CHAPTER II

LEADERSHIP – AN OVERVIEW

Organisations are constructed by the aggregation of people for some common goals. In order to achieve these goals, organisational members should behave in a manner that has been prescribed by an organisation. The organisation tries to achieve this through the process of influence. Influence is the ability to affect the perceptions, attitudes, or behaviours of others. The process of influence involves a series of social interactions by which a person or a group of persons is induced by another person or group to act in conformity with the influencing agents’ expectations to do something. Agents exerting influence, method of influence and the target groups are the three important aspects here. Thus, if the agent is able to get the target to behave in desirable ways, it could be said that the agent has influenced the target. However, every attempt of influence may not be successful in producing the intended effect because influence depends on various factors. There are various ways through which a manager influences the behaviour of organisational members. They range from winning the willing compliance from organisational members to exerting a direct pressure on the persons being influenced.

The success of every organisation depends upon the quality of its leadership. In a business enterprise, several tasks such as determining
the objectives of the enterprise, designing the methods to achieve them, directing and coordinating the activities of various departments can be successfully performed only if there is an able leadership. In this chapter, an attempt has been made to provide the details of the ways by which the word ‘leadership’ is defined and the various theories on leadership styles.

2.1. CONCEPT AND DEFINITION OF LEADERSHIP

Leadership is the process of influencing the behaviour of others to work willingly and enthusiastically for achieving predetermined goals. The targets’ responses to use of power vary along a continuum ranging from resistance to commitment. Any type of compliance tending towards resistance is ‘unwillingly’ and that tending towards commitment is willingly. The latter type of response is the objective of leadership.

According to Peter Drucker,¹ “Leadership is the lifting of man’s visions to higher sights, the raising of a man’s performance to a higher standard, the building of a man’s personality beyond its normal limitations.” In the words of George R. Terry², “The will to do is triggered by leadership and lukewarm desire for achievement is transformed into burning passion for successful accomplishment by the skilful use of

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leadership.” Tennenbaum et al have defined leadership as, “Leadership is interpersonal influence exercised in a situation and directed through communication process towards the attainment of a specified goal or goals.” This definition puts emphasis on influencing through communication. However, it does not emphasise the enthusiasm with which the receiver of the communication will act. Terry has defined leadership in the context of enthusiastic contribution. He says, “Leadership is essentially a continuous process of influencing behaviour. A leader breathes life into the group and motivates it towards goals. The lukewarm desires for achievement are transformed into a burning passion for successful accomplishment.”

Alford and Beatly define leadership as the ability to secure desirable actions from a group of followers voluntarily without the use of coercion. According to Keith Daris, leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goal. In short, Leadership is the process of influencing and supporting others to work enthusiastically toward achieving objectives.

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5 Barnard Keys and Thomas Case, (1990): “**How to become an Influential Manager**” Academy of Management Executive, November, pp. 38-51.
2.2. ESSENTIAL ASPECTS OF LEADERSHIP

An analysis of these definitions brings certain features of leadership, as follows:

Leadership is a continuous process of behaviour; it is not one-shot activity. Leadership may be seen in terms of relationship between a leader and his followers (individuals and/or groups) which arises out of their functioning for common goals.

By exercising his leadership, the leader tries to influence the behaviour of individuals or group of individuals around him to achieve common goals. The followers work willingly and enthusiastically to achieve those goals. Thus, there is no coercive force which induces the followers to work. Leadership gives an experience of help to followers to attain common goals. It happens when the leader feels the importance of individuals, gives them recognition, and conveys them about the importance of activities performed by them.

Leadership is exercised in a particular situation, at a given point of time, and under specific set of circumstances. It implies that leadership styles may be different under different situations. From the above definitions and characteristics of leadership, it can be observed that leadership and management are related but they are not the same. A person can be an effective manager, a leader, both, or neither.\(^6\)

This is due to the fact that leadership differs from management on some counts. John Kotter has identified that leadership differs from management in terms of the emphasis that is put on four activities – creating an agenda, developing a human network for achieving the agenda, executing plan, and outcomes of activities.\(^7\) While leadership emphasizes change in these activities, management believes in status-quo. Stephencovey, a consultant on developing leadership, has emphasized the difference between leadership and management as follows:

Leadership deals with vision – keeping the mission in sight – and with effectiveness and results. Management deals with establishing structure and systems to get those results. It focuses on efficiency, cost-benefit analysis, logistics, methods, procedures, and policies.

Leadership focuses on the top line; management focuses on the bottom line. Leadership drives its power from values and correct principles. Management organises resources to serve selected objectives to produce the bottom line.

Leadership inspires and motivates people to work together with a common vision and purpose. Management involves controlling and

monitoring results against plans, identifying deviations, and then planning and organizing to solve the problems.

