PART 4
Leading

CHAPTER 11
Leadership and Influence Processes
Chapter Learning Objectives

After studying this chapter you should be able to:

1. Describe the nature of leadership and relate leadership to management.
2. Discuss and evaluate the two generic approaches to leadership.
3. Identify and describe the major situational approaches to leadership.
4. Identify and describe three related approaches to leadership.
5. Describe three emerging approaches to leadership.
6. Discuss political behavior in organizations and how it can be managed.
The Nature of Leadership

• Leaders
  – People who can influence the behaviors of others without having to rely on force.
  – People who are accepted as leaders by others.

• Process: what leaders actually do.
  – Use noncoercive influence to shape the group’s or organization’s goals.
  – Motivate others’ behavior toward goals.
  – Help to define organizational culture.

• Property: who leaders are.
  – The set of characteristics attributed to individuals perceived to be leaders.
## Distinctions Between Management and Leadership

<table>
<thead>
<tr>
<th>Leadership Activity</th>
<th>Management Activity</th>
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</thead>
<tbody>
<tr>
<td>Establishing direction and vision for the organization</td>
<td>Creating an agenda</td>
</tr>
<tr>
<td>Aligning people through communications and actions that provide direction</td>
<td>Developing a human network for achieving the agenda</td>
</tr>
<tr>
<td>Motivating and inspiring by satisfying needs</td>
<td>Executing plans</td>
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<tr>
<td>Produces useful change and new approaches to challenges</td>
<td>Outcomes</td>
</tr>
<tr>
<td>Activity</td>
<td>Management</td>
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<tr>
<td>---------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Creating an agenda</td>
<td><strong>Planning and budgeting:</strong> Establishing detailed steps and timetables for achieving needed results; allocating the resources necessary to make those needed results happen</td>
</tr>
<tr>
<td>Developing a human network for achieving the agenda</td>
<td><strong>Organizing and staffing:</strong> Establishing some structure for accomplishing plan requirements, staffing that structure with individuals, delegating responsibility and authority for carrying out the plan, providing policies and procedures to help guide people, and creating methods or systems to monitor implementation</td>
</tr>
<tr>
<td>Executing plans</td>
<td><strong>Controlling and problem solving:</strong> Monitoring results versus planning in some detail, identifying deviations, and then planning and organizing to solve these problems</td>
</tr>
<tr>
<td>Outcomes</td>
<td><strong>Produces a degree of predictability and order</strong> and has the potential to produce consistently major results expected by various stakeholders (for example, for customers, always being on time; or, for stockholders, being on budget)</td>
</tr>
</tbody>
</table>
Types of Power in Organizations

Types of Power

- Legitimate
- Reward
- Coercive
- Expert
- Referent
Power and Leadership

Power is the ability to affect the behavior of others.

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td><strong>Legitimate power</strong></td>
<td>Power granted through the organizational hierarchy.</td>
</tr>
<tr>
<td><strong>Reward power</strong></td>
<td>The power to give or withhold rewards.</td>
</tr>
<tr>
<td><strong>Coercive power</strong></td>
<td>The capability to force compliance by means of psychological, emotional, or physical threat.</td>
</tr>
<tr>
<td><strong>Referent power</strong></td>
<td>The personal power that accrues to someone based on identification, imitation, loyalty, or charisma.</td>
</tr>
<tr>
<td><strong>Expert power</strong></td>
<td>Power derived from the possession of information or expertise.</td>
</tr>
</tbody>
</table>
Power and Leadership

Legitimate request

Instrumental compliance

Coercion

Rational persuasion

Personal identification

Inspirational appeal

Information distortion

Uses of Power by Leaders
Management Challenge Question

• How would you rank the effectiveness of the forms of power that are used by managers when their subordinates are the same age as you are now?
  – Which type of power is most effective? Why?
  – Which type of power is the least effective? Why?
  – What does your ranking reveal about how the use of power by managers is changing (or must change) in today’s organization?
Generic Approaches to Leadership

• Leadership Traits Approach
  – Assumed that a basic set of personal traits that differentiated leaders from nonleaders could be used to identify and predict who would become leaders.
  – Could not establish empirical relationships between traits and persons regarded as leaders.

• Leadership Behaviors Approach
  – Assumed that effective leaders somehow behaved differently from ineffective leaders.
  – Was intended to develop a fuller understanding of leadership behaviors.
Michigan Studies (Rensis Likert)

• Identified two forms of leader behavior

  –Job-centered behavior
    • Managers who pay close attention to subordinates’ work, explain work procedures, and are keenly interested in performance.

