

# *Lecture Notes*

Class - B. Com Hons Sem III

Sub Code – BCH-3.3

Sub – Management Principles and Application

Topic – Theories of Leadership Part -1

Prepared by- Dr. G. Vijayalakshmi.

Faculty of Commerce, Karim City College.

Learning outcome from this lecture note

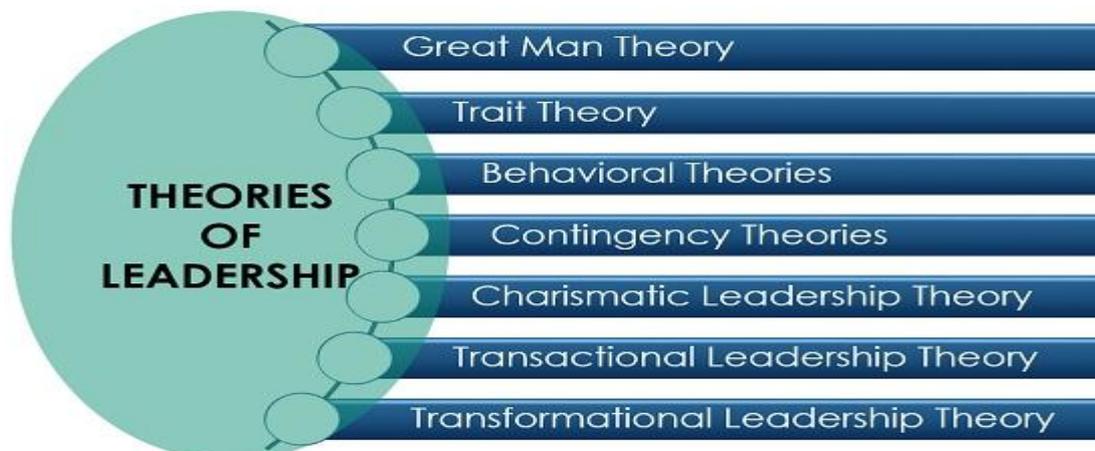
- ✓ Different leadership theories, their importance and criticism

## *Theories of Leadership*

**Definition:** Leadership is the process of channelizing the energy of an individual or a group towards the realisation of specific goals, objectives and vision.

Theories of Leadership

Over the decades, many great scholars, researchers and academicians have conducted various research and studies to discover the factors that contribute to effective leadership. In this process, the following theories of leadership have evolved:



## 1. The Great Man Theory

Thomas Carlyle proposed the Great Man Theory in the 1840s, and it merely believes that leadership is an inherent trait of a person who is destined to become a great leader by birth and they prove themselves when the great need arises. In other words, some people are born to become leaders and leadership is a heroic act.

**Criticism:** This theory was criticised or questioned due to the following reasons:

- a. It was a male-centric approach when women have proved to be great leaders too.
- b. This theory explains that leadership cannot be learned or taught it's an inherent trait.
- c. There is no scientific validation to support this theory.
- d. It neglected the environmental and situational factors which affect the leadership process.

## 2. The Trait Theory

Ralph M. Stogdill proposed the trait theory of leadership in the late 1940s; he explained that an individual must possess the key personality traits and characteristics to be an effective leader and these traits are inherent by birth. Some of the core leadership traits based on this theory can be categorised as follows:

- a. **Physiological traits:** Height, weight, structure, colour, appearance and so forth.
- b. **Socioeconomic characteristics:** Gender, religion, marital status, age, occupation, literacy and earnings.
- c. **Personality traits:** Extraversion, self-confidence, patience, agreeable, reliable, honesty and leadership motivation.
- d. **Intellectual traits:** Decisiveness, intelligence, judgemental ability, knowledge and emotional attribute.
- e. **Task-related traits:** Attainment drive, dedication, initiative, determination and business expertise.
- f. **Social characteristics:** Socially active, cordiality and cooperation.

- g. Some of the other traits being charisma, adaptive-ness, creativity, uniqueness.

This theory was criticised since it neglected the environmental factors which may not always remain the same. The list of traits is quite vast and keeps on changing from time to time. It was unable to explain failures despite possessing the certain traits specified in the theory. Moreover, of the identified traits can be acquired through learning and training.

### **3. Behavioural Theory**

The behavioural theory of leadership evolved in the 1950s. After understanding that the personal traits of a leader are essential for effective leadership, the researchers were now keen to know that what leaders do to become effective leaders.

Thus, they now focussed on the leader's behaviour rather than traits. To study the behaviour of leaders, two major research programs were started by two different universities namely, the Ohio State Leadership Studies and the University of Michigan Studies.