Leadership emphasizes transformational aspect and, therefore, transformational leadership emerges. Transformational leadership is the set of abilities that allows the leader to recognize the need for change, to create a vision to guide that change, and to execute that change effectively. Transactional Leadership involves routine, regimented activities – assigning work, evaluating performance, making decisions, and so forth.

Warren Benis distinguishes a leader from a manager thus: Management is about coping with complexity, about bringing order and consistency to organisational life via various systems, controls, procedures, policies and structures. In contrast, leadership is about coping with change, about bringing a sense of purpose and direction via looking at the horizon, not just the bottom line.

Finally, unlike a manager whose authority depends on his position in the formal structure, a leader’s power depends on his ability to win his people’s trust and to influence their behaviour. A manager controls people and a leader motivates them.
Thus the clash of objectives can be understood as follows: A person emerges as a leader. The question whether he will or will not emerges as a leader depends on a number of situational factors. A manager, on the other hand, is always put into his position by appointment.

A leader always has some informal power (i.e., ability to influence) that enables him to lead. He may or may not have formal authority (i.e. the right to command). A manager on the other hand, always has some formal authority. He may or may not have personal power. If he also has personal power, then he will be that much more effective as a manager.

A leader generally, seeks those objectives, which are the objectives of his followers. Thus, there is mutuality of objectives between the leader and his followers. A manager, on the other hand, seeks those objectives, which his subordinates do not regard as their own.

Leaders arise in many situations. Even informal social groups have leaders. When groups endure and become formal, the persons are elected as leaders. Normally, the persons elected to offices are the ones who are the natural leaders of the groups. Their views get attention from the members even without formal election, but with the election, those natural leaders are consciously acknowledged. Researches on small
groups show that those persons who emerge as informal leaders are perceived by other group members as being the best to satisfy the group needs and that the leaders, therefore, are enabled to influence other members. A leader derives his influence from the members’ feeling or intuition that he can help to satisfy their needs; Consequently, they are willing to submit, within the limits, to his guidance.

When a person, either such informal leader or some one else, is appointed in a superior capacity, the natural leadership relations change. Such change occurs in two respects. First, when a person is appointed in superior capacity, he gets authority from the organisation. This authority enables him to increase or decrease the satisfaction of his subordinates; Second, because of appointment he has the obligation of achieving organisational objectives besides an obligation to provide satisfaction to his subordinates. However, an appointed (formal) leader cannot solely rely upon the use of authority for getting desired results from his subordinates because, as discussed earlier, subordinates seldom put maximum effort under the pressure of authority. Thus, a chief executive having more authority, but lacking leadership qualities may be less effective as compared to a foreman with less authority but high degree of leadership qualities. Regardless of these differences between formal and informal leaders, however, a leader is able to direct the
actions of his followers because they believe he can provide rewards (or prevent penalties) that satisfy their needs.

Motivation is necessary for work performance. Higher the motivation better would be the performance. A good leader by exercising his leadership, motivates the employees for high performance. Good leadership in the organisation itself is a motivating factor for the individuals.

A good leader may create confidence in his followers by directing them, giving them advice and getting through them good results in the organisation. Once an individual, with the help of a leader, puts high efficiency, he tries to maintain it as he acquires certain level of confidence towards his capacity. Sometimes, individuals fail to recognize their qualities and capabilities to work in the absence of good direction.

Morale is expressed as attitudes of employees towards organisation, management and voluntary co-operation to offer their ability to the organisation. High morale leads to high productivity and organisational stability. Through providing good leadership in the organisation, employees’ morale can be raised high ensuring high productivity and stability in the organisation.

Thus, good leadership is essential in all aspects of managerial functions whether it be motivation, communication or direction. Good
leadership ensures success in the organisation, and unsatisfactory human performance in any organisation can be primarily attributed to poor leadership.

### 2.3. FUNCTIONS OF A LEADER

According to Krech and Crutchfield, the functions of a leader fall into three categories as described below:

1. Functions of the leader in setting and achieving or organisational goals: Under this category the functions of a leader are policy making, planning and execution.
2. Functions of the leader in the operating of the organisation and,  
3. Functions of the leader as a group figure.

### 2.4. THEORIES ON LEADERSHIP

Leadership has probably been written about, formally researched, and informally discussed more than any other single topic. Despite all the attention given to it, leadership still remains pretty much of ‘black box’ or unexplainable phenomenon. It is known to exist and to have tremendous influence on human performance but its inner workings and specific dimensions cannot be precisely spelt out.

Many of the research studies, particularly by behavioural scientists, have been carried on to find out the answer of the question:
What makes a leader effective? Is his success due to his personality, or his behaviour, or the types of followers he has, or the situation in which he works, or a combination of all these? These researches, however, could not give a satisfactory answer to the question. Instead, the researches have resulted in various theories of leadership, the prominent among these being Trait Theory, Behavioural Theory, and Situational Theory. Besides, age old theory of leadership known as ‘Great man theory’ or charismatic leadership theory’, which was discarded long back by behavioural scientists, has started attracting attention recently. Each of these theories has its own contributions, limitations, assumptions, and framework of analysis.

