CHAPTER 3
THEORETICAL APPROACHES TO LEADERSHIP

3.1 DEFINITION OF LEADERSHIP

A number of attempts have been made in the past to define leadership in terms of individual traits, leader behavior, interaction patterns and influence over followers, follower perceptions, role relationships, influence on task goals, and influence on Organisational culture. There is still no consensus over what leadership is, even after almost eight decades of documented research. Stogdill (1974) pointed out that there are as many different definitions of leadership as there are persons who have attempted to define it. The agreement has been on the conceptualization that leadership is the ability to influence a group towards Organisation goals.

The following two definitions of leadership deserve mention:

1. Leadership is the influencing process of leaders and followers to achieve Organisational objectives through changes (Lussier and Achua, 2004), and
2. Leadership is the ability of developing and communicating a vision to group of people that will make that vision true (Velenzuela, 2007).

3.2 DIFFERENCE BETWEEN LEADERSHIP AND MANAGEMENT

As a part of literature review of leadership theories, the investigator gathered statements from leading authors who described the differences between leadership and management. They are presented in Table3.1.
<table>
<thead>
<tr>
<th>Leadership</th>
<th>Management</th>
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</thead>
<tbody>
<tr>
<td>• Leaders are the people who do the right thing.</td>
<td>• Managers are people who do things right.</td>
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<tr>
<td>• Leadership is about coping with change.</td>
<td>Management is about coping with complexity</td>
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<tr>
<td>• Leadership is about a kinesthetic feel, a sense of movement</td>
<td>• Managing is about 'handling' things about maintaining order about</td>
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<td></td>
<td>Organisation and control.</td>
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<tr>
<td>• Leaders are concerned with what things mean to people.</td>
<td>• Managers are concerned about what and how things get done</td>
</tr>
<tr>
<td>• Leaders are architect</td>
<td>• Managers are the builders</td>
</tr>
<tr>
<td>• Leadership focuses on the creation of common vision</td>
<td>• Management is the design of work. It is about controlling</td>
</tr>
<tr>
<td>• Leadership is the responsibility to represent follower’s needs.</td>
<td>• Management is the accountability to achieve the objectives.</td>
</tr>
<tr>
<td>• A leader climbs the tallest tree in the forest, may be the wrong forest</td>
<td>• A manager chops his way through the forest.</td>
</tr>
</tbody>
</table>
3.3 SOME MYTHS ABOUT LEADERSHIP

There are a few myths about leadership which still prevail in society: (Hughes 2012)

Myth 1: Leadership is a rare skill – The truth is that leadership opportunities are plentiful and within the reach of most people.

Myth 2: Leaders are born, not made – The truth is that major capacities and competencies can be learned and we are educable, at least if the basic desire to learn is there and we do not suffer from serious learning disorders. Nurture is more important than nature in determining who becomes a successful leader.

Myth 3: Leaders are charismatic – The truth is that charisma is the result of effective leadership, not the other way round.

Myth 4: Leadership exists only at the top of an Organisation. In fact, the larger the Organisation, the more the leadership role it is likely to have.

Myth 5: The leader controls, directs, prods, and manipulates.

The last is perhaps the most damaging myth. Leadership is not so much the exercise of power itself, it also involves empowerment of others. Leaders are able to translate intentions into reality by aligning the energies of the Organisation to achieve its goal.

While reviewing the theoretical approaches to leadership, the present researcher has come across three brilliant sources:


She also referred to three quite exhaustive books on leadership:


2. Leadership and team building by Haldar (2010)

3. Leadership by Hughes, Ginnett and Hurphy (2011)

The researcher has taken a stock of the recent research publications in the Indian and foreign journals on the theoretical approaches to leadership. With a plethora of research work on leadership theories, the researcher was rather judicious in selecting those theories that had a direct relevance to her research work and interpretation of the findings. The indigenous theories of leadership proposed by Indian researchers such as JBP Sinha, Pradeep Khandwalla, and S.W. Deshpande need a special mention.

3.4 MODELS/ THEORIES OF LEADERSHIP

Different authors have classified the leadership theories in different ways; some have classified on the basis of time dimension, while others have focused on the behaviouristic or situationistic paradigms. The former type is presented in Table 3.2:
Table 3.2 EVOLUTION OF LEADERSHIP THEORY

<table>
<thead>
<tr>
<th>Personality Era</th>
<th>Situational Theory (Hersey and Blanchard, 1969; 1977)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Great Man Period</strong></td>
<td>Multilevel Linkage Model(Yuki, 1971; 1989)</td>
</tr>
<tr>
<td>Great Man Theory (Bowden, 1972; Carlyle, 1841; Galton, 1869)</td>
<td>Normative Theory (Vroom and Yetton, 1973, Vroom and Jago, 1988)</td>
</tr>
<tr>
<td><strong>Trait Period</strong></td>
<td></td>
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<tr>
<td>Trait theory (Bingham, 1972)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Influence Era</th>
<th>Transactional Era</th>
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</thead>
<tbody>
<tr>
<td><strong>Power Relations Period</strong></td>
<td>Exchange Period</td>
</tr>
<tr>
<td>Five Bases of Power Approach (French, 1956; French and Raven, 1959)</td>
<td>Vertical dyad linkage/leader member exchange theory (Dansereau, Graen and Haga, 1975)</td>
</tr>
<tr>
<td><strong>Persuasion period</strong></td>
<td>Reciprocal influence</td>
</tr>
<tr>
<td>Leader dominance approach (Schenk, 1928)</td>
<td>Approach (Greene, 1975)</td>
</tr>
<tr>
<td><strong>Role Developmental Period</strong></td>
<td>Emergent Leadership (Hollander, 1958)</td>
</tr>
<tr>
<td>Social Exchange</td>
<td></td>
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<tr>
<td>Theory (Hollander, 1979; Jacobs, 1970)</td>
<td></td>
</tr>
<tr>
<td>Role Making Model (Graen and Cashman, 1975)</td>
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</table>