- **The Ohio State University Studies:** A group of researchers at Ohio State University prepared a questionnaire to be surveyed in military and industrial setups, to determine the perception of the subordinates for the actual behaviour of their leaders. From their findings, the researchers identified two major categories of leader behaviour:
  - **Consideration:** The leaders are attentive towards their subordinates and build up an excellent inter-personnel relationship with them. They are very supportive and friendly. This was termed as 'people-oriented behaviour'.
  - **Initiating structure:** The leaders are majorly concerned about the achievement of goals and schedule and structure work accordingly. For such leaders, subordinates are just resources, and they have to make the optimal utilisation of them. This was termed as 'task-oriented behaviour'.
- **The University of Michigan Studies:** This study is based on how the leader's behaviour is related to group performance. Researchers made a

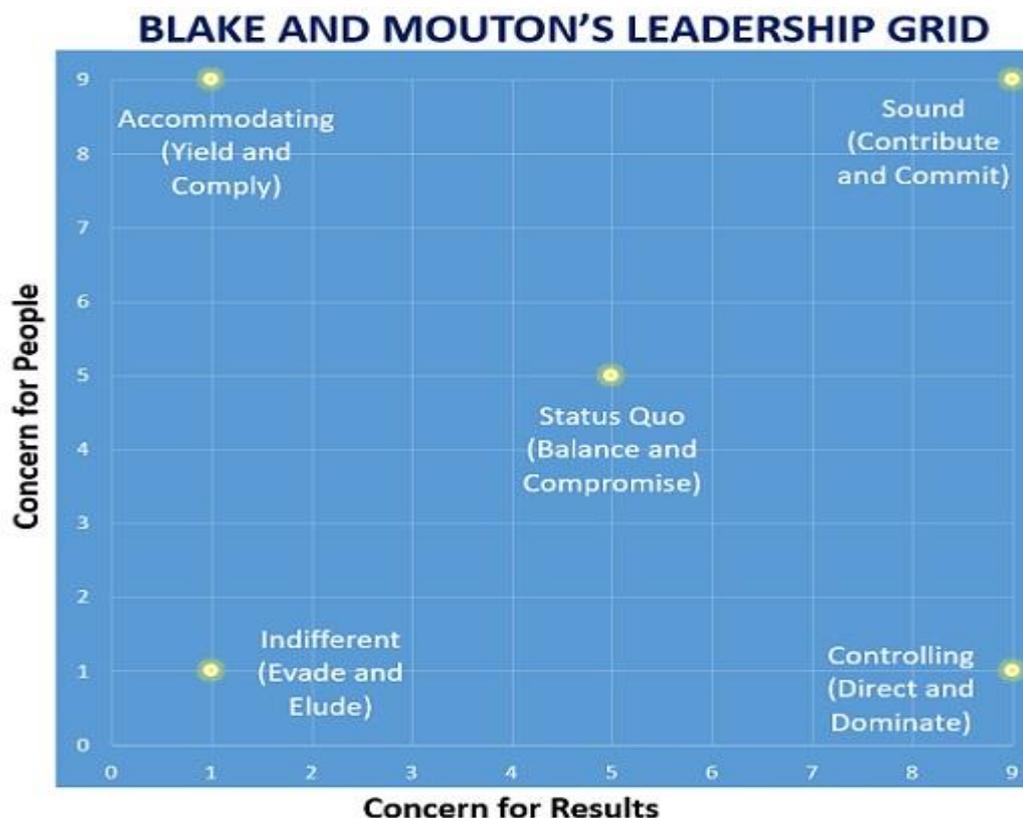
comparison of effective managers with the ineffective ones and found that the two can be discriminated on the basis of their behaviour, i.e. job-centric behaviour and organisational-member centric behaviour.

The study further resulted in the identification of four additional behaviours essential for effective leadership which are:

2. Support
  - Goal emphasis
  - Work facilitation
  - Interaction facilitation

- **Blake and Mouton's Leadership Grid:** Robert R. Blake and Jane S. Mouton gave the Leadership/Managerial Grid Theory and discovered the five different styles of leadership by categorising the managers into 81 possible ways arising out of the combination of rating depending on two variables, concern for people and concern for results.