In this chapter, the researcher discusses these theories so that a background can be provided to the study of leadership styles which leaders may adopt to influence the behaviour of their followers. The discussion of these theories is based on the sequence in which these have emerged.

Charismatic leadership theory, also called ‘Great man Theory’ can be traced back to ancient times. Plato’s Republic and Confucius’s Analects dealt with leadership. They provided some insights of leadership. Subsequent studies based on these subjects have suggested that’ a leader is born and not made’. A leader has some charisma, which
acts, and influences. Charisma is a Greek word-meaning gift. Thus, Charisma is a god-gifted attribute in a person, which makes him a leader irrespective of the situations in which he works. Charismatic leaders are those who inspire followers and have a major impact on their organisations through their personal vision and energy. Occasionally, a leader emerges whose high visibility and personal charisma catch the public consciousness.

Robert House suggests that charismatic leaders have very high levels of referent power and that some of that power comes from their need to influence others. According to him, the charismatic leader has extremely high levels of self-confidence, dominance and a strong conviction in the normal righteousness of his/her beliefs, or at least the ability to convince the followers that he/she possesses such confidence and conviction8. He suggests further that charismatic leaders communicate a vision or higher – level goal (transcendent) that captures the commitment and energies of the followers. The basic assumptions and implications of charismatic leadership theory are as follows:

Leaders in general and great leaders in particular, have some exceptional inborn leadership qualities, which are bestowed upon them by the divine power.

These inborn qualities are sufficient for a leader to be successful. Since these qualities are inborn, these cannot be enhanced through education and training. Further, since these qualities are of personal nature, these cannot be shared by others.

These leadership qualities make a leader effective and situational factors do not have any influence. Charismatic leadership theory has re-emerged basically for two reasons. First, many large companies in USA have embarked on organisational transformation programmes of extensive changes that must be accomplished in short period of time. Such transformations, it has been argued, require transformational leaders. Second, many feel that by concentrating on traits, behaviours, and situations, leadership theories have lost sight of the leaders. These theories discuss more about transactional leaders and not about transformational leaders. A transactional leader determines what subordinates need to do to achieve objectives, classifies those requirements, and helps subordinates become confident that they can reach their objectives. A transformational leader inspires his followers through vision and energy. Trait, behavioural and situational leadership theories fail to explain the reasons behind the deeds of great political leaders like Mahatma Gandhi, Lenin, etc. who transformed their nations.

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or our great industrialists like JRD Tata, GD Birla, and Dhirubhai Ambani, who created vast industrial empires because of their vision, energy and entrepreneurship. Charismatic leadership theory does that.

However, there are two basic limitations of this theory. First, if we assume that there are certain inborn qualities of a great leader, it implies that nothing can be done to develop leaders in the organisations. In fact, its opposite is also true. Through various training and development programmes, leaders, though not the great leaders, can be developed in the organisations. Second, a charismatic leader may fail in the changed situations. For example, Winston Churchill, the late prime minister of Great Britain, was very effective during the World War II, but he flopped afterwards. Thus, we can derive that the situational variables play their own role in determining leadership effectiveness.

The weakness of charismatic leadership theory gave way to a more realistic approach to leadership. Under the influence of the behaviouristic psychological thought, researchers have accepted the fact that leadership traits are not completely inborn but can also be acquired through learning and experience. Trait is defined as relatively enduring quality of an individual. The Trait Approach seeks to determine what makes a successful leader from the leader’s own personal characteristics. From the very beginning, people have emphasized that a particular
individual was a successful leader because of his certain qualities or characteristics. Trait approach and leadership studies were quite popular between 1930 and 1950. The method of study was to select leaders of eminence and their characteristics were studied. It was the hypothesis that the persons having certain traits could become successful leaders.

The various research studies have given intelligence, attitudes, personality and biological factors as ingredients for effective leaders. A review of various research studies has been presented by Stogdill. According to him, various trait theories have suggested these traits in a successful leader: (i) physical and constitutional factors (height, weight, physique, ambition); (ii) Intelligence; (iii) Self – Confidence (iv) Sociability; (v) Will (initiative, persistence, ambition); (vi) Dominance; and (vii) Surgency (talkative, cheerfulness; geniality, enthusiasm, expressiveness’, alertness, and originality). In a later study, Ghiselli has found supervisory ability, achievement motivation, self-actualization, intelligence, self-assurance, and decisiveness as the qualities related with leadership success.


