

Learning Objectives

- ❑ Summarize the conclusions of trait theories of leadership.
- ❑ Identify the central tenets and main limitations of behavioral theories.
- ❑ Contrast contingency theories of leadership.
- ❑ Describe the contemporary theories of leadership and their relationship to foundational theories.
- ❑ Discuss the roles of leaders in creating ethical organizations.
- ❑ Describe how leaders can have a positive impact on their organizations through building trust and mentoring.
- ❑ Identify the challenges to our understanding of leadership.

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LO 1

Summarize the Conclusions of Trait Theories of Leadership

- **Leadership** is the ability to influence a group toward the achievement of a vision or set of goals.
 - Not all leaders are managers, nor are all managers leaders.
 - Nonsanctioned leadership is often as important or more important than formal influence.

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LO 1

Summarize the Conclusions of Trait Theories of Leadership

- **Trait theories of leadership** focus on personal qualities and characteristics.
- The search for personality, social, physical, or intellectual attributes that differentiate leaders from non-leaders goes back to the earliest stages of leadership research.

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LO 1

Summarize the Conclusions of Trait Theories of Leadership

- A comprehensive review of the leadership literature, when organized around the Big Five, has found extraversion to be the most important trait of effective leaders, but it is more strongly related to the way leaders emerge than to their effectiveness.
- Unlike agreeableness and emotional stability, conscientiousness and openness to experience also showed strong relationships to leadership, though not quite as strong as extraversion.

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LO 1

Summarize the Conclusions of Trait Theories of Leadership

- Good leaders:
 - Like being around people.
 - Are able to assert themselves (extraverted).
 - Are disciplined and able to keep commitments they make (conscientious).
 - Are creative and flexible (open).

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LO 1

Summarize the Conclusions of Trait Theories of Leadership

- Another trait that may indicate effective leadership is emotional intelligence.
 - A core component of EI is empathy.
- The link between EI and leadership effectiveness may be worth investigating in greater detail.

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LO 1

Summarize the Conclusions of Trait Theories of Leadership

- Two conclusions:
 - Traits can predict leadership.
 - Traits do a better job predicting the emergence of leaders and the appearance of leadership than actually distinguishing between effective and ineffective leaders.

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LO 2

Central Tenets and Main Limitations of Behavioral Theories

- **Behavioral theories of leadership** imply we can *train* people to be leaders.
- Ohio State Studies found two behaviors that accounted for most leadership behavior:
 - **Initiating structure**
 - **Consideration**

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LO 2

Central Tenets and Main Limitations of Behavioral Theories

- The GLOBE study suggests there are international differences in preference for initiating structure and consideration.
- Based on the values of Brazilian employees, a U.S. manager leading a team in Brazil would need to be team-oriented, participative, and humane. Leaders high in consideration would succeed best in this culture.

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LO 2

Central Tenets and Main Limitations of Behavioral Theories

- **Summary of Trait Theories and Behavioral Theories**
 - Leaders who have certain traits and who display culturally appropriate consideration and structuring behaviors do appear to be more effective.
 - Traits and behaviors do not guarantee success.
 - Context matters too.

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LO 3

Contrast Contingency Theories of Leadership

- The **Fiedler contingency model**: effective group performance depends upon the proper match between the leader's style and the degree to which the situation gives control to the leader.
- The **least preferred coworker (LPC) questionnaire**:
 - Task- or relationship-oriented.
 - Assumes leadership style is fixed.

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LO 3

Contrast Contingency Theories of Leadership

- Defining the Situation
 - Contingency dimensions:
 - Leader-member relations
 - Task structure
 - Position power

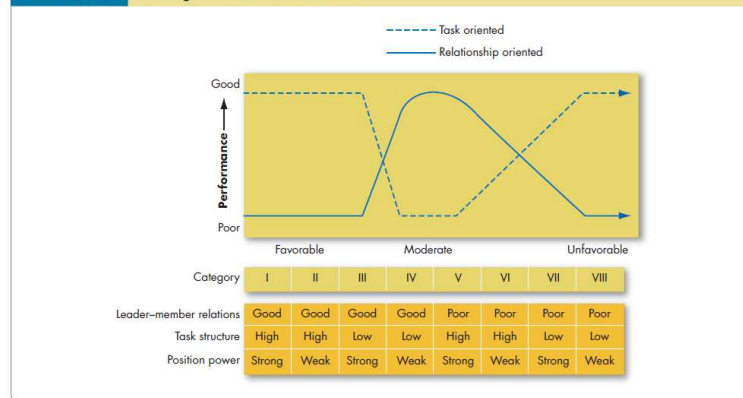
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Contrast Contingency Theories of Leadership

Exhibit 12-1 Findings from the Fiedler Model



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Contrast Contingency Theories of Leadership

- **Situational leadership theory (SLT)** is a contingency theory that focuses on the followers.
 - Successful leadership is achieved by selecting the right leadership style, which is contingent on the level of the followers' readiness.

