

# Leadership

UNIT 4 (Part I)

Course Code: MGMT4009

Course Title: Organisational Behaviour

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# Leadership

- Leadership is the ability to influence a group toward the achievement of a vision or set of goals.
- Leadership can be defined as influence, that is, the area or process of influencing people so that they will **strive willingly and enthusiastically** towards achievement of group goals (**Koontz and O'Donnell, 1994**).

# Characteristics of Leader

1. The ability to use power effectively: by virtue of position or by personality. (power bases like expert power, referent power, reward and coercive power)
2. An ability to comprehend: understanding people, their needs, expectations.
3. Ability to inspire: identify each individual's capabilities, skill and inspire them. Inspiration emanates from a leader who may have charm, an appeal, devotion to duty,
4. Leadership style

# Leadership Style

1. Autocratic or Authoritarian: all decision-making powers are centralized in the leader; do not entertain any suggestions or initiatives from subordinates; quick decision-making as only one person decides for the whole group; High degree of dependency
2. Participative or Democratic: delegates authority to the subordinates; employees are involved in decision making; Increases job satisfaction; slow decision making.
3. Paternalistic Leadership: the leader assumes that his function is paternal or fatherly; leaders work to help, guide, protect, and keep followers happily working together as members of a family.
4. Laissez-Faire Leadership: also known as free reign or delegative leadership; Very little guidance from leaders; Complete freedom for followers to make decisions; Leaders provide the tools and resources needed; Group members are expected to solve problems on their own; Power is handed over to followers, yet leaders still take responsibility for the group's decisions and actions

# Leader V/S Manager

- All leaders are not managers as they have to work in non-organized sectors while the managers work in the organized sectors. All managers should be leaders so that they are able to work efficiently.
- Non-sanctioned leadership— the ability to influence that arises outside the formal structure of the organization.
- Warren and Benin have identified certain criteria between manager and a leader. (discussed in the next slide)

## Manager

- Administer
- Copy
- Maintains
- Focus on system & structure
- Short range view
- Relies on control
- Asks how and when
- Eyes on bottom line
- Imitates
- Accepts the status quo
- Classic
- Does things right

## Leader

- Innovates
- Original
- Develops
- Focus on people
- Long range view
- Inspires trust
- Asks what and why
- Eyes on horizon
- Originates
- Challenges the status quo
- Own person
- Does right thing

# Charismatic Leadership

- Max Weber, a sociologist, defined charisma (from the Greek for “gift”) as “a certain quality of an individual personality, by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These are not accessible to the ordinary person and are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader.”
- According to Robert House’s charismatic leadership theory, followers attribute heroic or extraordinary leadership abilities when they observe certain behaviors.

- Individuals are born with traits that make them charismatic; Personality is also related to charismatic leadership; charismatic leaders are likely to be extraverted, self-confident, and achievement oriented.
- Most experts believe individuals can be trained to exhibit charismatic behaviors; First, develop an aura of charisma by maintaining an optimistic view; using passion as a catalyst for generating enthusiasm; and communicating with the whole body, not just with words. Second, draw others in by creating a bond that inspires them to follow. Third, bring out the potential in followers by tapping into their emotions.



# How Charismatic Leaders Influence Followers?

1. Articulating an appealing vision (challenging yet attainable): long-term strategy for attaining a goal by linking the present with a better future
2. An accompanying vision statement: formal articulation of an organization's vision or mission; use vision statements to imprint on followers an overarching goal and purpose; Build followers' self-esteem and confidence with high performance expectations and belief that followers can attain them.
3. through words and actions: conveys a new set of values and sets an example for followers to imitate; set a tone of cooperation and mutual support.
4. Engages in emotion-inducing: Demonstrating unconventional behavior to induce courage and conviction about the vision.

John F. Kennedy, Martin Luther King Jr., Ronald Reagan, Bill Clinton, Mary Kay Ash (founder of Mary Kay Cosmetics), and Steve Jobs (co-founder of Apple Computer); Mahatma Gandhi.

- Charismatic Leadership Gone Wrong:

1. Many have allowed their personal goals to override the goals of the organization.
2. recklessly used organizational resources for their personal benefit
3. violated laws and ethical boundaries
4. research has shown that individuals who are narcissistic are also higher in some behaviors associated with charismatic leadership.

Examples: Adolf Hitler; Kenneth Lee Lay (founder, CEO and Chairman of Enron and was heavily involved in the Enron scandal); Jordan Ross Belfort (founded Stratton Oakmont; pleaded guilty to fraud and related crimes in connection with stock-market manipulation)