Following are the various styles of Leadership according to this model:



- **Indifferent:** Neither the attention is paid towards the work, nor towards the employees, it is the most ineffective style of leadership.
- **Controlling or the country club:** All that matters is the well-being of the staff.
- **Accommodating or task oriented:** All that matters is production and output.
- **Status Quo or balance:** Moderate and equal importance and attention are given to work as well as employee welfare.
- **Sound:** A high level of concern is shown towards both, the output as well as the employees, it is the most effective style of leadership.

#### 4. Contingency Theory

Contingency theories of leadership state that effective leadership comprises of all the three factors, i.e. traits, behaviour and situation. A leader's behaviour varies as per the situation. To support this theory of leadership various models were developed, and multiple studies were conducted in this direction.



Following are the models of contingency theory:

**Fred Fiedler's Contingency Model:** Dr Fred E. Fiedler tried to explain that the performance of a group or team is banked on the pleasant and unpleasant situations and style of leadership.

Leadership style can be assessed with the help of Least Preferred Co-worker (LPC) scale. It is a technique in which a leader is asked to think of a person whom they least like to work with and score them on different bipolar scales.

For instance: Friendly-unfriendly, Efficient-inefficient, Cooperative-uncooperative, etc.

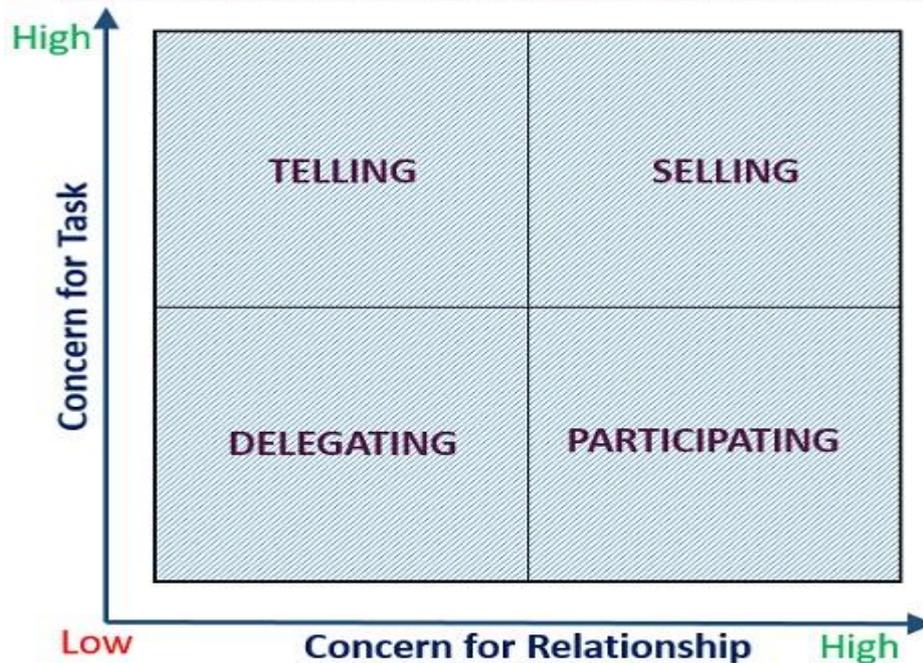
**Fiedler's findings:**

- a. **Leader's Traits:** On the basis of the LPC Scale, a leader's style of leadership can be determined. If a leader scores high on the LPC scale, that means he is highly relationship-oriented and treats even the least preferred co-worker generously. If he scores low on the LPC scale, he is a task-oriented leader prioritising the work and performance.
- b. **Situational factor:** Leaders manage to perform effectively in the favourable situations. They feel that they have control and command over the group of employees in such situations.
- c. **Situation Matches:** Fiedler gave a Contingency Model named Leader Situation Matches in which he explained that leadership style could be either task-oriented or people-oriented, based on the favourableness of the situation.

**Hersey Blanchard Situational Theory:** The Hersey-Blanchard Situational Theory states that the style of leadership depends upon the maturity of the

subordinates; accordingly the following four styles were developed:

## Hersey Blanchard Situational Theory



- a) **Telling:** When a new person enters the organisation, he has to be told everything, i.e. he is given training and orientation to make him understand the task to be performed.
- b) **Selling:** The leader leads by providing social and emotional support to the subordinates and convincing the groups to give maximum output.
- c) **Delegating:** The leaders are least concerned about and hardly interferes with the execution of the tasks. They are not even concerned about the subordinates and their issues.
- d) **Participating:** It is a democratic style where subordinates are allowed to participate in the decision-making process. Here, the leader is less focussed on the achievement of objectives.