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Contrast Contingency Theories of Leadership

➤ Path-goal theory:

- Contingency model of leadership that extracts key elements from the Ohio State leadership research on initiating structure and consideration and the expectancy theory of motivation.
- Derived from belief that effective leaders clarify the path to help followers achieve work goals.

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Contrast Contingency Theories of Leadership

- The **leader-participation model** relates leadership behavior and participation in decision making.
- Leader behavior must adjust to reflect the task structure.

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LO 3

Contrast Contingency Theories of Leadership

OB POLL

How Are You Developing Your Leadership Skills?



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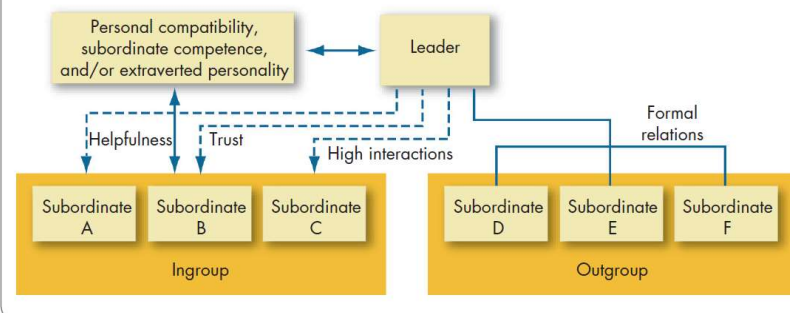
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LO 4

Contemporary Theories of Leadership

Exhibit 12-2

Leader-Member Exchange Theory



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Contemporary Theories of Leadership

Exhibit 12-3

Key Characteristics of a Charismatic Leader

1. *Vision and articulation.* Has a vision—expressed as an idealized goal—that proposes a future better than the status quo; and is able to clarify the importance of the vision in terms that are understandable to others.
2. *Personal risk.* Willing to take on high personal risk, incur high costs, and engage in self-sacrifice to achieve the vision.
3. *Sensitivity to follower needs.* Perceptive of others' abilities and responsive to their needs and feelings.
4. *Unconventional behavior.* Engages in behaviors that are perceived as novel and counter to norms.

Source: Based on J. A. Conger and R. M. Kanungo, *Charismatic Leadership in Organizations* (Thousand Oaks, CA: Sage, 1998), 34.

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Contemporary Theories of Leadership

- Are Charismatic Leaders Born or Made?
 - Some individuals are born with charismatic traits, others are trained to exhibit charismatic behaviors.
 - Develop the aura of charisma.
 - Create a bond that inspires others to follow.
 - Bring out the potential in followers by tapping into their emotions.

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Contemporary Theories of Leadership

- How Charismatic Leaders Influence Followers
 - Articulating an appealing vision.
 - Developing a **vision statement**.
 - Establishing a new set of values.
 - Conveying courage and conviction about the vision.

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Contemporary Theories of Leadership

- Does Effective Charismatic Leadership Depend on the Situation?
 - People are especially receptive when they sense a crisis, when they are under stress, or when they fear for their lives.

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Contemporary Theories of Leadership

- The Dark Side of Charismatic Leadership
 - Many leaders don't necessarily act in the best interest of their companies.
 - Many have allowed their personal goals to override the goals of the organization.
 - Individuals who are narcissistic are also higher in some behaviors associated with charismatic leadership.

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Contemporary Theories of Leadership

Exhibit 12-4 Characteristics of Transactional and Transformational Leaders

Transactional Leader

Contingent Reward: Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments.

Management by Exception (active): Watches and searches for deviations from rules and standards, takes corrective action.

Management by Exception (passive): Intervenes only if standards are not met.

Laissez-Faire: Abdicates responsibilities, avoids making decisions.