<table>
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<tr>
<th>Behaviour Era</th>
<th>Anti-Leadership Era</th>
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<tbody>
<tr>
<td><strong>Early Behaviour period</strong></td>
<td>Ambiguity period</td>
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</tbody>
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| Ohio State Studies (Fleishman, Harris, and Burtt, 1955) | Substitute period
Leadership Substitute Theory (Kerr and Jermier, 1978) |
| Michigan State studies (Likert, 1961) | |
| **Late Behaviour Period** | |
| Managerial Grid Model (Blake and Mouton, 1964) | |
| Four-factor Theory (Bowers and Seashore, 1966) | |
| Action theory of leadership | |
| (Argyris, 1976) | |
| Theory X and Y (McGregor, 1960, 1966) | |
| **Operant period** (Sims, 1977; Ashour and Johns, 1983) | |
| **Situation Era** | **Culture Era** |
| **Environment period** | Mckinsey 7-S framework (Pascale and Athos, 1981) |
| Environment approach (Hook, 1943) | Theory Z (Ouch and Jaeger, 1978) |
| **Social Status Period** | Schein (1985) |
| Role Attainment Theory (Stogdill, 1959) | Self-Leadership (Manz and Sims, 1987) |
| Leader Role theory (Homans, 1959) | |
| **Sociotechnical period** | |
| Sociotechnical Systems (Trist and Bamforth, 1951) | |
| **Contingency Era** | **Transformational Era** |
Contingency Theory (Fiedler, 1964)
Path-Goal theory (Evans, 1970; House, 1971)

Charisma Period
Charismatic Theory (House, 1977)
Transforming Leadership Theory (Burns, 1978)

Self-Fulfilling Prophecy Period
SFP Leader Theory (Field, 1989; Eden, 1984)
Performance Beyond Expectations Approach (Bass, 1985)

Early classic laboratory studies of ‘leadership behaviour in a small group’ (Bales & Slater, 1955; Lippit & White, 1958) and later follow-up field studies of ‘supervision in organisation’ (Vroom & Yetton, 1973; Yukl, 1989) have converged in identifying three major leadership role behaviours, viz. task role (initiating structure), social or people role (consideration or nurturance), and participative role (decision – centralisation). However, later advances in leadership research during the last two decades identified a fourth role that is the characteristic or transformational role (Conger & Kanungo, 1988). Leadership research in India has primarily centered on studying the nature of these four types of leadership roles.

3.4.1 Managerial grid

One concept based largely on the behavioral approach to leadership effectiveness is the Managerial (or Leadership) Grid, developed by Robert Blake and Jane Mouton (1964). They developed the managerial Grid as a tool for identifying a manager’s own style. The grid is based on the leadership style dimensions of ‘concern for people’ and ‘concern for production’, which essentially mirrors the dimensions of
consideration and initiating structure as identified in the Ohio studies. The Grid clarifies, on two 9-point scales, how the two dimensions are related. It also establishes a uniform language and framework for communication about appropriate leadership style. The 1,9 leader is high on concern for people but low on concern for task. In sharp contrast, the 9,1 leader tends to be authoritarian by showing a very high concern for task and a very low concern for people. The 1,1 leadership style is called an impoverished style where the leader does not place emphasis on either of the dimensions. The 5,5 and 9,9 styles balance both the dimensions more desirably in 9,9. The grid can help individuals identify their leadership style.

### 3.4.2 Contingency approach to leadership

The positive, participative, or consultative leadership is not always the best style to use. The best style may vary as per the needs of the situation. The prime need for the leaders is to identify when to use a particular style. This means, that though there are different styles identified in the behavioral approach to leadership, all styles seem to be appropriate and effective if used according to the needs of the situation. Alternatively, the effectiveness of a leadership style depends on the behaviour of the leader and also what the situation demands. For the first time it was recognized that leadership was not found in any of the pure dimensional forms but was contingent or dependent on one or more of the factors of behaviour, personality, influence, and situation. The study of leadership in the contingency era, therefore, focused on the situational moderator variables that best revealed which leadership style to use. Some of the models in the contingency era identify different key factors in a situation and analyse them to indicate which leadership style would be suited to which specific situation.
Fiedler’s Contingency Model

This is one of the earliest situation-contingent leadership theories proposed by Fiedler (1964). According to him, if an Organisation attempts to achieve group effectiveness through leadership, then there is a need to assess the effectiveness of a leader’s style on the basis of three variables viz. 1 Leader follower relations, 2 Task structure, and 3 Position power.

With the help of these three variables, eight combinations of group-task situations were constructed by Fiedler. These combinations were used to identify the style of the leader. Fiedler’s contingency model is presented in Figure 3.1

Figure 3.1 FIEDLER’S CONTINGENCY MODEL
Leader’s effectiveness is determined by the interaction of the leader’s style of behavior and the favorableness of the situational characteristics. The most favorable situation is when leader-member relations are good, the task is highly structured, and the leader has a strong position power. Research on the contingency model has shown that the task-oriented leaders are more effective in highly favorable (1, 2, 3) and highly unfavorable (7, 8) situations, whereas relationship-oriented leaders are more effective in situations of intermediate favorableness (4, 5, 6).

Situational factor: According to Fiedler, a leader’s behavior is dependent upon the favorability of the leadership situation. Three factors work together to determine how favorable a situation is to a leader. These are:

- Leader-member relations – The degree to which the leader is trusted and liked by the group members, and the willingness of the group members to follow the leader’s guidance.
- Task structure – The degree to which the group’s task has been described as structured or unstructured, has been clearly defined, and the extent to which it can be carried out by detailed instructions.
- Position power – The power of the leader by virtue of the Organisational position and the degree to which the leader can exercise authority on group members in order to comply with and accept his direction and leadership.