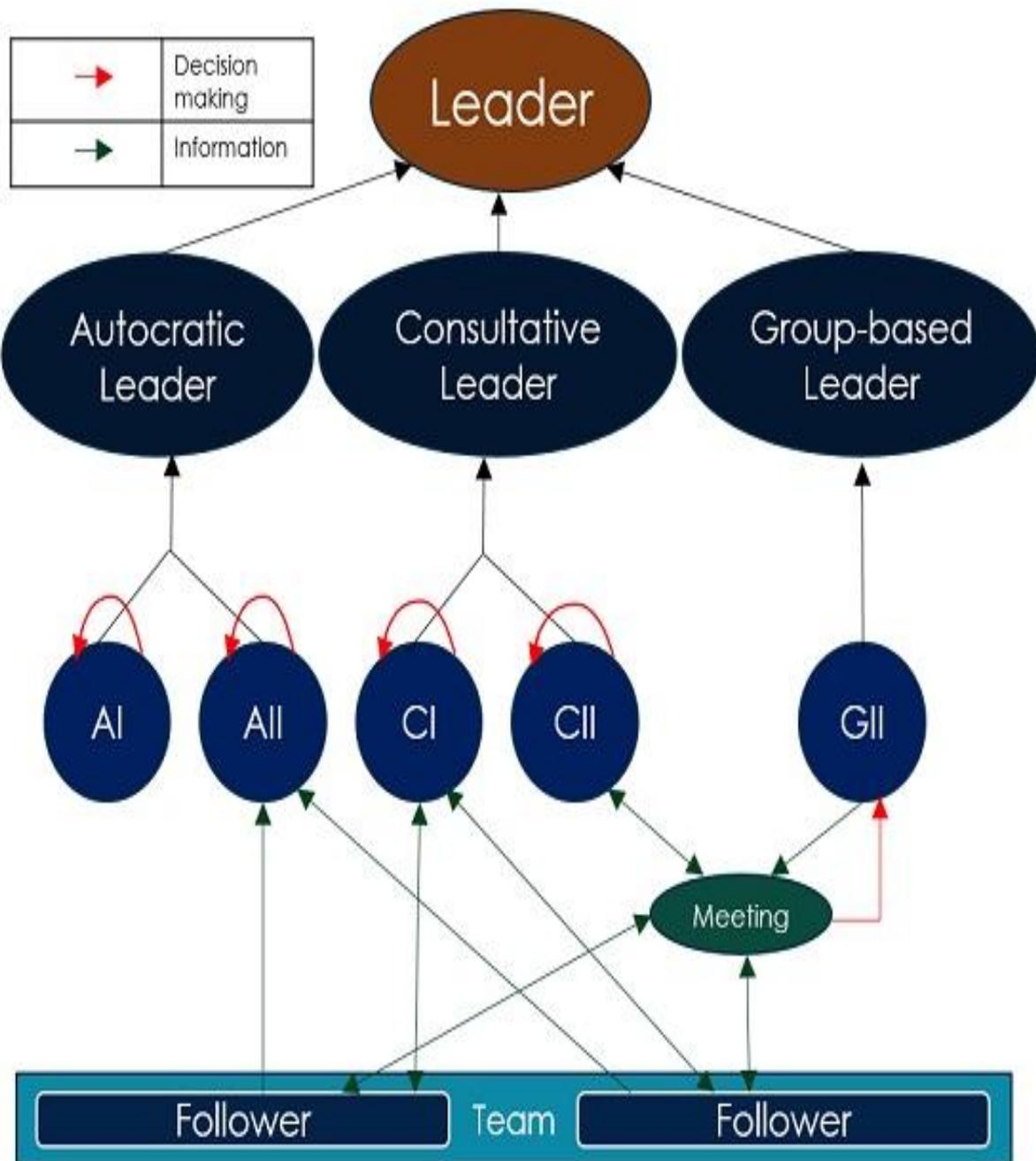
**Evans and House Path-Goal Theory:** The Path-Goal Theory was proposed by Robert J. House and Martin Evans in 1970s.

This theory pro-founded that leader's noticeable behaviour, and the situation in which he is placed are inter-connected. To increase the organisation's effectiveness, the managers should either match the situation with the leader's behaviour or change his behaviour according to the situation in which he is placed. This theory focused on the need for flexibility while adopting different leadership styles in different situations. The situational factors involved are Subordinate characteristics and Organisational environment. This model emphasised four different behaviours of a leader:

- I. Directive
- II. Supportive
- III. Participative
- IV. Achievement-Oriented

**Vroom-Yetton-Jago Decision-Making Model:** This model suggested that leadership style varies on the basis of the decision-making ability of the leaders in different situations. Leadership style was merely based on the degree of employee's contribution and activeness in the decision-making process.