The current research on leadership traits suggests that some factors do help differentiate leaders from non-leaders, the most important traits are a high level of personal drive, desire to lead, personal integrity and self-confidence. Cognitive (analytical) ability, business knowledge, charisma, creativity flexibility and personal warmth are also frequently desired. Anderson consulting (a management consultancy firm) conducted a study of 90 global chief executives to find out the qualities required for an ideal chief executive in the present era of globalised economy. The study highlighted 14 qualities. Accordingly, a chief executive thinks globally, anticipates opportunity, creates a shared vision, develops and empowers people, appreciates cultural diversity, builds team work and partnership, embraces change, shows technological savvy, encourages constructive challenge, ensures customer satisfaction, achieves a competitive advantage, demonstrates personal mastery, shares leadership, and lives the values. The various studies show wide variations in leadership traits. The various traits can be classified into innate and acquirable traits on the basis of their source.

Innate qualities are those which are possessed by various individuals since their birth. These qualities are natural and often known as God-gifted. On the basis of such qualities, it is said that 'leaders are

born and not made’. These qualities cannot be acquired by the individuals. The following are the major innate qualities in a successful leader:

Physical features of a man are determined by heredity factors. Heredity is the transmission of the qualities from ancestor to descendant through a mechanism lying primarily in the chromosomes of the germ cells. Physical characteristics and rate of maturation determine the personality formation which is an important factor in determining leadership success. To some extent, height, weight, physique, health and appearance are important for leadership.

For leadership, higher level of intelligence is required. Intelligence is generally expressed in terms of mental ability. Intelligence, to a very great extent, is a natural quality in the individuals because it is directly related with brain. The composition of brain is a natural factor, though many psychologists claim that the level of intelligence in individual can be increased through various training methods.

Acquirable qualities of leadership are those which can be acquired and increased through various processes. Infact, when a child is born, he learns many of the behavioural patterns through socialization and identification processes. Such behavioural patterns are developed among the child as various traits over a period of time. Many of these
traits can be increased through training programmes. Following are the major qualities essential for leadership.

A leader should have high level of emotional stability. He should be free from bias: he is consistent in action, and refrains from anger. He is well-adjusted, and has no anti-social attitudes. He is self-confident and believes that he can meet most situations successfully.

A successful leader should have adequate knowledge of human relations, that is, how he should deal with human beings. Since an important part of a leader’s job is to develop people and get their voluntary co-operation for achieving work, he should have intimate knowledge of people and their relationship to one another. The knowledge of how human beings behave and how they react to various situations is quite meaningful to a leader.

Empathy relates to observing the things or situations from other point of view. The ability to look at things objectively and understanding them from others’ point of view is an important aspect of successful leadership. When one is empathetic, he knows what makes the other fellows think as they do, even though he does not necessarily agree with others’ thoughts. Empathy requires respect for the other persons, their rights, beliefs, values and feelings.
Objectivity implies that what a leader does should be based on relevant facts and information. He must assess these without any bias or prejudice. The leader must base his relationship on objectivity. He is objective and does not permit himself to get emotionally involved to the extent that he finds it difficult to make an objective diagnosis and implement the action required.

Not only a leader is self-motivated but he has requisite quality to motivate his followers. Though there are many external forces which motivate a person for higher performance, there is also inner drive in people for motivation to work. The leader can play active role in stimulating these inner drives of his followers. Thus, a leader must understand his people to the extent that he knows how he can activate them.

The leader of people requires adherence to definite principles which must be understood and followed for greater success. The ability to plan, organise, delegate, analyse, seek advice, make decision, control and own co-operation requires the use of important abilities which constitute technical competence of leadership. The technical competence of leader may win support from the followers.

A successful leader knows how to communicate effectively. Communication has great force in getting the acceptance from the
receivers of communication. A leader uses communication skilfully for persuasive informative and stimulating purposes. Normally, a successful leader is extravert as compared to introvert.

A successful leader has social skills. He understands people and knows their strengths and weaknesses. He has the ability to work with people and conducts himself so that he gains their confidence and loyalty, and people co-operate willingly with him.

Though all these qualities contribute to the success of leadership, it cannot be said for certain about the relative contribution of these qualities. Moreover, it is not necessary that all these qualities are possessed by a successful leader in equal quantity. The list of qualities may be only suggestive and not comprehensive. Leadership is too nebulous a concept to be definitely identified by listing of its important attributes. P.C.Tripathi classifies these qualities into three broad categories.

First, among moral qualities is the courage to own the responsibility of one’s action, should the action prove wrong later on. John Kennedy once aptly remarked, “Success is a bastard. It has many fathers. Failure is orphan”.

Next comes the sense of fair play and justice. A leader must possess this quality to be able to motivate him into action. Here is an
illustration from the life of Thomas Jefferson, a former renowned President of the United States of America: The one point on which the president was adamant was that he absolutely refused to appoint kinsmen. Nepotism was a hateful idea. “No one”, Jefferson said, “would believe that a relative was given a job because he happened to have a merit”.