3.4.3 Life cycle or Situational Theory

According to this model, the leader has to match the leadership style according to the readiness of subordinates, which moves in stages and has a cycle. Therefore, this theory is also known as the life-cycle theory of leadership.

The theory, developed by Paul Hersey and Kenneth Blanchard (1969), is based on the
‘readiness’ level of the people the leader is attempting to influence. Readiness is the extent to which followers have the ability and willingness to accomplish a specific task. Ability is the knowledge, experience, and skill that an individual possesses to do the job and is called job readiness. Willingness is the motivation and commitment required to accomplish a given task. The style of leadership depends on the level of readiness of the followers. The Readiness (R) is divided into a continuum of the following four levels:

R1 – low follower readiness – refers to low ability and low willingness of followers, i.e. those who are unable and insecure

R2 – low to moderate follower readiness – refers to low ability and high willingness of followers, i.e. those who are unable but confident

R3 – moderate to high follower readiness – refers to high ability and low willingness of followers, i.e. those who are able but insecure

R4 – high follower readiness – refers to high ability and high willingness of followers, i.e. those who are both able and confident

The direction is provided by the leader at the lower levels of readiness. Therefore, the decisions are leader-directed. On the other hand, the direction is provided by the followers at the higher levels of readiness. Therefore, the decisions in this case are follower directed. When the followers move from low levels to high levels of readiness, the combinations of task and relationship behaviors appropriate to the situation begin to change.

For each of the four levels of readiness, the leadership style used may be a combination of task and relationship behavior.

- Task behavior: Extent to which the leader spells out the duties and responsibilities of a follower which includes providing them direction, setting
goals, and defining roles for them. Usually a one-way communication exists which is meant to provide the direction to the followers.

- Relationship behavior: Extent to which the leader listens to the followers, and provides encouragement to them. Here, a two-way communication exists between the leader and the follower.

By combining the task and the relationship behavior, we arrive at the following four different styles of leadership which correspond with the different levels of readiness as shown in the Figure3.2.

S1 – Telling: This style is most appropriate for low follower readiness (R1). It emphasizes high task behavior and limited relationship behavior.

S2 – Selling: This style is most appropriate for low to moderate follower readiness (R2). It emphasizes high amounts of both task and relationship behavior.

S3 – Participating: This style is most appropriate for moderate to high follower readiness (R3). It emphasizes high amount of relationship behavior but low amount of task behavior.

S4 – Delegating: This style is most appropriate for high follower readiness (R4). It emphasizes low levels of both task and relationship behavior.
3.4.4 Path Goal Theory

This theory is developed by Robert House (1971) and has its roots in the expectancy theory of motivation. The theory is based on the premise that an employee’s perception of expectancies between his effort and performance is greatly affected by leader’s behavior. The leaders help group members in attaining rewards by clarifying the paths to goals and removing obstacles to performance. They do so by providing information, support, and other resources which are required by employees to complete the task.

House’s theory advocates servant leadership. As per servant leadership theory, leadership is not viewed as a position of power. Rather, leaders act as coaches and
facilitators to their subordinates. According to House’s path-goal theory, a leader’s effectiveness depends on several employee and environmental contingent factors and certain leadership styles. The theoretical model is exhibited in Figure 3.3.

Figure 3.3 PATH-GOAL LEADERSHIP THEORY.

The four leadership styles are:

- **Directive**: Here the leader provides guidelines, lets subordinates know what is expected of them, sets performance standards for them, and controls behavior when performance standards are not met. He makes judicious use of rewards and disciplinary action. The style is the same as task-oriented one.

- **Supportive**: The leader is friendly towards subordinates and displays personal concern for their needs, welfare, and well-being. This style is the same as people-oriented leadership.

- **Participative**: The leader believes in group decision-making and shares information with subordinates. He consults his subordinates on important decisions related to work, task goals, and paths to resolve goals.
• Achievement-oriented: The leader sets challenging goals and encourages employees to reach their peak performance. The leader believes that employees are responsible enough to accomplish challenging goals. This is the same as goal-setting theory.

According to the theory, these leadership styles are not mutually exclusive and leaders are capable of selecting more than one kind of a style suited for a particular situation. The theory states that each of these styles will be effective in some situations but not in others. It further states that the relationship between a leader’s style and effectiveness is dependent on the following variables:

• Employee characteristics: These include factors such as employees’ needs, locus of control, experience, perceived ability, satisfaction, willingness to leave the Organisation, and anxiety. For example, if followers are high inability, a directive style of leadership may be unnecessary; instead a supportive approach may be preferable.

• Characteristics of work environment: These include factors such as task structure and team dynamics that are outside the control of the employee. For example, for employees performing simple and routine tasks, a supportive style is much effective than a directive one. Similarly, the participative style works much better for non-routine tasks than routine ones.

When team cohesiveness is low, a supportive leadership style must be used whereas in a situation where performance-oriented team norms exist, a directive style or possibly an achievement-oriented style works better. Leaders should apply directive style to counteract team norms that oppose the team’s formal objectives.
3.4.5 Leader Member Exchange Theory (LMX)

The theory's focus is determining the type of leader-subordinate relationships that promote effective outcomes and the factors that determine whether leaders and subordinates will be able to develop high-quality relationships. According to the LMX theory, leaders do not treat all subordinates in the same manner, but establish close relationships with some (the in-group), while remaining aloof from others (the out-group). Those in the in-group enjoy relationships with the leader that is marked by trust and mutual respect. They tend to be involved in important activities and decisions, work harder and are more committed to task objectives. They share more administrative duties and are also expected to be fully committed and loyal to their leader. This puts constraints upon the leaders. They have to nurture the relationship with their inner circle.

