structure

The two critical characteristics of leadership either of which could be high or low or independent of one another :-

a. Consideration - It is the extent to which a leader ~~exhibits~~ exhibits concern for the welfare of the members of the group.
↓
(Concern for People)

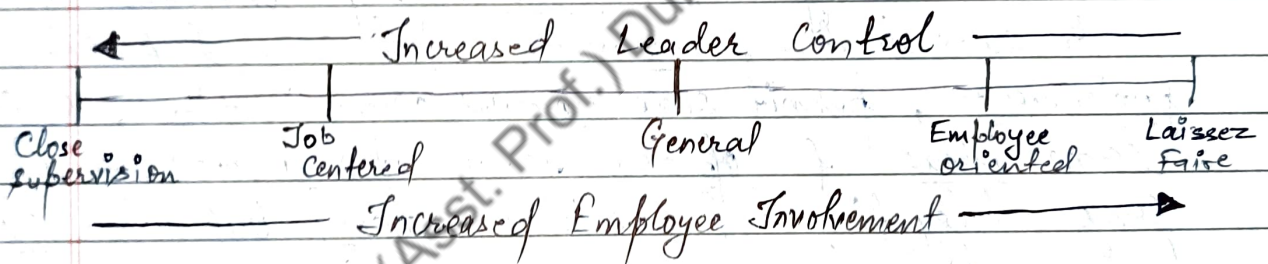
b. Initiating Structure - The behaviour of leader who define the leader-subordinate role so that everyone knows what is expected.
↓
(Concern for Production) Establish formal line of communication & determine how task will be performed

High Consideration	↓ IS	↑ IS	→ Best (High for production & people both)
	↑ C	↑ C	
Low	↓ IS	↑ IS	
	↓ C	↓ C	
	Low	High	
	Initiating structure		

2. Michigan Leadership Studies - Identify styles of leaders behaviour that result in higher performance & satisfaction of a group

It identifies two distinct style of leadership :-

- a. Job centered Leadership - Pays close attention to subordinates work, explain work procedures & are keenly interested in performance
 (Concern for Production) ↓
- b. Employee-centered Leadership - In developing a cohesive workgroup & ensuring that employees are satisfied with their jobs



3. Blake & Mouton's Managerial Grid :- Graphic portrayal of leadership style through Grid.
 (Robert Blake & Jane Mouton)

X axis → Concern for people
 Y axis → Concern for production

Low (1) to High (9) → Max possible positions = 81

4. Likert's Management System (Revised Likert) :-

↳ His 4 systems are designed to highlight various organisational ~~the~~ dynamics & characteristics built around interactions between individuals.

1.) Exploitative - Authoritative Leadership style :-

↳ The manager has no confidence or trust in subordinates. Subordinates feel no freedom to discuss things about the job with their superior.

2.) Benevolent - Autocratic Leadership style :-

↳ The manager has condescending confidence & trust in subordinates, motivates with reward & some punishments, permit some upward communication, solicit some ideas & opinion from subordinates & allow some delegation of decision making but with close policy control & no team work.

3.) Consultative Leadership style :-

↳ Manager has substantial but not complete confidence & trust but still wishes to keep control of decisions. Subordinates do not feel responsible for the organisation's goal.

4.) Democratic / Participative Leadership style :-

↳ The manager have complete confidence & trust in subordinates & allow them direct equal participation in decision making. Subordinates feel responsible for the org's goal.

5. Power Orientation :- Three styles as classified :-

a. Autocratic Leadership

b. Participative Leadership

c. Free-rein Leadership

6. Leadership as Continuum (1958) (Tennon Boun & Schmidt)
(Updated in 1973)

↳ Variety of leadership behaviours between two extreme ends of autocratic & free rein.

III. Situational / Contingency Theories of Leadership :-

1. ~~Fiedler's~~ Fiedler's Contingency Theory :- He believed that leadership style is fixed & it can be measured using a scale developed by him.

• Least Preferred Co-worker (LPC) Scale

↳ Leader rated ~~about~~ ^{from} persons in each factor & if

• Score is high → Relationship oriented leader

• Score is low → Task-oriented leader

- According to him No leadership style is appropriate for all situations

The "situational favourableness" depends on three factors

- a. Leader - Member relations
- b. Task structure
- c. Leader's Positional Power.

If LPC score is :-
(a) 73 or above - Relationship oriented Leader.
(b) 55 to 72 - Mixture of task & relationship oriented.
(c) 54 & above - Task oriented Leader.

2. Path Goal Theory (Robert House) (1971 + 1996)

↳ It states that leader is responsible for providing follower with the information, support or other resources necessary to achieve their goal.