  –Employee-centered behavior
    • Managers who focus on the development of cohesive work groups and employee satisfaction.

–The two forms of leader behaviors were considered to be at opposite ends of the same continuum.
Ohio State Studies

- Identified two basic leadership styles that can be exhibited simultaneously:
  - Initiating-structure behavior
    - The leader defines leader-subordinate role expectations, formalizes communications, and sets working agenda.
  - Consideration behavior
    - The leader shows concern for subordinates and attempts to establish a friendly and supportive climate.

- Initial assumption was that the most effective leaders exhibit high levels of both behaviors.
• Subsequent research indicated that:

– Employees of supervisors ranked high on initiating structure were high performers, yet they expressed low levels of satisfaction and higher absenteeism.

– Employees of supervisors ranked high on consideration had low performance ratings, yet they had high levels of satisfaction and less absenteeism.

– Other situational variables make consistent leader behavior predictions difficult. There is no universal or “one best way” model of leadership.
**FIGURE 11.1** The Managerial Grid

- **Country Club Management (1,9)**
  - Thoughtful attention to the needs of people for satisfying relationships leads to a comfortable, friendly organization atmosphere and work tempo.

- **Middle of the Road Management (5,5)**
  - Adequate organization performance is possible through balancing the necessity to get out work with maintaining morale of people at a satisfactory level.

- **Impoverished Management (1,1)**
  - Exertion of minimum effort to get required work done is appropriate to sustain organization membership.

- **Team Management (9,9)**
  - Work accomplishment is from committed people; interdependence through a “common stake” in organization purpose leads to relationships of trust and respect.

- **Authority-Compliance (9,1)**
  - Efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree.
Situational Approaches to Leadership

• Assumptions:
  – Appropriate leader behavior varies from one situation to another.
  – Situational factors that determine appropriate leader behavior can be identified.

• Situational Theories of Leadership:
  – Least preferred coworker theory
  – Path-goal theory
  – Decision tree approach
  – Leader-member exchange approach
Least-Preferred Coworker Theory

• Assumptions:
  – The appropriate style of leadership varies with situational favorableness (from leader’s viewpoint).
  – Leadership styles are fixed so the situation must be changed to fit the leader’s style.

• Least Preferred Coworker (LPC) Measure
  – Asks leaders to describe the person with whom they are least able to work well.
    • High scale scores indicate a relationship orientation.
    • Low scores indicate a task orientation.
LPC Theory Contingency Variables

• Situational Favorableness Variables:
  – Leader-member relations
    • The nature of the relationship between the leader and the work group.
  – Task structure
    • The degree to which the group’s task is defined.
  – Position power
    • The power vested in the leader’s position.
FIGURE 11.2 The Least-Preferred Coworker Theory of Leadership

<table>
<thead>
<tr>
<th>Contingency Factors</th>
<th>Situations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Good</td>
</tr>
<tr>
<td>Leader-member relations</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Task structure</td>
<td>High</td>
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<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Position power</td>
<td>Strong</td>
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<td>Weak</td>
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<td>Strong</td>
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<td>Weak</td>
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</tbody>
</table>

- Favorableness of Situation
  - Most favorable
  - Moderately favorable
  - Most unfavorable

- Appropriate Leader Behavior
  - Task-oriented
  - Relationship-oriented
  - Task-oriented
Path-Goal Theory

• Assumes that the primary leader functions are:
  – To make valued or desired rewards available in the workplace
  – To clarify for the subordinate the kinds of behavior that will lead to goal accomplishment or rewards.
Path-Goal Theory (cont’d)

### Leader Behaviors

<table>
<thead>
<tr>
<th>Directive</th>
<th>Letting subordinates know what is expected of them, giving guidance and direction, and scheduling work.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supportive</td>
<td>Being friendly and approachable, having concern for subordinate welfare, and treating subordinates as equals.</td>
</tr>
<tr>
<td>Participative</td>
<td>Consulting with subordinates, soliciting suggestions, and allowing participation in decision making.</td>
</tr>
<tr>
<td>Achievement-oriented</td>
<td>Setting challenging goals, expecting subordinates to perform at high levels, encouraging and showing confidence in subordinates.</td>
</tr>
</tbody>
</table>
# Path-Goal Theory: Situational Factors