Conversely, those in the out-group are excluded from important activities and decisions. These individuals are disfavored by the leader. As such, they receive fewer valued resources from their leaders and are given low levels of choice or influence. Leaders distinguish between the in-group and out-group members on the basis of the perceived similarity with respect to personal characteristics, such as age, gender, or personality.

LMX theory suggests that high-quality relationships between a leader-subordinate dyad will lead to positive outcomes such as better performance, lower turnover, job satisfaction, and Organisational commitment. The quality of the relationship is reflected by the degree of mutual trust, loyalty, support, respect, and obligation. Empirical research supports many of the proposed relationships (Steers et al., 1996).
3.4.6. Vroom and Yetton Decision Making Model

Despite the common belief that greater worker participation in decision-making in industry will increase productivity and workers’ job satisfaction, the empirical evidence has been most contradictory. As a result, theories have been developed that now suggest that the degree of participation should depend on the particular problem or situation facing the leader.

For the practicing manager, the problem has been the identification of the situation and the subsequent selection of an appropriate decision method. The model proposed by Vroom and Yetton shows how different leadership styles can be effectively harnessed in solving different types of problems. In his doctoral dissertation, Vroom had examined the positive effects that participation in decision-making could have on attitudes and motivation. At the same time, he had observed that personality characteristics might reduce or increase the impact of participation. In Leadership and Decision-Making, Vroom looked further into the issue of participation in decision-making by subordinates. Vroom and Yetton (1978) developed a set of rules that can be used to determine the level and form of participation in the decision-making process, which will support the best solution in different problem-solving situations. New managers may think they must make decisions alone, but Vroom clearly believes that this is not the case. He outlines types of decision-making involved in both group problems that affect a manager's workgroup, and in individual problems that affect only the manager. The following list shows the types of management decision methods for group problems:
• Authority decisions: made by the manager alone without involving others.
  o A1 – The manager makes the decision on his own using information available at the time.
  o A2 – The manager makes the decision alone but obtains his information from subordinates or other group members first.

• Consultative decisions: made by the manager after consultation with a group.
  o C1 – The manager approaches several other people individually to obtain their suggestions, then makes his own decision.
  o C2 – The manager brings several other people together at the same time as a group and collectively obtains their suggestions, then makes his own decision.

• Group decisions – made by a whole group in consensus.
  o G2 – The manager brings together several other people at the same time and they discuss the problem to arrive at a consensus decision between them. One answer to this problem is the Vroom and Yetton model which gives explicit directions to the leader as to how to categorize the problem and select the appropriate decision method.
  o G1 – In the individual model, in which the decision affects only one subordinate, the C2 and G2 are dropped, and a G1 strategy, that is, participative decision making with a single subordinate, is added.

By means of a sequence of questions that each requires a yes/no answer, which advances the manager along a decision tree path, the problem is ultimately defined as one of 14 types. Vroom and Yetton then recommend suitable methods of decision-making (from methods A1 - G2 above) for each problem type. Situational factors that influence the method are relatively logical:
- When decision quality is important and followers possess useful information, then A1 and A2 are not the best methods.
- When the leader sees decision quality as important but followers do not, then G2 is inappropriate.
- When decision quality is important, when the problem is unstructured and the leader lacks information / skill to make the decision alone, then G2 is the best.
- When decision acceptance is important and followers are unlikely to accept an autocratic decision, then A1 and A2 are inappropriate.
- When decision acceptance is important but followers are likely to disagree with one another, then A1, A2 and C1 are not appropriate, because they do not provide an opportunity for differences to be resolved.
- When decision quality is not important but decision acceptance is critical, then G2 is the best method.
- When decision quality is important, all agree with this, and the decision is not likely to result from an autocratic decision then G2 is best.

Five similar methods are defined for individual problems. The Vroom/Yetton model then proposes a decision tree based on seven rules which managers can use to pinpoint the most appropriate method for a given situation.

The usefulness of Vroom’s model rests on several key assumptions. First, it assumes that managers can accurately classify problems according to the criteria offered.

Second, it assumes that managers are able and willing to adapt their leadership style to fit the contingency conditions they face for each major decision. Third, it assumes that managers are willing to use a rather complex method. Finally, it assumes that the employees will accept the legitimacy of different styles used for different problems, as well as the validity of the leader’s classification of the situation at hand. If all these
assumptions are valid, the model holds considerable promise for helping managers choose the appropriate leadership styles.

3.4.6 Likert’s Management System

Rensis Likert and his associates (1961) studied the patterns and styles of managers for three decades at the University of Michigan, USA, and identified a four-fold model of management systems. The model was developed on the basis of a questionnaire administered to managers in over 200 Organisations and research into the performance characteristics of different types of Organisations. Four systems of management or the four leadership styles identified by Likert are:

- **System 1 – Exploitative Authoritative**: Responsibility lies in the hands of the people at the upper echelons of the hierarchy. The superior has no trust and confidence in subordinates. The decisions are imposed on subordinates and they do not feel free at all to discuss things about the job with their superior. The teamwork or communication is very little and the motivation is based on threats.

- **System 2 – Benevolent Authoritative**: The responsibility lies at the managerial levels but not at the lower levels of the Organisational hierarchy. The superior has condescending confidence and trust in subordinates (master-servant relationship). Here again, the subordinates do not feel free to discuss things about the job with their superior. The teamwork or communication is very little and motivation is based on a system of rewards.