Transformational Leader

Idealized Influence: Provides vision and sense of mission, instills pride, gains respect and trust.

Inspirational Motivation: Communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways.

Intellectual Stimulation: Promotes intelligence, rationality, and careful problem solving.

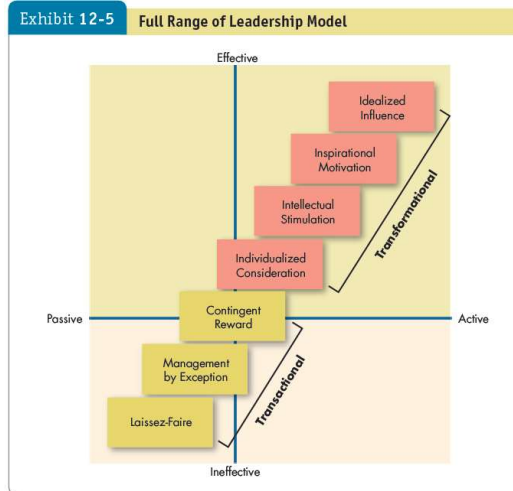
Individualized Consideration: Gives personal attention, treats each employee individually, coaches, advises.

Source: Based on A. H. Eagly, A. C. Johannesen-Schmidt, and M. L. Van Engen, "Transformational, Transactional, and Laissez-Faire Leadership Styles: A Meta-Analysis Comparing Women and Men," *Psychological Bulletin* 129, no. 4 (2003): 569-591; and T. A. Judge and J. E. Bono, "The Factorial Model of Personality and Transformational Leadership," *Journal of Applied Psychology* 85, no. 5 (2000): 751-65.

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Contemporary Theories of Leadership



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Contemporary Theories of Leadership

- How Transformational Leadership Works
 - Creativity – theirs and others.
 - Decentralization of responsibility.
 - Propensity to take risks.
 - Compensation is geared toward long-term results.
 - Greater agreement among top managers about the organization's goals.

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Contemporary Theories of Leadership

- Evaluation of Transformational Leadership
 - Transformational leadership has been supported at diverse job levels and occupations, but isn't equally effective in all situations.
 - It has a greater impact on the bottom line in smaller, privately-held firms than in more complex organizations.

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Contemporary Theories of Leadership

- Transformational versus Transactional Leadership
 - Transformational leadership is more strongly correlated with lower turnover rates, higher productivity, lower employee stress and burnout, and higher employee satisfaction.

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Contemporary Theories of Leadership

- Transformational versus Charismatic Leadership
 - Charismatic leadership places more emphasis on the way leaders communicate – are they passionate and dynamic?
 - Transformational leadership focuses more on what they are communicating – is it a compelling vision?
 - Both focus on the leader's ability to inspire followers.

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LO 5

Role of Leaders in Creating Ethical Organizations

- Authentic Leadership
 - **Authentic leaders:**
 - Know who they are.
 - Know what they believe in and value.
 - Act on those values and beliefs openly and candidly.
 - The result: people come to have faith in them.

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LO 5

Role of Leaders in Creating Ethical Organizations

- Ethical Leadership
 - Ethics touches on leadership at a number of junctures.
 - Efforts have been made to combine ethical and charismatic leadership into an idea of **socialized charismatic leadership** – leadership that conveys other-centered values by leaders who model ethical conduct.

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LO 5

Role of Leaders in Creating Ethical Organizations

- **Servant Leadership**
 - Servant leaders go beyond their self-interest and instead focus on opportunities to help followers grow and develop.
 - Characteristic behaviors include listening, empathizing, persuading, accepting stewardship, and actively developing followers' potential.

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LO 6

Positive Leadership

- Trust and Leadership
 - **Trust:** a psychological state that exists when you agree to make yourself vulnerable to another because you have positive expectations about how things are going to turn out.
 - A primary attribute associated with leadership.
 - When trust is broken, it can have serious adverse effects on a group's performance.