<table>
<thead>
<tr>
<th>Work Situation</th>
<th>Leadership Style</th>
<th>Impact on Followers</th>
<th>Expected Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follower lacks self-confidence</td>
<td>Supportive</td>
<td>Increases self-confidence to complete task</td>
<td>Increased effort, job satisfaction, and performance; fewer grievances</td>
</tr>
<tr>
<td>Lack of job challenge</td>
<td>Achievement-oriented</td>
<td>Encourages setting high but attainable goals</td>
<td>Improved performance and greater job satisfaction</td>
</tr>
<tr>
<td>Improper procedures and poor decisions</td>
<td>Participative</td>
<td>Clarifies follower need for making suggestions and involvement</td>
<td>Improved performance and greater satisfaction; less turnover</td>
</tr>
<tr>
<td>Ambiguous job</td>
<td>Directive</td>
<td>Clarifies path to get rewards</td>
<td>Improved performance and job satisfaction</td>
</tr>
</tbody>
</table>
FIGURE 11.3 The Path-Goal Framework

- **Subordinates’ personal characteristics**
  - Perceived ability
  - Locus of control

- **Leader behaviors**
  - Directive
  - Supportive
  - Participative
  - Achievement oriented

- **Environmental characteristics**
  - Task structure
  - Work group

**Subordinates’ motivation to perform**
Vroom’s Decision Tree Approach

• Model attempts to prescribe a leadership style appropriate to a given situation.

• Basic Assumptions:
  – Subordinates participation in decision making depends on the characteristics of the situation.
  – No one decision-making process is best for all situations.
Using the Decision Tree Approach

• After evaluating a problem’s attributes, a leader can choose a decision path on one of two decision trees that determines the decision style and specifies the amount of employee participation.

  – **Decision significance**
    • The impact of the decision on the organization. Subordinates are involved when decision significance is high.

  – **Decision Timeliness**
    • The time pressure for making a decision may preclude involving subordinates.
Decision-Making Style Choices

- Decide (alone)
- Consult (individually)
- Consult (group)
- Facilitate
- Delegate
## Decision Style and Subordinate Participation

<table>
<thead>
<tr>
<th>Decision-Making Style</th>
<th>Level of Subordinate Participation in Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decide</td>
<td>Manager makes decision alone and then announces or “sells” it to the group.</td>
</tr>
<tr>
<td>Consult (individually)</td>
<td>Manager presents program to group members individually, obtains their suggestions, then makes the decision.</td>
</tr>
<tr>
<td>Consult (group)</td>
<td>Manager presents problem to group at a meeting, gets their suggestions, then makes the decision.</td>
</tr>
<tr>
<td>Facilitate</td>
<td>Manager presents the problem to the group, defines the problem and its boundaries, and then facilitates group member discussion as they make the decision.</td>
</tr>
<tr>
<td>Delegate</td>
<td>Manager allows the group to define for itself the exact nature and parameters of the problem and then develop a solution.</td>
</tr>
</tbody>
</table>
### Vroom’s Time-Driven Decision Tree

<table>
<thead>
<tr>
<th>Decision Significance</th>
<th>Importance of Commitment</th>
<th>Leader Expertise</th>
<th>Likelihood of Commitment</th>
<th>Group Support</th>
<th>Group Expertise</th>
<th>Team Competence</th>
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<td></td>
<td>Decide</td>
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</tbody>
</table>
FIGURE 11.5 Vroom’s Development-Driven Decision Tree

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<tr>
<th>Decision Significance</th>
<th>Importance of Commitment</th>
<th>Leader Expertise</th>
<th>Likelihood of Commitment</th>
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</tr>
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<tbody>
<tr>
<td>High</td>
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<td></td>
<td>High</td>
<td>High</td>
<td>Moderate</td>
<td>High</td>
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<td>Moderate</td>
<td></td>
<td></td>
<td>High</td>
<td>Low</td>
<td>Moderate</td>
<td>Facilitate</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Consult (group)</td>
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<tr>
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The Leader-Member Exchange (LMX) Approach

• Stresses the importance of variable relationships between supervisors and each of their subordinates.

• Vertical Dyads
  – Leaders form unique independent relationships with each subordinate (dyads) in which the subordinate becomes a member of the leader’s out-group or in-group
FIGURE 11.6  The Leader–Member Exchange Model
• Out of the Loop? What effects does a dyadic relationship with a leader have on a subordinate’s participation in decision-making processes?
Related Approaches to Leadership

• Substitutes for Leadership
  – A concept that identifies situations in which leader behavior is neutralized or replaced by characteristics of subordinates, the task, and the organization.