- **System 3 – Consultative**: Responsibility is spread widely through the Organisational hierarchy. The superior has substantial but not complete confidence in subordinates. Some level of discussion about job related issues takes place between the superior and subordinates. There is a fair amount of
teamwork, and communication takes place vertically and horizontally.

Motivation is based on rewards and involvement in the job.

- System 4 - Participative: Responsibility for achieving the Organisational goals is widespread throughout the Organisational hierarchy. There is a high level of confidence that the superior has in his subordinates. There is a high level of teamwork, communication, and participation.

The nature of these four management systems has been described by Likert through a profile of Organisational characteristics. In this profile, the four management systems have been compared with one another on the basis of certain Organisational variables which are:

- Leadership processes
- Motivational forces
- Communication process
- Interaction-influence process
- Decision-making process
- Goal-setting or ordering
- Control processes

On the basis of this profile, Likert administered a questionnaire to several employees belonging to different Organisations and from different managerial positions (both line and staff). His studies confirmed that the departments or units employing management practices within Systems 1 and 2 were the least productive, and the departments or units employing management practices within Systems 3 and 4 were the most productive.

According to Rensis Likert, the nearer the behavioral characteristics of an Organisation approach System 4 (Participative), the more likely this will lead to long-
term improvement in staff turnover and high productivity, low scrap, low costs, and high earnings. If an Organisation wants to achieve optimum effectiveness, then the ideal system is System 4.

3.4.7 Transactional Leadership

The power of transactional leaders comes from their formal authority and responsibility in the Organisation. The key to a transactional style of Leadership is the exchange between the leader and the follower. They influence each other in a way that both parties receive something of value (Humphreys, 2001). They are mutually dependent on each other and the contributions of each side are understood and rewarded (Burns, 1978). Transactional leadership involves motivating and directing followers primarily through appealing to their own self-interest. The style is characterized by contingent rewards and management by exception (Bass, 1985). The main goal of the follower is to obey the instructions of the leader. Here the exchange between leader and follower takes place to achieve routine performance goals. These exchanges involve four dimensions:

- Contingent Rewards: Transactional leaders link the goal to rewards, clarify expectations, provide necessary resources, set mutually agreed upon goals, and provide various kinds of rewards for successful performance. They set SMART (specific, measurable, attainable, realistic, and timely) goals for their subordinates.

- Active Management by Exception: Transactional leaders actively monitor the work of their subordinates, watch for deviations from rules and standards and taking corrective action to prevent mistakes.
Passive Management by Exception: Transactional leaders intervene only when standards are not met or when the performance is not as per the expectations. They may even use punishment as a response to unacceptable performance.

Laissez-faire: The leader provides an environment where the subordinates get many opportunities to make decisions. The leader himself abdicates responsibilities and avoids making decisions and therefore the group often lacks direction.

The transactional leaders overemphasize detailed and short-term goals, and standard rules and procedures. They do not make an effort to enhance followers’ creativity and generation of new ideas. This kind of a leadership style may work well where the Organisational problems are simple and clearly defined. Such leaders tend to not reward or ignore ideas that do not fit with existing plans and goals.

The transactional leaders are found to be quite effective in guiding efficiency decisions which are aimed at cutting costs and improving productivity. The transactional leaders tend to be highly directive and action oriented and their relationship with the followers tends to be transitory and not based on emotional bonds. The theory assumes that subordinates can be motivated by simple rewards. The only ‘transaction’ between the leader and the followers is the money which the followers receive for their compliance and effort.

3.4.8 Transformational Leadership

Transformational leadership theory differentiates between the transactional and the transformational leader. Transactional leadership focuses on role and task requirements and utilizes rewards contingent on performance. In contrast, transformational leadership focuses on developing mutual trust, fostering the
leadership abilities of others, and setting goals that go beyond the short-term needs of the work group.

Bass's transformational leadership theory identifies four aspects of effective leadership, which include charisma, inspiration, intellectual stimulation, and consideration. According to this theory a leader who exhibits these qualities will inspire subordinates to be high achievers and put the long-term interest of the Organisation ahead of their own short-term interest. Empirical research has supported many of the theory's propositions.

Transformational leaders operate out of deeply held personal value system. Burns (1978) refers to it as end values. End values are those that cannot be negotiated or exchanged between individuals. By expressing these personal standards, transformational leaders are able to unite their followers, and actually change their followers’ goals and beliefs (Bass, 1990; Burns, 1978; Deluga, 1988).

Such leaders are visionary, inspiring, daring, risk-takers, and thoughtful thinkers. They have a charismatic appeal. But charisma alone is insufficient for changing the way an Organisation operates. For bringing major changes, transformational leaders must exhibit the following four factors shown in Figure 3.4.
i) **Inspirational Motivation:** The foundation of transformational leadership is the promotion of consistent vision, mission, and a set of values to the members. Their vision is so compelling that they know what they want from every interaction. Transformational leaders guide followers by providing them with a sense of meaning and challenge. They work enthusiastically and optimistically to foster the spirit of teamwork and commitment.

ii) **Intellectual Stimulation:** Such leaders encourage their followers to be innovative and creative. They encourage new ideas from their followers and never criticize them publicly for the mistakes committed by them. The leaders focus on the ‘what’ in problems and do not put blame on others. They have no hesitation in discarding an old practice set by them if it is found ineffective.

iii) **Idealized Influence:** They believe in the philosophy that a leader can influence followers only when he practices what he preaches. The leaders act as role models that followers seek to emulate. Such leaders always win the trust and respect of their followers through their action. They typically place their followers’ needs over their
own, sacrifice their personal gains for them, and demonstrate high standards of ethical conduct. The use of power by such leaders is aimed at influencing them to strive for the common goals of the Organisation.

iv) Individualized Consideration: Leaders act as mentors to their followers and reward them for creativity and innovation. The followers are treated differently according to their talents and knowledge. They are empowered to make decisions and are always provided with the needed support to implement their decisions.

