CHAPTER - II

REVIEW OF LITERATURE

2.1 INTRODUCTION:

In this chapter an attempt has been made by the researcher to take cognizance of the related research undertaken by various academicians, professional bodies etc. and the inferences drawn by them. While reviewing the literature care has been taken to scan the newspapers, magazines, journals, books, net surfing and other published sources.

There are two types of leaders. The kind that most of our leadership theories have been talking about have been transactional leaders. They guide or motivate their followers in the direction of established goals by clarifying role and task requirement. But there is another type of leader who inspires followers to transcend their own self-interests for the good of the organization and who is capable of having a profound and extraordinary effect on his or her followers. (Bass B.M.,1985)

Warren Bennis, after studying ninety most effective and successful charismatic leaders in the U.S. found that they had four common competencies. They had a compelling vision or sense of purpose, they could communicate that vision in clear terms that their followers could readily identify with; they demonstrated consistency and focus in the pursuit of their vision, and they knew their own strengths and capitalized on them. (Bennis W.,1984)

Although many specific definitions could be cited, most would depend on the theoretical orientation taken. Besides influence, leadership has been defined in terms of group processes, personality compliance, particular behaviour, persuasion, power of achievement, interaction, role differentiation, initiation of structure, and combination of two or more of these. (Bernard M. Bass, Bass and Stogdill’s, 1990)
Attribution theory deals with people trying to make sense out of cause-effect relationship. When something happens, they want to attribute it to something. In the context of leadership, attribution theory says that leadership is merely an attribution that people make about other individuals. (Bose B.M., 1985)

A few important research studies indicate that followers/subordinates may actually affect leaders as much as leaders affect followers/subordinates. For example, one study found that when subordinates were not performing very well, the leaders tended to emphasize initiating structure, but when subordinates were doing a good job, leaders increased their emphasis on consideration. (Charles N. Greene, 1975)

In a study it was found that in newly formed groups, leaders may adjust their supportive behaviour in response to the level of group cohesion and arousal already present. Such studies indicate that subordinates affect leaders and their behaviours as much as leaders and their behaviours affect subordinates. (Charles N. Greene & Chester A. Schriesheim, 1980)

The Ohio State studies have value for the study of leadership. They were the first to point out and emphasize the importance of both task and human dimensions in assessing leadership. However, on the other side of the coin, the rush for empirical data on leadership led to a great dependence on questionnaire in the Ohio State studies to generate data about leadership behaviours and this may not have been justified. Schriesheim and Kerr concluded after the review of the existing literature that the Ohio State scales cannot be considered sufficiently valid to warrant their continued uncritical usage in leadership research. (Chester A. Schriesheim and Steven Kerr, 1977)

About the charismatic leader’s impact on his or her followers’ attitudes and behaviour – One study found that followers of charismatic leaders were more self-assured, experienced more meaningfulness in their work, reported more support from their leaders, worked longer hours, saw their leaders as more dynamic and
had higher performance ratings than the followers of non-charismatic but effective leaders. (Conger J.A. and Kanungo R.N. (1987)

According to one study, over time, the leader will develop an “in-group” of subordinates and “out-group” of subordinates and treat them accordingly. Thus, for the same leader, research has shown that in-group subordinates report few difficulties in dealing with the leader and perceive the leader, as being more responsive to their needs and out-group subordinates do. (Dansereau F., Jr. G. Graen, and W.J.Haga, 1975)

There has been no shortage of studies attempting to isolate critical situational factors that affect leadership effectiveness. For instance, popular moderating variables used in the development of contingency theories include the degree of structure in the task being performed, the quality of leader member relations, the leader’s position power. Subordinates’ role clarity, group norms, information availability, subordinate acceptance of leader’s decisions, and subordinate maturity. (Duchon D., S.G. Green and T.D. Taber, 1986)

Hersey and Blanchard argue about the Management Grid that the grid emphasizes concern for production and people, which are attitudinal dimensions. Situational leadership, in contrast, emphasizes task and relationship behaviour. Understanding of the situational leadership theory is probably enhanced by considering it as a fairly direct adaptation of the grid framework to reflect four stages of follower maturity. (Harsey P. and Blanchard K.H., 1982)