Finally, a leader should have integrity. Lack of integrity in him decays the characters of his followers also. As the saying goes, “Trees die from the top”. During Second World War, when the supply of meat was rationed in England, Winston Churchill used to receive no more quota of meat than the least important person in the country. Gandhi, Lenin and Lincoln possessed the qualities of forgiveness and compassion.

A leader’s knowledge of a subject or technique must be greater than that of his followers. If it is not so, he has no justification to lead them. He can, therefore, never afford to stop learning. Albert Einstein is the leader of twentieth century scientists and Pablo Picasto of modern artists, they are so because of their mental qualities-their deep and intimate knowledge of the subject.

Knowledge of a subject is important but what is more important is the knowledge of human nature. Charles Schwab, one of the highest
paid executives in the United States Steel industry is known for this knowledge. One day at noon when Schwab was passing through one of his steel mills, he came across some of his employees smoking. Immediately above their heads hung the “No smoking” sign. Schwab walked over to the men, handed each one a cigar, and said, “I will appreciate it, boys, if you smoke these on the outside”. They admired him because he said nothing about breaking the rule and gave them a little present and made them feel important.

A leader must possess decisives. Vacillation is fatal for a leader. But rigidity of decision is equally bad. It is the way of an autocrat. As Thomas Carlyle said, “A foolish consistency is the hob-goblin of a little mind”.

A leader must also possess empathy or social sensitivity. It is the ability to look at things objectively and understand them from another’s point of view. It is the capacity of the individual to project himself mentally and emotionally into the position of another person. This quality enables the leader to anticipate the sentiments and reactions of others and to prepare his own strategy accordingly.

Last comes initiative. Given a sense of purpose and direction, the success or failure of a leader depends on his initiative in organizing the means to achieve his objective. Initiative simply means doing the right thing without being told.
This theory has two very important implications. First, the theory emphasises that a leader requires some traits and qualities to be effective. Second, many of these qualities may be developed in individuals through training and development programmes. However, the theory suffers from two sets of limitations: generalization of traits and applicability of traits.

Behavioural theory of leadership emphasizes that strong leadership is the result of effective role behaviour. Leadership is shown by a person’s acts more than by his traits. Researchers exploring leadership role have come to the conclusion that to operate effectively, groups need someone to perform two major functions: task related functions and group maintenance functions. Task related functions, or problem-solving functions, relate to providing solutions to the problems faced by the groups, in performing jobs and activities. Group maintenance functions, or social functions, relate to actions of mediating disputes and ensuring that individuals feel valued by the group. An individual who is able to perform both roles successfully would be an effective leader. These two roles may require two difficult sets of behaviour from the leader, known as leadership styles.

Leadership behaviour may be viewed in two ways: functional and dysfunctional. Functional behaviour influences followers positively
and includes such functions as setting clear goals, motivating employees for achieving goals, raising the level of morale, building team spirit, effective two-way communication, etc. Dysfunctional behaviour is unfavorable to the followers and denotes in effective leadership. Such behaviour may be inability to accept employees' ideas, display of emotional immaturity, poor human relations etc.

Under behavioural approach one can study leadership behaviour from 3 points of view: motivation, authority, and supervision. From the point of view of motivation, leadership behaviour can be either positive or negative. In positive behaviour, the leader's emphasis is on rewards to motivate the subordinates. In negative behaviour, the leader's emphasis is on penalties and punishments. The leader tries to frighten the subordinates into higher productivity. The result is that subordinates' enough time is lost in “covering” i.e. protecting themselves against management. There is useless documentation, recording and filing of letters and papers because people fear that these may be needed by them any time in future for their defense.

Behavioural theory of leadership has some important implications for managers. They can shape their behaviour, which appears to be functional and discard the behaviour, which appears to be dysfunctional. Researchers who have taken behavioural theory for
analyzing leadership behaviour (known as leadership style) have prescribed various leadership styles, which may be applied in managing the people in organisations.

This theory suffers from two basic limitations. First, a particular behaviour may be functional at a point of time but it may be dysfunctional at another point of time. Thus, the time element will be a decider of the effectiveness of the behaviour and not the behaviour itself. Second, effectiveness of leadership behaviour depends on various factors which are not in the leader but, external to him like nature of followers (subordinates) and the situations under-which the leader’s behaviour takes place. These factors have not been given adequate consideration. To that extent, the theory does not explain leadership phenomenon fully.

Situational leadership approach was applied for the first time in 1920 in the armed forces of Germany with the objective to get good generals under different situations. In the business organisations, much emphasis on the leadership researches had been placed on the situations that surrounded the exercise of leadership since early 1950s.

The prime attention in situational theory of leadership (also known as contingency theory) is given to the situation in which leadership is exercised. Therefore, effectiveness of leadership will be affected by the factors associated with the leader and factors associated with the
situation. These dimensions of leadership have been presented in the following chart:

The various factors affecting leadership effectiveness may broadly be classified into two major categories: leader’s behaviour and situational factors. The combination of both these factors determines leadership effectiveness.