3.5 INDIGENOUS MODELS

3.5.1 Nurturant task leader

The internal work culture of an Indian organisation is characterised by employee preference for a personalised and dependent relationship with the leader. In this type of work context, J.B.P Sinha (1980) argued that a nurturant task leader is most effective in achieving task objectives. According to Sinha, a nurturant task leader is one who makes his nurturance contingent on subordinates’ task performance. Sinha (1990) proposed a dynamic developmental perspective to explain the effectiveness of leadership styles in Indian organisations. Leadership roles develop gradually over a period of time from nurturant task at the initial stage to participative at the end. Sinha provided some evidence to substantiate this developmental model. However, the model requires further empirical validation. In fact, Sinha himself pointed out that external validity for the model must be obtained from longitudinal studies in organisational setting. The model is presented in Figure 3.5.
3.5.2 Pioneering Innovative model (PI)

Realising the importance of change agents in a developing country context, Khandwalla (1983) identified a variant of achievement need critical for innovative and entrepreneurial behaviour. He labeled this as the pioneering innovative style (PI). Khandwalla’s studies demonstrate the importance of the PI style by providing its conceptual base and operational measures.

Management, which scores high on PI, claims to pursue a business strategy of technologically sophisticated, high quality products and plants. They are aggressively adaptive and innovative, not merely technologically but also in various areas of management. To nurture creativity and the spirit of innovation, they seem willing to hire creative personnel even at junior management levels where generally errand boys or clerks are sought. PI is a mode of management adopted by the top level executive grouping the organisation.
3.5.3 East meets West model

Deshpande (1997) developed a leadership model based on the Managerial Grid by Blake and Mouton and Transformational leadership model developed by P Singh and Bhandarkar (1990). This model is labeled as ‘East Meets West’ Model. Deshpande took into account the role of the Indian socio cultural context, for instance the leadership role is viewed as a ‘Karta’ role in Kutumb (family) culture.

The three components of Indian culture which are relevant to leadership effectiveness are immense authority and power, relationship and proximity to power. An individual at the work place expects a boss who is powerful but at the same time quite sympathetic, caring, and also providing security to the employee. This is the characteristic feature of a benevolent autocrat, but as the employees become experienced, mature, responsible and also committed to the Organisation, the benevolent autocrat style will not help to lead them. For these employees, the consultative style would be more relevant. East meets West model is presented in Figure 3.6.
**Figure 3.6 EAST MEETS WEST MODEL.**

<table>
<thead>
<tr>
<th>Concern for People</th>
<th>Concern for Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>5.5</td>
<td>9.1</td>
</tr>
<tr>
<td>5.9</td>
<td>9.9</td>
</tr>
</tbody>
</table>

**Consultative type**

- Consultative Type characteristics- This is different from the consultative style advocated by Robert House or the participative style proposed by Hersey and
Blanchard. In consultative type Leadership, the ‘Karta’ (Leader) consults every member of the family (subordinates) but he takes the decision on his own.

3.6 EMERGING MODELS OF LEADERSHIP

3.6.1 Leadership substitute theory

Kerr and Jermier (1978) introduced the substitutes for leadership theory. The theory's focus is concerned with providing an explanation for the lack of stronger empirical support for a relationship between leader traits or leader behaviors and subordinates' satisfaction and performance. The ‘substitutes for leadership theory’ suggests that characteristics of the Organisation, the task, and subordinates may substitute for or negate the effects of leadership, thus weakening observed relationships between leader behaviors and important Organisational outcomes.

Substitutes for leadership make leader behaviors such as task-oriented or relationship-oriented unnecessary. Characteristics of the Organisation that may substitute for leadership include formalization, group cohesiveness, inflexible rules, and Organisational rewards not under the control of the leader. Characteristics of the task that may substitute for leadership include routine and repetitive tasks or tasks that are satisfying. Characteristics of subordinates that may substitute for leadership include ability, experience, training, and job-related knowledge.

The ‘substitutes for leadership theory’ has generated a considerable amount of interest because it offers an intuitively appealing explanation for why leader behavior impacts subordinates in some situations but not in others. However, some of its theoretical propositions have not been adequately tested. The theory continues to generate empirical research.
3.6.2 Level Five Leadership (Collins 2005)

Level 5 leaders are extremely modest. They don’t talk about themselves. They would talk about the Organisation, about the contribution of others and instinctively deflect discussion about their own role. They demonstrate extreme personal humility and display tremendous professional will. The details of these are presented in Table 3.3

Table 3.3 PERSONAL HUMILITY AND PROFESSIONAL WILL

<table>
<thead>
<tr>
<th>Personal Humility</th>
<th>Professional Will</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrates a compelling modesty, shunning public adulation; never boastful</td>
<td>Creates superb results, a clear catalyst in the transition from good to great</td>
</tr>
<tr>
<td>Acts with quiet, calm determination; relies principally on inspired standards,</td>
<td>Demonstrates an unwavering resolve to do whatever must be done to produce the</td>
</tr>
<tr>
<td>not inspiring charisma, to motivate</td>
<td>best long-term results, no matter how difficult</td>
</tr>
<tr>
<td>Channels ambition into the Organisation, not the self; sets up successors for</td>
<td>Sets the standard of building an enduring great Organisation; will settle for</td>
</tr>
<tr>
<td>even more greatness in the next generation</td>
<td>nothing else</td>
</tr>
<tr>
<td>Looks in the mirror, not out the window, to apportion responsibility for poor</td>
<td>Looks out the window, not in the mirror, to apportion credit for the success of</td>
</tr>
<tr>
<td>results, never blaming other people, external factors, or bad luck</td>
<td>the Organisation – t other people, external factors, and good luck</td>
</tr>
</tbody>
</table>

Besides extreme humility, Level 5 leaders also display tremendous professional will. They possess inspired standards, cannot stand mediocrity in any form, and are utterly intolerant of anyone who accepts the idea that good is good enough.
Level 5 leaders have ambition not for themselves but for their Organisations. They routinely select superb successors. They want to see their Organisations become even more successful in the next generation. They are comfortable with the idea that most people won’t even know that the roots of that success trace back to them. Level 5 leaders often fail to set up the Organisation for enduring success – what better way to demonstrate your personal greatness than that the place falls apart after you.