When the trait approach is applied to organizational leadership, one of the biggest problems is that all managers think they know what the qualities of a successful leader are. Obviously, almost any adjective can be used to describe a successful leader. Recognizing these semantic limitations and realizing that there is no cause and effect relationship between observed traits and successful leadership. There is some evidence to suggest that empathy or interpersonal sensitivity and self-confidence are desirable leadership traits. (Joseph H. Reitz 1987)
The leader-member Exchange Theory proposes that early in the history of the interaction between a leader and a given subordinate, the leader implicitly categorizes the subordinate as an “in” or “out” and that relationship is relatively stable over time. Just precisely how the leader chooses who fall into each category is unclear, but there is evidence that leaders tend to choose in group members because they have personal characteristics i.e. Age, Sex, Personality etc. (Karmel B. 1978)

There is evidence that subordinates in the in-group (those who report a high-quality relationship with their leader) assume greater job responsibility, contribute more to their units, and are rated as higher performers than those reporting a low-quality relationship.( Khan R. and D. Katz , 1960)

Using the attribution framework, researchers have found that people characterize leaders with traits like intelligence, outgoing personality, strong verbal skills, aggressiveness, understanding, and industriousness. ( Lord R.G., Devader C.L., and Alliger G.M. ,1986)

Although one well known scholar argues that virtually every theory has also “wrestled with the question of how much a leader should share power with subordinates in decision making”, there is far less support for the contention. (McElroy J.C.,1982)

In general, research findings do not agree on which traits are generally found in leaders or even on which ones are more important than others. Similar to the trait theories of personality, the trait approach to leadership has provided some descriptive insight but has little analytical or predictive value. The trait approach is still alive, but now the emphasis has shifted away from personality traits and toward job related skills. Katz has identified the technical, conceptual, and human skills needed for effective management. (Robert Katz 1974)
Careful examination discloses that the concepts of ‘task’ and ‘people’ often expressed in more elaborate terms that hold substantially the same meaning – permeate most of the theories. The task dimension is called just that by Fiedler, but it goes by the name of “initiating structure” for the Ohio State group, “directive leadership” by path-goal supporters, “production orientation” by the Michigan researchers, and “concern for production” by Blake and Mouton. (Schein)

Leadership studies undertaken at the University Michigan’s Survey Research Centre came up with two dimensions of leadership behaviour that they labeled employee oriented and production oriented. Leaders who were employee oriented were described as emphasizing interpersonal relations, they took a personal interest the need of their subordinates and accepted individual differences among members. The production oriented leaders, to contrast, tended to emphasize the technical or task aspects of the job - their main concern was in accomplishing their groups’s tasks and the group members were a means to that end. (Vroom V.H.,1973)

In recent years, many theorists and practitioners emphasize the difference between managers and leaders. Bennis noted that to survive in the twenty-first century, we are going to need a new generation of leaders and mind well only leaders not managers. The distinction is an important one. Leader conquer the context - the volatile, turbulent, ambiguous surroundings that sometimes seem to conspire against us and will surely suffocate us if we let them – while managers surrender to it. (Warren G. Bennis,1989)

The article emphasizes the importance of equipoise to modern management leaders and its relevance in current business situations through an interesting conversation between a son and a father. Getting excited with success or devastated by failure could be avoided if one adopts the principle of equipoise in our daily life. Such an approach could easily eliminate unhealthy rivalry, conflicts and lead to a more peaceful world. If the leaders realize the true purpose of life and become
equipoise, they will be mentally strong to sustain their position in the present corporate world. (M. Bashyakar & Mohandas J. Menon)

According to the writer of this article, lack of understanding in the leader follower relationship results in labour disputes, job dissatisfaction and low productivity. The major causes of strikes are occasioned by demands for increase in wages, recognition of the union, decrease in working hours and by jurisdictional disputes. However, incidental to these causes and often aggravating them are the working conditions, while in almost every case the prime factor is the lack of understanding and failure of the employers and the workers to get together. So organization should adopt a leadership style that is participative and employee-friendly, allowing employees to be productive and valued during this economic crisis. (Jay Dewhurst)

This article discusses how an organization’s ad-hoc needs motivate the leader to choose a leadership style, such as authoritarian, participative or delegating that may or may not be typical or appropriate for long term needs. These motives, which include the motivation to: a) control and limit variables, b) expand influence through others, and c) expand influence by replicating self, are influenced greatly temporary changes in an organization’s operations and may include emergency situations, as well as one-time revenue opportunities. Regardless of the situation, a leader’s typical style, motivated by normal circumstances, must be flexible and change according to temporary needs. Scenarios are presented to examine possible situational or ad-hoc style changes and their accompanying challenges. (Jay Dewhurst)