Situational theory has wide implications for managers in the sense that it offers clues why a manager who is successful in one situation, fails when there is change in the situation. Therefore, the managers may do better by adopting management practices including leadership, which match with the situational variables. In fact, the systems and contingency approach has become the way of thinking in management and leadership is no exception.
This theory, however, should not be taken as the final word in leadership. The theory appears to be good on the surface but becomes quite complex in practiced because of the presence of numerous contingent factors. However, managers can overcome the problem by diagnosing these suitably. This is not necessarily provided by the theory but experience has its role. There appears to be one more important lacuna in this theory. The theory loses the insight of leadership and the leader is overwhelmed by the contingent factors.

Such a classification does not necessarily mean that a particular theory/model grouped under one particular approach of leadership does not consider the tenets of the other approach it may consider. However, such a consideration is secondary and the theory has not been built on such a consideration.

2.5 FULL-RANGE LEADERSHIP THEORY

Leadership processes involve developing directions as well as aligning, motivating, and inspiring people (Kotter, 1990) to work without force and/or coercion (Jago, 1982). A good leader should be able to set up proper directions and align his or her motivation strategies to motivate his or her salespeople to work voluntarily. The Full-Range Leadership was primarily introduced as the transformational and transactional leadership by Burns (1978) and expanded by Bass and Avolio (1989,
1990, 1994, 1995, 2000, and 2004). The current version of the Full-Range Leadership contains three main components: transformational leadership, transactional leadership and Laissez-faire leadership. Transformational leaders involve understanding leaders as well as leaders who inspire their followers through their personal values, visions and trust, while transactional leaders view relationship between themselves and followers as “give-and-take” (Kuhnert and Lewis, 1987; Deluga, 1988; Bass, 1997; Bryant, 2003). Laissez-faire leaders are basically non-leaders who are frequently not available especially when their followers need them. The variables that made up the Full-Range Leadership Theory are presented in Table 2.5.1.
## TABLE 2.5.1

**The Full-Range Leadership Theory: Variables**

<table>
<thead>
<tr>
<th>Leadership Style</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td><strong>Idealised Influence-Attributes (IA)</strong> Leaders act as an influential role model based on values, beliefs, and sense of mission toward common goals/interests.</td>
</tr>
<tr>
<td>Idealised Influence- Behaviour (IB)</td>
<td>Leaders led by charisma and were viewed as being powerful and confident, in addition to gaining respect and instilling pride and trust in their followers.</td>
</tr>
<tr>
<td>Inspirational Motivation (IM)</td>
<td>Leaders articulated high expectations to followers by demonstrating self-determination and commitment while encouraging followers to also understand and be committed to the vision.</td>
</tr>
<tr>
<td>Individual Consideration (IC)</td>
<td>Leaders emphasised rational solutions and creativity and encouraged followers to accept challenges by questioning their assumptions.</td>
</tr>
<tr>
<td>Intellectual Stimulation (IS)</td>
<td>Leaders treated followers as individuals rather than as a group and made available personal attention by coaching them individually.</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td><strong>Contingent Reward (CR)</strong> Leaders clarified their expectations to their followers and rewards were being given as an Exchange.</td>
</tr>
<tr>
<td>Management-by-Exception: Active (MBEA)</td>
<td>Leaders monitored their followers’ performance and gave advice on corrective actions immediately.</td>
</tr>
<tr>
<td>Laissez-faire Leadership</td>
<td><strong>Laissez-Faire Leadership (LF)</strong> Leaders were absent when they were needed. Leaders tended to withdraw from their leadership roles, preferring to avoid being involved in resolving conflicts, taking responsibility, and making decisions.</td>
</tr>
</tbody>
</table>

2.6 LEADERSHIP STYLES UNDER DIFFERENT CULTURES

Based on Tannenbaum and Schmidt's\textsuperscript{13} (1958) continuum, Hofstede\textsuperscript{14} (1984, 2001), a Netherlands researcher, distinguished four types of decision-making styles: (1) autocratic (tells), (2) persuasive/paternalistic (sells), (3) consultative (consults), and (4) democratic (participative). The first two styles are autocratic decision-making styles. The last two styles involve more of the subordinates' participation in the decision-making process. But, only the fourth style is considered to be the real participative leadership style. The participative style is rarely used by managers, but is desirable for organisational development purposes. Hofstede\textsuperscript{15} (2001) used these four styles to measure organisational employees' preferred leadership styles and organisational managers' actual leadership behaviours in 40 different countries. The statistical results of his study indicate that the autocratic leadership styles (autocratic and persuasive styles) are correlated with a culture's power distance index. The results of Hofstede's (2001) study demonstrated that subordinates’ expected leadership decision-making styles are associated with their cultural values. This finding confirms


Tannenbaum and Schmidt's (1958) statement that forces in the subordinates affect leaders' decision-making styles. It also demonstrates that forces in the subordinates is an important situational variable which determines what's the effective leadership style.