**3.6.3 Tannenbaum and Schmidt’s Model**

According to Tannenbaum and Schmidt, if one has to make a choice of the leadership style which is practicable and desirable, then his answer will depend upon the following three factors:

**Forces in the Manager:** The behaviour of the leader is influenced by his personality, background, knowledge, and experience. These forces include:

i. Value systems

ii. Confidence in subordinates

iii. Leadership inclinations

iv. Feelings of security in an uncertain situation

**Forces in the subordinate:** The personality of the subordinates and their expectations from the leader influences their behaviour. The factors include:

i. Readiness to assume responsibility in decision-making

ii. Degree of tolerance for ambiguity

iii. Interest in the problem and feelings as to its importance

iv. Strength of the needs for independence

v. Knowledge and experience to deal with the problem

vi. Understanding and identification with the goals of the Organisation
If these factors are on a positive side, then the leader can allow more freedom to the subordinates.

Forces in the situation: The environmental and general situations also affect the leader’s behaviour. These include factors such as:

i. Type of Organisation
ii. Group effectiveness
iii. Nature of the problem
iv. Time pressure

When the authors updated their work in 1973, they suggested a new continuum of patterns of leadership behaviour. In this work, the total area of freedom shared between managers and non-managers was redefined constantly by interactions between them and the environmental forces. This pattern was, however, more complex in comparison to the previous one.

3.6.4 Servant Leadership

Robert Greenleaf coined the term ‘Servant leadership’ term in 1970. His book on this topic was published in 1977. This approach to leadership reflects a philosophy that leaders should be servants first. It suggests that leaders must place the needs of subordinates, customers, and the community ahead of their own interests in order to be effective. Characteristics of servant leaders include empathy, stewardship, and commitment to the personal, professional, and spiritual growth of their subordinates. Servant leadership has not been subjected to extensive empirical testing but has generated considerable interest among both leadership scholars and practitioners.

3.6.5 Authentic Leadership (Cashman, 1997)

At its deepest level, leadership is authentic self-expression that creates value. The foundation of leadership is authenticity. How do we go about expressing ourselves
more authentically? Unfortunately, most leadership literature focuses on the style of leadership and not their character. Authentic leadership however is about developing our own style of leadership which is consistent with our personality and character. It is not about emulating the style of another leader (George, 2003).

There are *Five Touchstones* that are crucial to building the essential interpersonal bridge of leadership.

*Touchstone One: Know Yourself Authentically.*

*Touchstone Two: Listen Authentically.*

*Touchstone Three: Express Authentically.*

*Touchstone Four: Appreciate Authentically.*

*Touchstone Five: Serve Authentically.*

The five marks of authentic leadership:

1. Authentic leaders have *insight.* They need to be able to look at complex situations, gain clarity, and determine a course of action.

2. Authentic leaders demonstrate *initiative.* They don’t ask others to do what they are unwilling to do themselves. Instead, they lead by example.

3. Authentic leaders exert *influence.* People are drawn to their vision and their values. They are able to gather a following and move people to act.

4. Authentic leaders have *impact.*

5. They create real and lasting change, and exercise *integrity.* Since it is impossible to legislate integrity, stewardship, and sound governance, we need authentic leaders to run our corporations now (George, 2003).
Picking up from where the trait approach left off, are the newly emerging and more established skills for leadership development. The situation based capacities, those open to development and change, as opposed to the dispositional, relatively fixed traits and positive Organisational behaviour (POB)\(^5\) constructs have potential for understanding leadership. Both intuitive and initial research evidence indicates that optimism, hope, resiliency, emotional intelligence and especially self-efficacy are related to effective leaders. Incorporating these POB variables into newly emerging theories such as authentic leadership (Luthans, Avolio, 2003, Luthans pg.686) seems important for the development of leadership to meet today’s challenges. Today, leadership is known as both multidimensional and multilevel (person, dyad, group, and collective).

3.6.6 Primal Leadership (Goleman, 2002)

Great Leaders move us. They ignite our passion and inspire the best in us. When we try to explain why they are so effective, we speak of strategy, vision, or powerful ideas. However, the reality is much more primal, Great Leaders work through emotions. Their success depends on how they do it. If people’s emotions are pushed toward the range of enthusiasm, performance can soar; we call this resonance. The key, to making primal leadership work to everyone’s advantage, lies in the leadership competencies of emotional intelligence.

\(^5\) The term ‘Positive Organisational Behaviour’ is coined and defined by Luthans (2005) as “the study and application of positive oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today’s workplace” edi. 10 pp 270.
3.6.7 *Resonant Leadership*

It is important to understand the emotional reality of the community and country in which your organisation lies. One should understand that relationships are the vehicles for change. The belief is, when people meet to discuss strategies, they are finding common ground to take decisions and are healing the wounds of the past. The meetings are a means for bridging gaps of understanding between the previously opposing sides. An intense focus on outcomes as opposed to relationships is seen to increase the complexity of the situation.

When a leader neglects to listen to his people, and is blind to how his own behaviour is affecting the situation it leads to ineffectiveness. A leader also needs the ability to manage his own attitudes, emotions, and behaviour.

