

Contingency Theories of Leadership

UNIT 4 (Part III)

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Faculty In charge: Dr Alka Lalhall

Assistant Professor

Department of Management Sciences

Contingency Theories

- Leader's effectiveness is contingent upon how his or her leadership style matches to the situation.
- The leader must find out what kind of leadership style and situation he or she thrives in.
- “There is no one best style of leadership” (Fiedler's contingency model).
- A leader is effective when his or her style of leadership fits with the situation.

The Fiedler Model

- The first comprehensive contingency model for leadership.
- The model proposes that effective leadership and group performance depends on the proper match between the leader's style and the degree to which the situation can be controlled by the leader.

Identifying leadership style

- Least Preferred Co-worker (LPC) questionnaire: identify that style by measuring whether a person is **task or relationship oriented**.
- The LPC questionnaire asks respondents to think of a coworker they least enjoyed working and rate that person on a scale of 1 to 8 for each of 16 sets of contrasting adjectives.
- Relationship Oriented: If respondent describes the person in favorable terms (a high LPC score).
- Task Oriented: If respondent describes the person in un-favorable terms (a low LPC score).

Fiedler's Model Continued...

- Fiedler assumes an individual's leadership style is fixed.
- This means if a situation requires a task-oriented leader and the person in the leadership position is relationship oriented, either the situation has to be modified or the leader has to be replaced.

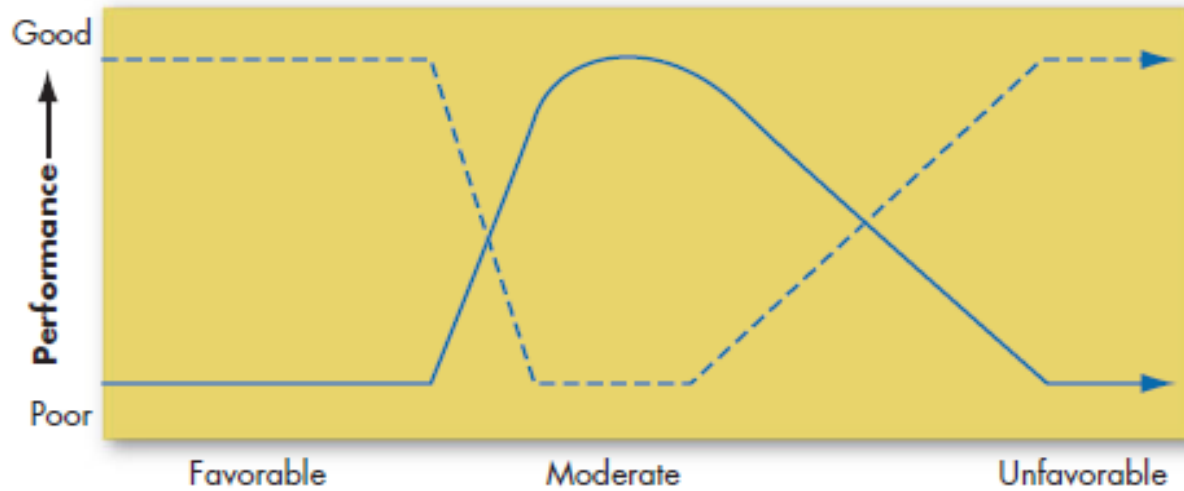
Defining the Situation: Fiedler has identified three contingency or situational dimensions:

1. **Leader-member relations** is the degree of confidence, trust, and respect members have in their leader.
2. **Task structure** is the degree to which the job assignments are procedurized (that is, structured or unstructured).
3. **Position power** is the degree of influence a leader has over power variables such as hiring, firing, discipline, promotions, and salary increases.

Fiedler's Model Continued...

Matching Leaders and Situations

--- Task oriented
 — Relationship oriented



Category	I	II	III	IV	V	VI	VII	VIII
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Leader-member relations	Good	Good	Good	Good	Poor	Poor	Poor	Poor
Task structure	High	High	Low	Low	High	High	Low	Low
Position power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak

Fiedler's Model Continued...

- Fiedler concluded:
 - The task oriented leadership style would be ideal for favorable and unfavorable situations.
 - In favorable situations when Leader-Member relations are good, the task is structured and position power is strong , the task oriented leader will be effective.
 - Under unfavorable situation, when leader-member relations are poor, task is unstructured and position power is weak, task oriented style of leadership will be good.
 - When the situation is moderate (moderately favorable or unfavorable) the human relations-oriented leader will be most effective.