The Japanese concept of participative leadership is also noteworthy. Owing to the high level of economic productivity of Japanese organisations, many American scholars began to be interested in the Japanese style of participative leadership communication (e.g., Keys & Miller\textsuperscript{16}, 1982; Pascale & Athos\textsuperscript{17}, 1981; Stewart et al\textsuperscript{18}, 1986). According to Keys and Miller (1982), Japanese leadership is effective because the Japanese style of participative decision making has resulted in "higher levels of motivation, delegation of decision making, commitment, and intrinsic job satisfaction". Ouchi\textsuperscript{19} (1981) also argued that Japan is a collectivistic culture. Thus, Japanese organisations would emphasize

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\textsuperscript{19} Op.Cit. pp.21-49.
collective decision making and collective responsibility. Hirokawa\textsuperscript{20} (1981) used a communicative perspective to define the Japanese style of participative leadership communication. Japanese organisational leaders should act as effective communicators in organisations. Japanese organisations become effective systems because managers encourage and facilitate the flow of information among organisational members. Japanese leaders make efforts to maintain harmony within the organisation and to adopt a "bottom-up process of decision-making" to be available to their employees.

Misumi\textsuperscript{21} (1990; 1995) believed that effective leaders should perform high performance (P) function and high maintenance (M) function. According to Misumi\textsuperscript{22} (1995), there are four combinations which categorize leadership styles, including (1) high performance and high maintenance (PM), (2) high performance and low maintenance (Pm), (3) low performance and high maintenance (mP), and (4) low performance and low maintenance (pm). Misumi (1990; 1995) argued that the high performance and high maintenance (PM) style was the ideal leadership style. Since facilitating participative decision-making process is an important task which Japanese organisational leaders should perform,

Misumi (1990) discussed the traditional participative decision-making process in Japanese organisations.

Hirokawa (1981) does not quantitatively operationalize his theory. However, his communicative view on Japanese participative decision making has been well received. Stewart et al. (1986) used Hofstede’s (1984; 2001) four decision making styles to evaluate Hirokawa’s (1981) statement about Japanese leadership. The relationships among preferred decision-making style, perceived decision making style, openness of communication, and communication satisfaction are examined in this study. The results of this study demonstrated “Japanese workers clearly prefer persuasive and consultative decision-making styles over the participative style” (Stewart et al., 1986, p. 250). The results of this study differed from the more popular literature that discusses the Japanese concept of participative leadership (e.g., Ouchi, 1981; Pascale & Athos, 1981). The discrepancy between the empirical results of Stewart et al.’s (1986) study and the Japanese theories may imply that “managers may prefer to use a more consensual style among themselves while their subordinates prefer them to use a more persuasive or consultative style” (Stewart et al., 1986, p.248). The results of Stewart et al.’s study are noteworthy for illustrating the difference between subordinates’ expectations and leaders’ perceptions in Japanese organisations and imply that Hirokawa’s (1981)
theory was established based on managers’ perspective, instead of the employees’ perspective.

Different from Hirokawa (1981), Misumi (1995) operationalized the PM leadership theory. Misumi (1995) used quantitative scales to measure employees’ perceptions about their leaders’ leadership styles. In order to test the applicability of Misumi’s (1990; 1995) PM leadership theory in a different cultural setting, Ehigie and Akpan23 (2004) adapted Misumi’s (1995) leadership scales to study perceived leadership styles in total quality management (TQM) organisations in Nigeria. The results of their study demonstrated that “high maintenance and low performance leadership styles were the best combination for TQM practice”.

It is interesting to see that the results of Ehigie and Akpan’s (2004) study were different from Misumi’s (1990; 1995) argument that high performance and high maintenance (PM) is the best leadership style. The discrepancies between the empirical results from Ehigie and Akpan’s (2004) Nigerian study and Misumi’s (1990; 1995) Japanese study probably are due to national cultural differences and organisational cultural differences. Japan and Nigeria do have different cultural values. TQM organisations and non-TQM organisations also have different organisational communication patterns. In TQM organisations, teamwork

is very important. Thus, the maintenance function becomes even more important than performance functions.

Different from the American view and Japanese view of participative leadership, most literature that discusses Chinese leadership stresses the concept of authoritarian leadership. According to Bond and Hwang\textsuperscript{24} (1986), “it seems that Chinese prefer an authoritarian leadership style in which a benevolent and respected leader is not only considerate of his followers, but also able to take skilled and decisive action” (p.251). According to Redding and Wong\textsuperscript{25} (1986), “leadership style within Chinese companies is directive and authoritarian” (p. 278).