This article is a outcome of an investigation of the differential impact of Supervisor and subordinate rated leader-member exchange on career outcomes. Using a sample 229 employees and their 109 immediate supervisors from 63 organizations in Northern Malaysia, the researchers tested the hypothesis that the quality of Leader-member exchange (LMX) would have differential impact on career outcomes depending on whether it was rated the supervisor or the subordinate. As expected, we found that the employees’ perceptions of the quality of exchanges differed from those of their supervisors. Interestingly, supervisor-rated LMX significantly predicted salary
progression and promotability, whereas subordinate-rated LMX significantly predicted career satisfaction. The results also revealed that supervisor-rated LMX and subordinate rated LMX did not interact significantly to impact career outcomes. (Magdalene Ang Chooi Hwa, Muhamad Jantan, and Mahfooz A. Ansari)

Central to the leadership literature are the correlates and outcomes of different leadership styles. In this study the author has focused on charismatic leadership. Charismatic leaders are those who possess high sensitivity to environment and followers’ needs, articulate an attractive vision for the organization and inspire subordinates to follow their attitudes and behaviours. Adopting a social identity theory perspective, the authors proposed that internal marketing is fundamentally a process in which leaders instill into followers a sense of oneness with the organization, formally known as ‘Organizational identification(OI)’. The authors tested the OI-transfer research model in two multinational studies using multilevel and multisource data. Hierarchical linear modeling analyses showed that the OI-transfer process takes place in the relationships between business unit managers and salespeople and between regional directors and business unit managers. The study provides empirical evidence for the role of leaders especially model in building member identification that lays the foundation for internal marketing. (Jan Wieseke, Michael Ahearne, Son K. Lam & Rolf Van Dick 2009)

The author attended a four-day programme Leadership, Innovation and Growth (LIG) of GE company and he has narrated his experience in this article. The aim of LIG programme at General Electric was “to embed growth into the DNA of our company.” The company identifies the following leadership traits as necessary innovating, creating new businesses, and expanding into new markets. First is External focus – which defines success through the customer’s eyes. Is in tune with industry dynamics. Sees around corners. Second is clear thinker – seeks simple solutions to complex problems. Is decisive and focused. Communicates clear and consistent priorities. Third is Imagination – Generates new and creative ideas. Is resourceful and open to change. Takes risks on both people and ideas. Displays courage and tenacity.
Fourth is inclusiveness – Is a team player. Respects others’ ideas and contributions. Creates excitement, drives engagement, builds loyalty and commitment. Fifth and last is Expertise – Has in-depth domain knowledge and credibility built on experience. Continuously develops self. Loves learning. These growth values at GE will certainly make a leader successful. (Steven Prokesch, 2009)

Leaders new to their roles often try to prove themselves by going after quick wins. But the quest for rapid results is inherently dangerous. In this article the author has portrayed all pros and cons of this quick win. In the pursuit of early results, however, they can easily fall into one or more of five traps, which can undercut their success. To escape these traps, new leaders must shift their focus from their individual achievements to their teams “collective quick wins.” To do this, they must communicate a clear vision, develop people’s capabilities, be willing to learn, and pull every one together to make the group project a success. In other words, new leaders who score collective quick wins must demonstrate critical career making skills in change management and leadership. (Mark E. Van Buren and Todd Safferstone, 2009)

In this article One HBR Case study is discussed and three management experts had commented over it. Yang Jianguo was promoted from country manager for China to global head of product development at a staid French perfume maker. He wanted to shed some biases and win over his western, tradition-bound colleagues. According to author as the world embraces the global economy, modern corporations need to create an atmosphere that fosters a multicultural work environment. Organizations must give their global managers the tools to understand one another and work together effectively. Although Jianguo was not welcomed warmly he can turn the situation around. He can deliver some quick wins and demonstrate his value, then the rest of the team at Deronde will come around. And he will become global leader of the company. (Katherine Tsang, Mansour Javidan, James Champy, 2009)

Transitions into new leadership roles are nothing less than miserable situation. Leaders in transition rely on the skills and strategies that worked for
them in the past but those approaches won’t necessarily work in new environments. According to author of this article research suggests that six fundamental principles will help leaders make effective transitions into new roles. The type of business environment dictates how those principles should be applied. First Organize to learn. Figure out what you most need to learn, from whom, and how you can best learn it. Second – define strategic intent. Third - establish A-item priorities. Identify a few vital goals and pursue them relentlessly. Fourth – build the leadership team. Evaluate the team you inherited. Fifth – secure early wins. Find ways to build personal credibility and energize the ranks. And lastly Sixth – create supporting alliances. Create key coalitions in support of your initiatives. Following these principles leaders can face the challenges during transition into new role. (Michael D. Watkins, 2009)