The various aspects taken into consideration were decision timeliness, decision acceptance and the decision quality. Following are the Leadership Styles derived out of this model:



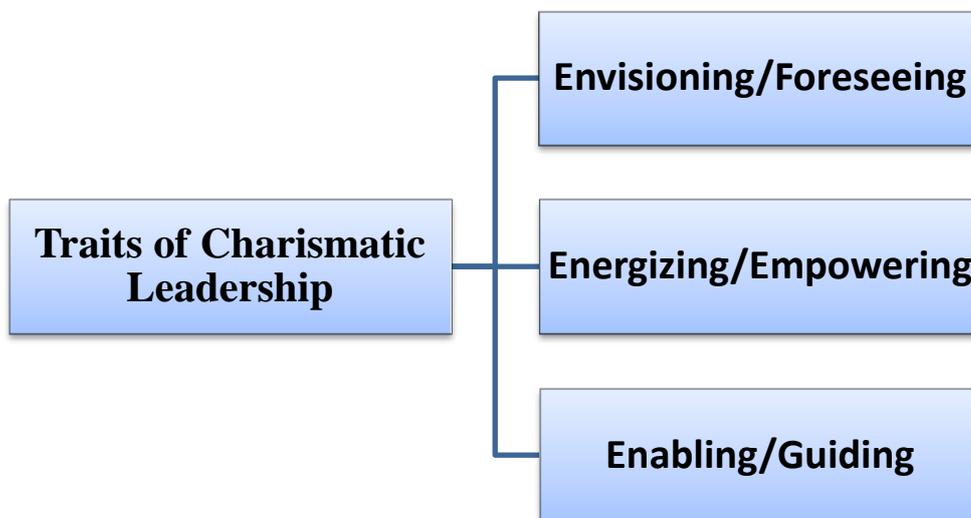
- a) **Autocratic (AI):** The leader solely decides with the available information.
- b) **Autocratic (AII):** This is strange autocratic leadership style where the leader takes the opinion of group members to gather more information but may or may not share the final decision with the group members.
- c) **Consultative (CI):** The leaders consult with the group members to explore opinions but solely takes the decision.

- d) **Consultative (CII):** The leaders consult with the group members to explore opinions and also invites suggestions but solely takes the decision.
- e) **Collaborative (GII):** The leader allows the group to take their own decisions collectively and plays a supportive role in the process.

**Cognitive Resource Theory:** This theory explains that if the leader is experienced he will be able to perform effectively even under the stressful situations whereas an intelligent leader performs well in less stressful situations.

**Strategic Contingencies Theory:** This theory says that the effectiveness of a leader depends upon his problem-solving skills and ability to handle critical situations and make decisions wisely. A person with better problem-solving skills can secure his position and cannot be easily replaced.

**Charismatic Leadership Theory:** This theory believes that a leader must possess some extraordinary and exceptional qualities to become an effective leader. Such leaders lead by their key traits i.e.



- ❖ **Envisioning/Foreseeing:** Leaders foresees future possibilities and create a vision accordingly, usually having high expectations and dreams.
- ❖ **Energizing/Empowering:** Leaders are highly enthusiastic, proactive, energetic and confidently aiming towards success.

- ❖ **Enabling/Guiding:** Leaders provide complete support and guidance and show compassion and trust in followers. Such leaders are highly focussed and committed towards their goal accomplishment.

**5. Transactional Leadership Theory:** Transactional Leadership Theory emphasises the realisation of a desired outcome and result. The leaders motivate the followers by way of a reward system, i.e. rewarding the performers and punishing the non-performers.

The theory emphasises maintaining a cordial relationship with the followers, leaders and followers must work mutually to meet organisational goals.

**6. Transformational Leadership Theory:** The transformational theory states that a leader is effective only if he can transform or change the perceptions, behaviour and expectations of the followers and direct them towards a common goal which will lead to the accomplishment of the leader's vision. Such leaders have a charismatic and influential personality.

Following are the key factors behind Transformational Leadership:

- Psychological transformation:** Bring about a change in the perception and mind-set of the follower.
- Influential:** Creates a strong impact on the followers.
- Motivational:** Generates positive energy within followers.
- Inspirational:** Encourages them to achieve something.
- Individual impact:** Creates a powerful effect on the behaviour and perception of the followers.

From the above description, we can conclude that a leader needs to follow different leadership theories based on the situation and circumstances.

-----