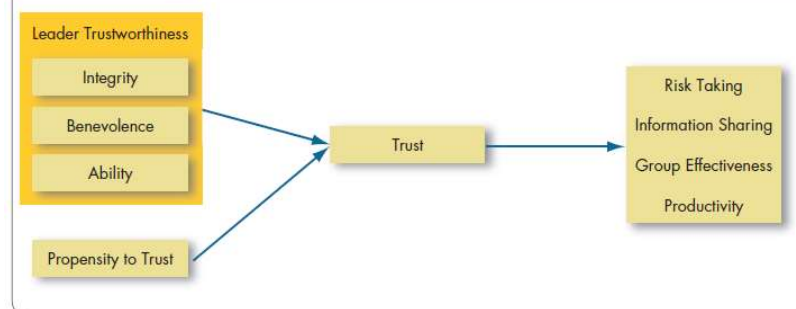
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LO 6

Positive Leadership

Exhibit 12-6 The Nature of Trust



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Positive Leadership

- **Trust propensity**
- Trust and Culture
- The Role of Time
- Regaining Trust

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Positive Leadership

Exhibit 12-7

Career and Psychological Functions of the Mentoring Relationship

Career Functions

- Lobbying to get the protégé challenging and visible assignments
- Coaching the protégé to help develop his or her skills and achieve work objectives
- Providing exposure to influential individuals within the organization
- Protecting the protégé from possible risks to his or her reputation
- Sponsoring the protégé by nominating him or her for potential advances or promotions
- Acting as a sounding board for ideas the protégé might be hesitant to share with a direct supervisor

Psychosocial Functions

- Counseling the protégé to bolster his or her self-confidence
- Sharing personal experiences with the protégé
- Providing friendship and acceptance
- Acting as a role model

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Challenges to our Understanding of Leadership

- Much of an organization's success or failure is due to factors outside the influence of leadership.
- In many cases, success or failure is just a matter of being in the right or wrong place at a given time.
- The **attribution theory of leadership** says leadership is merely an attribution people make about other individuals.

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LO 7

Challenges to our Understanding of Leadership

Exhibit 12-8 Substitutes for and Neutralizers of Leadership

Defining Characteristics	Relationship-Oriented Leadership	Task-Oriented Leadership
Individual		
Experience/training	No effect on	Substitutes for
Professionalism	Substitutes for	Substitutes for
Indifference to rewards	Neutralizes	Neutralizes
Job		
Highly structured task	No effect on	Substitutes for
Provides its own feedback	No effect on	Substitutes for
Intrinsically satisfying	Substitutes for	No effect on
Organization		
Explicit formalized goals	No effect on	Substitutes for
Rigid rules and procedures	No effect on	Substitutes for
Cohesive work groups	Substitutes for	Substitutes for

Source: A. B. Law and K. L. Satake, "The Limits of the Leadership Quarterly: Contributions and Challenges for the Future," *Leadership Quarterly* 11, (1999): 459-484.

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Challenges to our Understanding of Leadership

- Online Leadership
 - Needs more research.
 - Today's managers and employees are increasingly linked by networks rather than geographic proximity.
 - Online leaders have to think carefully about what actions they want their digital messages to initiate.
 - **Identification-based trust** is difficult to achieve without face-to-face interaction.
 - Writing skills are likely to become an extension of interpersonal skills.

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Challenges to our Understanding of Leadership

- Selecting Leaders
 - Identifying effective leaders:
 - Review specific requirements for the position.
 - Consider personality tests to identify leadership traits.
 - Situation-specific experience is relevant.
 - Plan for a change in leadership.

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Challenges to our Understanding of Leadership

- Training Leaders
 - Leadership training is likely to be more successful with high self-monitors.
 - Teach implementation skills.
 - Teach trust building, mentoring, and situational-analysis.
 - Behavioral training through modeling exercises can increase an individual's charismatic leadership qualities.
 - Review leadership after key organizational events.
 - Train in transformational leadership skills.

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Implications for Managers

- For maximum leadership effectiveness, ensure that your preferences on the initiating structure and consideration dimensions are a match for your work dynamics and culture.
- Hire candidates who exhibit transformational leadership qualities and who have demonstrated success in working through others to meet a long-term vision. Personality tests can reveal candidates higher in extraversion, conscientiousness, and openness, which may indicate leadership readiness.

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Implications for Managers

- Hire candidates whom you believe are ethical and trustworthy for management roles and train current managers in your organization's ethical standards in order to increase leadership effectiveness.
- Seek to develop trusting relationships with followers, because, as organizations have become less stable and predictable, strong bonds of trust are replacing bureaucratic rules in defining expectations and relationships.
- Consider investing in leadership training such as formal courses, workshops, rotating job responsibilities, coaching, and mentoring.

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