Fiedler's Model: Criticism

1. The model is too simple.
2. The LPC scale is a better measure of the personality rather of leadership style.
3. Do not always reach conventional levels of statistical significance.
4. Correlation is weak. Cause and effect conclusions are not decisive.

Situational Leadership Theory

- Also known as Hersey-Blanchard Situational Leadership Theory
- Developed by Dr. Paul Hersey, author of "The Situational Leader," and Kenneth Blanchard, author of "One-Minute Manager."
- Successful leadership depends on selecting the right leadership style contingent on the followers' readiness.
 - Followers are willing and able to accomplish a specific task.
- The theory builds on the logic that leaders can compensate for followers' limited ability and motivation.
- The theory proposes four leadership styles (S1, S2, S3, S4) and four maturity levels of followers (M1, M2, M3, M4)

Hersey and Blanchard's Leadership Styles

1. **Telling (S1):** Giving clear and specific directions. What and how to do?
2. **Selling (S2):** Balance between task orientation and people orientation.
3. **Participating (S3):** Supportive and participative style. Allow members of the group to take a more active role in coming up with ideas and making decisions.
4. **Delegating (S4):** Free reign. Group members tend to make most of the decisions and take most of the responsibility.

Hersey and Blanchard's Followers' Maturity Level:

1. **M1 (unable and unwilling):** members lack the knowledge, skills, and willingness.
2. **M2 (unable but willing):** members are willing and enthusiastic, but lack the ability.
3. **M3 (able yet unwilling):** members have the skills and capability to complete the task, but are unwilling to take responsibility.
4. **M4 (able and willing):** members are highly skilled and willing to complete the task.

Matching Leadership Styles With Maturity Levels:

Maturity Level	Leadership Style
M1 (unable and unwilling)	Telling (S1)
M2 (unable but willing)	Selling (S2)
M3 (able yet unwilling)	Participating (S3)
M4 (able and willing)	Delegating (S4)

Path-Goal Theory by Robert House

- Based on Ohio State leadership research and the expectancy theory of motivation.
- Advocates that leaders should provide followers with the information, support, or other resources necessary to achieve their goals.
- The path-goal theory is a process in which leaders select specific behaviors that are best suited to the employees' needs and their working environment so that they may best guide the employees through their path and attain the group goals.
- Leader's role is to assist employees in attaining goals and to provide the direction and support needed to ensure that their individual goals compatible with the organization's goals.

Path-Goal's Four Styles:

1. **Directive leadership:** path-goal clarifying leader behavior. Lets employees know what is expected of them and tells them how to perform their tasks. Best suited when employees' role and task demands are ambiguous and intrinsically satisfying.
2. **Achievement-oriented leadership:** Sets challenging goals for employees, expects them to perform at their highest level, and shows confidence in their ability to meet this expectation. Best suited for technical jobs, sales persons, scientists, engineers, and entrepreneurs.
3. **Supportive leadership:** Directed towards the satisfaction of employees' needs and preferences. Best suited for employees are performing structured tasks and tasks or relationships are psychologically or physically distressing.
4. **Participative leadership:** Consulting with employees and asking for their suggestions before making a decision. Best suited when employees are highly personally involved in their work.

Leader–Member Exchange (LMX) Theory

- Also known as Vertical Dyad Linkage Theory, developed by George Graen.
- Assumes that leadership consists of several dyadic (two-way) relationships that connect the leader to the members.
- Describes how leaders maintain their position in groups.
- Leaders develop relationships with other members that can contribute to growth or hinder development.
- Leaders automatically develop a relationship with each of their subordinates, and that the quality of this relationship strongly influences the responsibility, decision making, access to resources and performance of subordinates.

Two sides of group of employees according to LMX theory:

1. The In group:

- They are trusted, get a disproportionate amount of the leader's attention, and are more likely to receive special privileges.
- Have higher performance ratings, less turnover, and greater job satisfaction.
- Personal compatibility, subordinate competence, and/or extraverted personality.

2. The Out-group:

- Formal relationship.
- Receive less attention, responsibility and fewer rewards.
- Can cause friction and displeasure
- Also create opportunities to give capable employees room for development.

LMX Theory Conclusion and Implications:

- Followers with in-group status will have higher performance ratings, engage in more helping or “citizenship” behaviors at work, and report greater satisfaction with their superior.
- Leaders invest their resources with those they expect to perform best. Believing in-group members are the most competent, leaders treat them as such and unwittingly fulfill their prophecy.
- Chances are that the leader knows exactly who are part of the out-group beforehand. An effective leader, should aim to get more out of the out-group.

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