↓
The leader must illuminate the path to the goal & explain how to make journey successfully to the followers

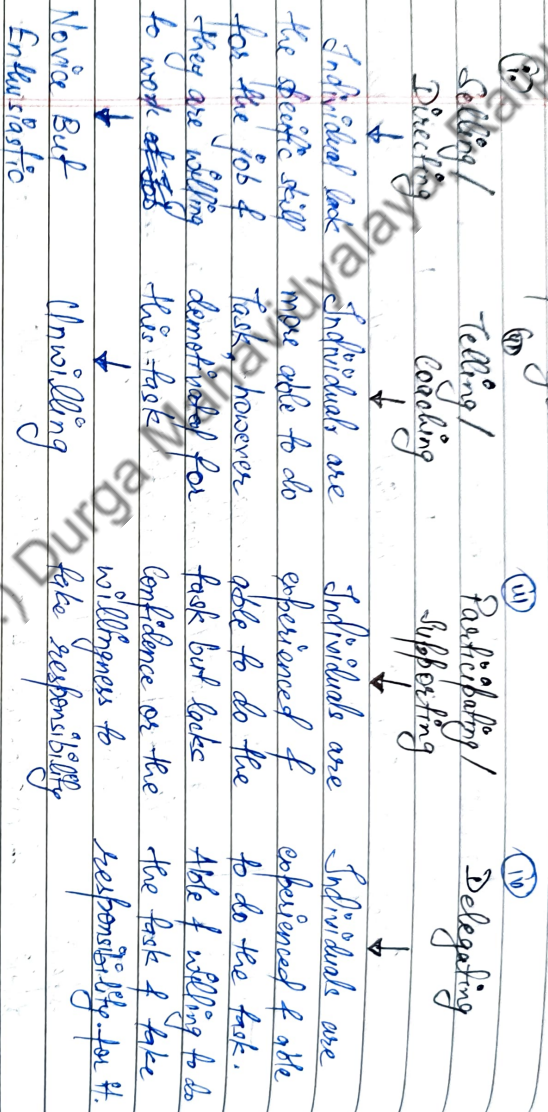
- ✓ Define Goals
- ✓ Clarify path
- ✓ Remove obstacles
- ✓ Provide support

- Four Leadership styles under Path Goal :-

- i. Directive
- ii Supportive
- iii Participative
- iv Achievement oriented

3. Life Cycle Theory of Leadership / Hersey's & Blanchard's Situational Model :- (Paul Hersey & Ken Blanchard)

- Leadership styles under it :-

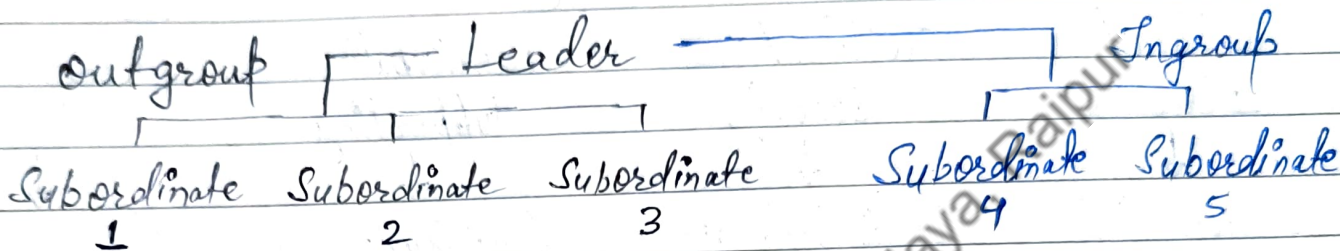


- Maturity level with regards to ability & willingness :-

- i) low ability & low willingness -> Low Maturity
- ii) low ability & high willingness -> Low to Moderate Maturity
- iii) high ability & low willingness -> Moderate to High Maturity
- iv) high ability & high willingness -> High Maturity.

4. Leader - Member Exchange (LMX) Theory :-

↳ It is relationship based approach to leadership that focuses on the two way relationship between leaders & followers



- Ingroup - The model suggest that supervisor establish a special relationship with a small no. of trusted subordinates referred as to as the In-Group.

↓
receive

Special duties & privileges of sensitive informations & strong support from leader

- Outgroup - Not a part of Ingroup are called outgroup they receive less of superior time & attention

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III New Theories of Leadership

1. Charismatic Theory (1976) (Robert House)

↳ Book - "Theory of Charismatic Leadership"

- Five characteristics of Charismatic Theory :-

- | | | |
|----------------|-------------------|-----------|
| a.) Confidence | b.) Communication | c.) Focus |
| d.) Creativity | e.) Vision | |

2. Transactional Leadership Theory (Max Weber 1947 & Bernard Bass 1981)

↳ Most often used by managers

It involves motivating & directing followers primarily through appealing to their own self interest.

It focuses on results, conforms to the existing structure of an org. & measures success according to that org.'s system of reward & penalties

Characteristic of Transactional Leadership :-

- | | |
|------------------------------|-------------------------------------|
| a.) Inspirational Motivation | b.) Practicality |
| c.) Resistance to change | d.) Discourage Independent Thinking |

- Four dimensions of Transactional Leadership :-

- i.) Contingent Rewards - Linking goals with reward

- ii) Active Mgt. by Exception - Actively monitor the work of their subordinate, watch for deviation if taking corrective measures
- iii) Passive Mgt. by Exception - Not actively monitor, only when standards are not met.
- iv) Laissez-faire - Leaders are hand-off & allow group member to make decision.

3. Transformational Leadership :- It focuses on how leaders can create valuable & creative positive change in their followers

"Leader & their followers raise one another to higher levels of morality & motivation."
- McGregor Burns (1978)

"Leadership & Performance beyond Expectations"
- Bernard M. Bass (1985)

- Four components of Transformational Leadership by Bass :-

- i) Intellectual Stimulation - Encourage creativity among followers
- ii) Individual Consideration - Involves offering support & encouragement to individual followers
- iii) Inspirational Motivation
- iv) Idealised Influence - Serve as role model for followers