<table>
<thead>
<tr>
<th>Characteristics that Substitute for Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subordinate</strong></td>
</tr>
<tr>
<td>Ability</td>
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<tr>
<td>Experience</td>
</tr>
<tr>
<td>Need for independence</td>
</tr>
<tr>
<td>Professional orientation</td>
</tr>
<tr>
<td>Indifference towards organizational goals</td>
</tr>
<tr>
<td><strong>Task</strong></td>
</tr>
<tr>
<td>Routineness</td>
</tr>
<tr>
<td>The availability of feedback</td>
</tr>
<tr>
<td>Intrinsic satisfaction</td>
</tr>
<tr>
<td><strong>Organization</strong></td>
</tr>
<tr>
<td>Formalization</td>
</tr>
<tr>
<td>Group cohesion</td>
</tr>
<tr>
<td>Inflexibility</td>
</tr>
<tr>
<td>A rigid reward structure</td>
</tr>
</tbody>
</table>
Charismatic Leadership

• Charisma
  – An interpersonal attraction that inspires support and acceptance, is an individual characteristic of a leader.

• Charismatics
  – Are more successful than noncharismatic persons.
  – Are self-confident leaders
  – Have a firm conviction in their beliefs and ideals
  – Possess a strong need to influence people.
Charismatic Leadership (cont’d)

- Charismatic leaders must be able to:
  - Envision the future, set high expectations, and model behaviors consistent with those expectations.
  - Energize others through a demonstration of excitement, personal confidence, and patterns of success.
  - Enable others by supporting them, by empathizing with them, and by expressing confidence in them.
Transformational Leadership

Transformational Leadership

– Goes beyond ordinary expectations by:
  • transmitting a sense of mission
  • stimulating learning
  • inspiring new ways of thinking
Keys to Successful Leadership

- Trusting in subordinates
- Keeping cool
- Being an expert
- Simplifying things
- Inviting dissent
- Encouraging risk
- Developing a vision

Successful Leadership
The Future of Leadership

- Strategic Leadership
- Cross-Cultural Leadership
- Emerging Approaches to Leadership
- Ethical Leadership
Emerging Approaches to Leadership

• Strategic Leadership
  – Depends on top management’s capabilities:
    • To understand the complexities of both the organization and its environment.
    • To lead change in the organization in order to achieve and maintain a superior alignment between the organization and its environment.

• Cross-Cultural Leadership
  – The capability to provide purpose and direction that encompasses both international and diversity-based cultural differences in the organization.
Emerging Approaches to Leadership (cont’d)

• Ethical Leadership
  – Involves providing a strong corporate governance model to the organization that reflects the high ethical standards of its leaders.
  – Requires holding those who lead the organization accountable for their actions and the consequences of their actions.
Political Behavior in Organizations

• Political Behavior
  – The activities carried out for the specific purpose of acquiring, developing, and using power and other resources to obtain one’s preferred outcomes.
Management Challenge Questions

• How could managers use impression management to increase their referent and expert powers?

• How could impression management conflict with ethical leadership?
• Is delegation an act of political behavior by a manager? Why or Why not?

• What elements common to political behaviors in organizations are present in delegation?

• What should a manager do to make sure that an act of delegation is not mistaken for political behavior?
Managing Political Behavior

• Know that even if actions are not politically motivated, others may assume that they are.

• Stop subordinates from engaging in political behavior by providing them with autonomy, responsibility, challenge, and feedback.

• Avoid using power to avoid charges of political motivation.

• Get disagreements and conflicts out in the open so that subordinates have less opportunity to engage in political behavior.

• Avoid covert behaviors that give the impression of political intent even if none exists.
A Model of Ethical Political Behavior

Does the PBA (political behavior alternative) result in the efficient optimization of the satisfactions of interest inside and outside the organization?

YES – Are there overwhelming factors that justify suboptimizing these goals and satisfactions?

NO – Reject PBA

YES – Does the PBA respect the rights of all the affected parties?

NO – Reject PBA

YES – Are there overwhelming factors that justify the abrogation of a right?

NO – Reject PBA

YES – Does the PBA respect the canons of justice?

NO – Reject PBA

YES – Are there overwhelming factors that justify the violation of a canon of justice?

NO – Reject PBA

YES – Accept PBA