We often observe that when taking one job after another and making personal adjustments for it, we keep changing our priorities year after year. The demands of the jobs are higher and each success brings loftier demands. Sometimes we attempt to deal with sacrifices by oversimplifying our jobs or doing the minimum possible to get the job done. We get tunnel vision and tune out any messages that do not jibe with our sense of what needs to happen. We may thus miss the real goal and create dissonance on the way. At the same time our negative feelings are contagious so our people also start feeling frustrated, empty and unfulfilled. This becomes a vicious cycle indicating power stress, sacrifice, dissonance, more stress, and more sacrifice. Thus, dissonance is more common than resonance. In this environment of unprecedented change, dissonance has become the default mode, and even good leaders find themselves slipping. How should one manage the ‘Sacrifice Syndrome’, build and sustain resonance in the face of great trials? For this, every leader must be able to manage the ‘cycle of Sacrifice and Renewal’. Clearly, the leaders of the world
do not want to fail. They do not want to create dissonance or environments in which people feel disconnected, threatened, overworked, and undervalued. Every leader wants to be effective, and underneath all the bad behaviour, most dissonant leaders are actually good people.

Emotions are contagious. We gauge our emotional response on the feelings we notice in the people around us. Our emotions can also convey our intentions to other people. Our body responds to our emotions in subtle and obvious ways; things such as facial expressions and vocal tones are fleeting but important signs of emotions that drive a person’s behaviour. The more subtle clues such as posture, minute facial expressions are very difficult to control and are strong signals to other people of our true emotions. We are not always aware of sending or receiving signals. Nevertheless, we are very good at reading each other. We may not understand the source of the other’s emotions, but we can generally tell when he/she is in the grip of strong emotions. We can catch emotions of people around us even when the communication is nonverbal. According to numerous studies, emotions can be linked to long-term attitudes as well as in-the-moment responses. Because of this, emotions indirectly affect people’s judgments about social situations and impact their behaviour as well. The same applies to leaders. We watch them very carefully and we can smell their emotions from far away. Since they have power over us, we want to know what they expect from us and what we should do. Nadia Wager and her colleagues have been studying the effect of negative versus positive managerial styles on the blood pressure of the people around the leader. They found in one study (Boyatzis, 2005) that subordinates’ blood pressure would drop to normal when they worked with a specific supervisor whose style was more thoughtful and sensitive. And it
went up dramatically when dealing with a supervisor whose style was not respectful, fair, or sensitive to others.

When we apply these findings to relationships at work, we see that if we are sometimes confused by someone’s anxious or inauthentic behaviour (causing distrust or unease or fear), we may come to habitually approach that person cautiously. We avoid him or we play some game. Therefore, when the leader is unauthentic or overtly expressing destructive emotions, dissonance in the team and even in the organisation is inevitable. For a leader to create resonance in the culture, and success in the business, he/she should understand that for leaders to sustain their effectiveness, they must learn how to sustain themselves. According to Boyatzis (2005), Resonance and renewal from Dissonance is possible through mindfulness, hope, and compassion.

3.6.8 Complexity Leadership (2008)

Leadership is viewed as an interactive system of dynamic, unpredictable agents who interact with one another in complex feedback networks. These networks then produce adaptive outcomes such as knowledge dissemination and innovative future adaptative behaviour (Uhl Bein et al, 2007). According to complex systems, leadership can be enacted through any interaction in an organisation. Leadership is an emergent phenomenon within a complex adaptive system (CAS) (Hazey et al 2007 pp.2).

3.6.9 e-Leadership

Malhotra et al. (2007) collected data from surveys, interviews, and observations on virtual teams to identify the practices of effective leaders in virtual teams. The practices are as follows: Ability to (a) establish and maintain trust through the use of communication technology; (b) ensure that distributed diversity is understood and appreciated; (c) manage effectively virtual work-life cycles; (d) monitor team
progress using technology; (e) enhance visibility of virtual members within the team and outside the Organisation; and (f) let individual team members benefit from the team are some of the practices.

3.7 An Integrative Theory

Some 50 to 60 years of research on leadership have given various approaches, disparate and sometimes contradictory. Chemmers (1997) tried to integrate these approaches into an integrative theory of leadership. This approach stresses common functions and processes of leadership, which cuts across particular theories. Effective leadership is thought to encompass three major functions; image management, which refers to a leader’s ability to project an image that is consistent with observers’ expectations; relationship development, which reflects the leader’s success in creating and sustaining motivated and competent followers; and resource utilisation which alludes to the leader’s capability for deploying the assets of self and others to mission accomplishment.

The overall integrative process model is presented in Figure 3.7. The model attempts to address individual, dyadic, group, and organisational interactions. The processes are divided into three zones: zone of self development, zone of transactional relationship, and zone of team development. Each zone is guided by a dominant causal principle. The theoretical principle that is consistent across all zones is the ‘match” concept, which states that the outcomes of leader and follower behaviour are determined by the degree of fit between the behaviour and the demands of the surrounding environment.

The numeral 1 in Figure 3.7 represents the interaction of individual characteristics and relevant situational demands that may be more or less with the leader’s characteristics, resulting in either good or poor fit. When the fit is good, the leader is
Figure 3.7  DIAGRAM OF INTEGRATIVE PROCESS MODEL OF LEADERSHIP
said to be ‘in match’. Box 5 delineates the factors that determine follower reactions. When a leader’s behaviour is consistent with followers’ expectations, the attribution is made that this is indeed a leader. Moving from boxes 5 to 6, followers’ cognitive and affective reactions are translated into action. Motivated followers may demonstrate high levels of efforts, working doggedly to accomplish the tasks assigned by the leader.