Many believe that bias against women lingers in the business world, particularly when it comes to evaluating their leadership ability. Authors of this article have discussed in details some research outcomes in this regard. One recent research denotes that women outshine men in many dimensions of leadership except one – envisioning – the ability to recognize new opportunities and trends in the environment and develop a new strategic direction for an enterprise. This may be because women might use different processes than men for shaping the future. Vision is a must-have for enterprise leadership, regardless of gender. Luckily, it’s a capability that be learned. When taking on more-strategic leadership roles, both men and women must come to grips with the vision thing. For they should get a vision test. Learn to appreciate vision as a matter of not just style but substance. Build your network. Strategic analysis demands a solid grasp of what is happening outside your group and firm. Much of the envisioning can be learned the old fashioned way, at the elbow of a master. Find role models and study how they develop and communicate strategic ideas. Beware of identity traps. As your vision develops, find opportunities to articulate it. Vision is internal presumption of competence: giving yourself latitude, believing in your ability and assuming responsibility for creating a future for others. Practicing these point will certainly add degrees of competency in the dimensions of leaders. (Herminia Ibarra and Otilia Obodaru 2009).
One of the major casualties of the current economic crisis is that of leadership. Difficult and stressful as recessions are, they do provide the opportunity to rethink the way things are done. This recession though provides us not only with an opportunity to redefine processes but also to reexamine our views about leadership. This article examines how some of the biggest leadership failures occurred and uses psychological theories to explain them. It also discusses five factors: leaders’ actions not matching their words; how strengths overplayed can become weaknesses; personality flaws; organizational complicity by not addressing problems sooner because the leader at that time was successful; and finally political complicity with politicians. The type of leader which is required to get us out of this mess is actually quite different from the type of leadership that got us into it. (Binna Kandola, 2009)

Business real estate is not merely an operating necessity; it’s a strategic resource. But it rarely captures senior management’s attention. In this article author highlights how knowing about real estate is important for leaders. The five maxims discussed below intended not for real estate specialists but for the leaders who guide them highlight the issue that senior managers need to understand. For this his advice is think of real estate holdings as a portfolio, not a set of discrete properties. Pay a little extra for a lease or a purchase if it buys flexibility. Collect data to assess the portfolio’s performance. Work with real estate service providers that offer expertise and efficiency. Embrace sustainability, it’s here to stay. Thus real estate compels leaders’ attention and their mastery of the issues and principles behind their largest assets. (Mahlon Apgar IV, 2009)

This article is outcome of a interview of author with Historian Doris Kearns Goodwin to learn more about leadership lessons from Abraham Lincoln her famous book— as Barack Obama chose this book to take with him to the White house. As the writer narrates, Abraham Lincoln’s genius was to manage the ambitions and egos of his rivals to form a team that could confront the challenges of civil war. His ability to create a team of rivals was rooted in an extraordinary level of emotional intelligence. He learned from his mistakes, he shared responsibility for the mistakes of others, and he did
not hold grudges. Lincoln’s experience, like that of other presidents in times of emergency, gives hope that the United States and other democracies will weather the current crisis. His ability to find some free time for himself, recharging his energy in the midst of great stress and crisis is crucial for successful leadership. (Diane Coutu, 2009)

According to writer, when change initiatives founder, leaders often blame resistance. They assume that if only people would stop complaining and get on board, all would be well. Resistance is, in fact, a form of feedback, often provided by people who know more about day-to-day operations than you do. It can be turned into a vibrant conversation that gives your change effort a higher profile. Dismissing the feedback deprives you of potentially valuable information, costs you goodwill, and jeopardizes important relationships. If you learn to embrace resistance, you can use it as a resource and find your way to a better solution. Strong leaders can hear and learn from their critics. (Jeffrey D. Ford and Laurie W. Ford)

According to Elizabeth M. Christopher & Larry E. Smith, there appear to be three major motivational forces that drive leaders’ behaviour; a sense of power; the satisfaction they derive from group acceptance and acclaim; and task accomplishment. Classroom leaders in interactive learning may sometimes surrender their motivational needs to serve the needs of the group. Moreover their formal leadership status may be challenged by emergent leaders from within the group; then they have to decide whether or not to resist the challenge. Their decision will be made on the basis of the kind of behaviour that will most effectively promote group learning. (Elizabeth M. Christopher & Larry E. Smith, 1999)
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