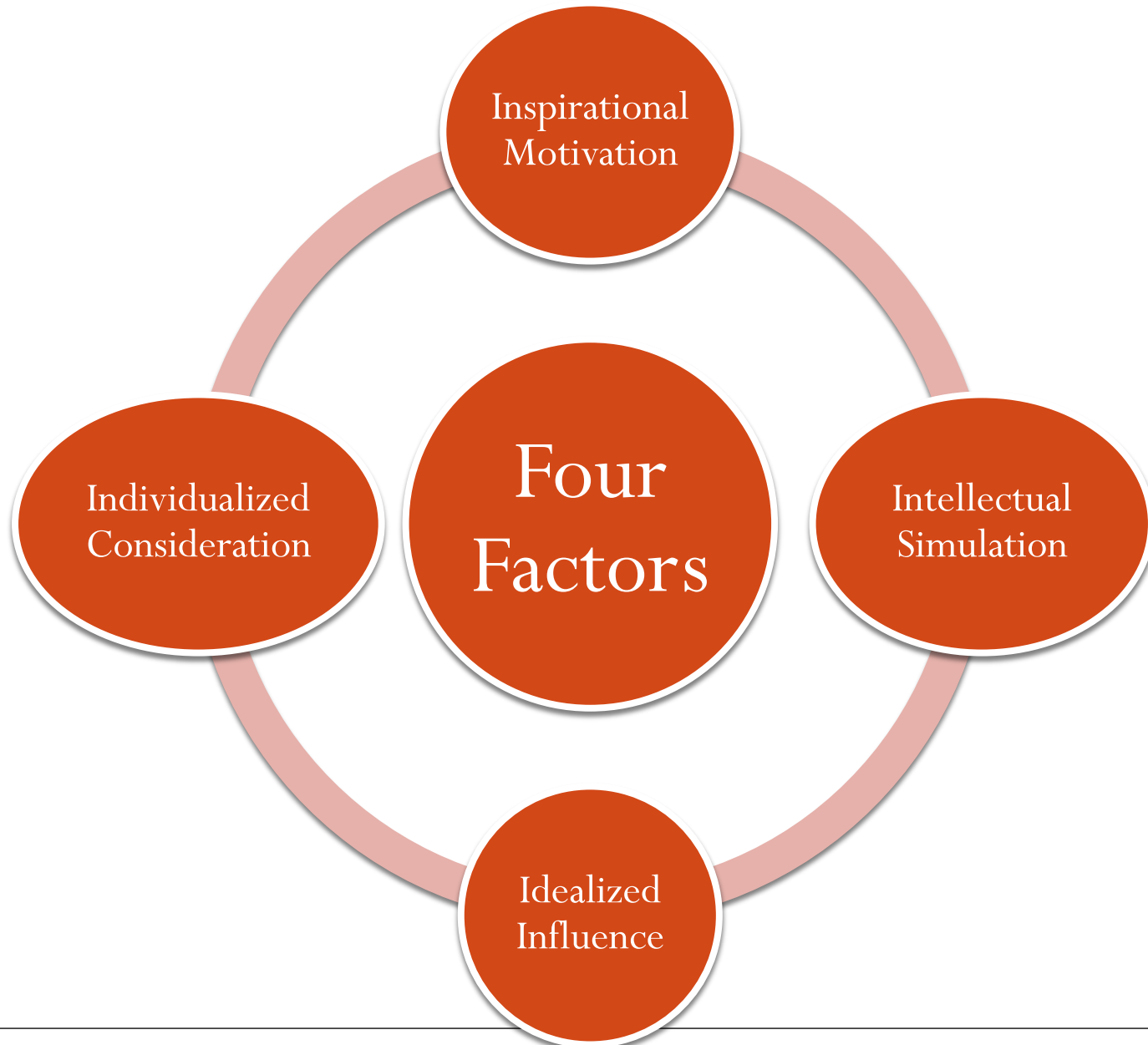
# Transformational Leadership

- Focuses on how leaders can create valuable and positive change in their followers.
- The term was first introduced by James MacGregor Burns while studying political leaders. He described the process as how “leaders and followers help each other to advance to a higher level of morale and motivation” (Burns, 1978).
- Bernard M. Bass, added to the work of Burns by explaining the psychological mechanisms that underlie transformational and transactional leadership.
- Transformational leadership is a style of leadership in which the leader identifies the needed change, creates a vision to guide change through inspiration, and executes the change with the commitment of the members of the group.

## **Transformational and Transactional Leadership:**

- Characteristics: visionary, inspiring, daring, risk-takers, and thoughtful thinkers; charisma alone is insufficient for changing the way an organization operates.
- Transactional and transformational leadership complement each other. The Ohio State studies, Fiedler's model, and path-goal theory describe transactional leaders, who guide their followers toward established goals by clarifying role and task requirements.
- Unlike Transformational Leadership Theory, Transactional Leadership is contingent on rewards and punishments in order to motivate people.

# Model of Transformational Leadership by Bernard M. Bass



- 1. Inspirational Motivation:** promotion of consistent vision, mission, and a set of values to the members; providing them with a sense of meaning and challenge; work enthusiastically and optimistically to foster the spirit of teamwork and commitment.
- 2. Intellectual Stimulation:** encourage followers to be innovative and creative; encourage new ideas, never criticize publicly; no hesitation in discarding old and obsolete practices.
- 3. Idealized Influence:** influence followers by exemplifying and modeling; earn trust and respect through action; place their followers needs over their own, sacrifice their personal gains; demonstrate high standards of ethical conduct.
- 4. Individualized Consideration:** Leaders act as mentors; reward for creativity and innovation; followers are treated and utilized according to their talents and knowledge; empowered to make decisions and are always provided with the needed support to implement their decisions

## **Criticism of Transformational Leadership:**

1. Un-clarity of its definition and components: four components (Inspirational, Intellectual, Idealized, and Individualized) associated with transformational leadership are overlapping each other.
2. Very difficult to be trained or taught, because it's components are too comprehensive
3. May lead to abuse of power
4. According to Avolio and Howell (1992), qualities that makes a great leader can lead to unethical act
5. According to Mark. A. Homig, "Transformational Leadership has a potential immoral and unethical dimension that could be exploited by an unscrupulous leader inflicted on naive and unsuspecting followers."

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