Hwang is a prominent Taiwanese psychologist who studies psychology as well as Chinese people’s leadership behaviour in organisations. According to Hwang\textsuperscript{26} (1986), most Chinese organisations are family businesses. The leaders of these family-owned organisations tend to be authoritarian leaders. In order to maintain their authoritarian status in their organisations, these leaders withhold most of the information in organisations from their subordinates. They only let their subordinates know very limited amounts of information. The amount of information that a subordinate can get depends on whether the leader

\textsuperscript{24} Op.Cit. pp.213-266.
trusts the subordinate or not. In these organisations, there is a power distance between leaders and followers. According to Wu, Taylor, and Chen\textsuperscript{27} (2001), Taiwan has experienced dramatic political and societal changes after martial law was abolished in 1987. After martial law was abolished, Taiwan has moved dramatically toward democracy. Although democracy has replaced authoritarianism in Taiwan after 1987, Hwang\textsuperscript{28} (1999) kept arguing that “authoritarianism: paternalistic management” was the typical leadership style in Taiwanese organisations.

The top manager in the organisation is usually the owner of the enterprise. This person is the decision-maker who holds supreme power in the organisation and assumes all the responsibility of success or failure in running the business. The manager usually prefers a paternalist or autocratic style of management, assigning family members important positions such as financier, accountant etc. The manager supervises subordinates, pushes them to achieve the organisational goals, and maintains a vertical power distance with them.


Similar to Hwang (1986, 1999), Kao\textsuperscript{29} (1987) also proposed that Chinese organisational leaders tend to adopt a supervisor-centered, authoritarian leadership style. In family-owned organisations, organisational leaders are not elected to be leaders; they become organisational leaders because they are the owners or the owners’ relatives. Chinese people stress Guanxi, interpersonal relationships, in their social lives. Therefore, Chinese leaders pay a great deal of attention to maintain interpersonal relationships among their group members.

To summarize, Chinese leadership theories illustrate that the Chinese style of leadership is authoritarian, which is different from American and Japanese views of participative leadership. Chinese leaders tend to control information and restrict subordinates’ participation in order to maintain their status in the organisation. However, these authoritarian leaders allow very few subordinates who they trust to share corporate information and participate in some decision-making processes.

Bond and Hwang (1986) reviewed several leadership studies which were conducted by Taiwanese psychology students. These studies used a Chinese version of the Leader Behaviour Description Questionnaire (LBDQ), the Supervisory Behaviour Questionnaire (LOQ), or the Leader Opinion Questionnaire (LOQ) to study the relationship

between perceived leadership behaviours and subordinates’ job satisfaction. Participants in these studies included female government employees, elementary school teachers, junior high school teachers, labor workers, and accountants. The results of these studies were very similar and all demonstrated that Taiwanese employees preferred an authoritarian leadership style. In addition, the authors of these studies emphasized that leaders should maintain a harmonious and considerate relationship with their subordinates. The results of these previous studies were consistent with Hwang’s (1986) views of Chinese authoritarian leadership. However, all studies reviewed by Bond and Hwang (1986) were conducted about 20 years ago. When these studies were conducted, Taiwan was under strict control of Martial Law and an authoritarian political system. As discussed earlier, martial law was abolished in 1987, and Taiwan has made a significant improvement in democratization. According to Myers (1996), authoritarianism has been replaced by democracy in Taiwan. Taiwan “enjoys a modern lifestyle, freedom, and political democracy”. In addition, the Taiwanese culture has been affected by the synergy of Chinese culture, Japanese culture, and American culture. To investigate the impact of cultural changes on leadership behaviours in Taiwan, updated empirical studies should be

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conducted. For example, Wu and Stewart\textsuperscript{31} (2003) conducted a study to compare university employees’ expected leadership styles in Taiwan and the United States. They surveyed three hundred university employees in Taiwan and the United States. The results of Wu and Stewart’s (2003) study demonstrated that the democratic (participative) leadership decision-making style was the most preferable leadership style from the Taiwanese and U.S. participants. Thus, the validity of Hwang’s (1987; 1999) autocratic leadership theory has been challenged by Wu and Stewart’s (2003) updated empirical study.

Bass (1997)\textsuperscript{32} considered transactional leadership as a necessary practice in identifying roles, expectations, performance practice and managing to garner desired results. A transactional leader is described as 1) recognizing what followers want to get from work and tries to see that followers get what they want if their performance warrants it 2) exchanging rewards and promises of reward for follower’s effort and 3) being responsive to followers’ immediate self-interest if they can be met through job performance. Transformational leadership, in contrast, shifts the entire focus of performance from meeting expectations of

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quality of work to exceeding expectations of quality and speed of performance as well. This type of leaders interacts with followers in such a way as to stimulate their thinking, to inspire their performance, and to perform beyond expectations.

Bass and Avolio (2004)\textsuperscript{33} conceptualize a third type of leadership, laissez faire leadership, which has been hypothesized to occur when there is an absence or avoidance of leadership. In this case, decisions are delayed. No attempt is made to motivate followers or to recognize and satisfy their needs.