PART I: Defining Leadership

Leadership Definition

- **Process**
  - Involves the use of non-coercive means to motivate people to achieve goals
- **Property**
  - A set of characteristics attributed to individuals who are leaders.

Leadership vs. Management....

- What are the differences?

Managers

- Planning
- Organizing
- Controlling
Leaders

• Developing vision
• Aligning people
• Motivating and inspiring

Leadership and Power

• Leaders exercise power to motivate people to perform....

Types of Power

• Legitimate
• Reward
• Coercive
• Expert
• Referent

Types of Power

• Legitimate
  • Based on the power granted through the organizational hierarchy; position.
• Reward
  • Based on the ability to control resources such as salaries, praise, recognition, etc.
"Leadership"

Types of Power (cont.)

- Coercive
  - Based on the application of force. c.f. Rousseau and the story of the highwayman "Your money or your life!". The need for a social contract.
- Expert
  - Based on knowledge about a particular field or industry.
- Referent
  - Based on identification, loyalty or charisma.

Leadership Styles

- Different types of leadership styles evolve from the use of power
- Leadership styles are also a function of certain characteristics:
  - Psychological
  - Behavioral
  - Situational

Part II: Theories about Leadership

Types of Leadership Style Theories

- Trait oriented
- Behavioral
- Situated
"Leadership"

**Trait Oriented Leadership Model**
- Leadership is based on certain individual traits
  - Intelligence
  - Height
  - Assertiveness and self-confidence
  - Vocabulary
  - Attractiveness

**Behavioral Models of Leadership**
- Job vs. Employees
- Initiating Structure vs. Consideration
- Production vs. People

**Job vs. Employee Model**
- Based on work at the University of Michigan
- One continuous scale
  - Job Centered: pay close attention to job and work procedures
  - Employee Centered: pay close attention to workgroups and employee satisfaction

**Initiating Structure vs. Consideration Model**
- Based on work at the University of Ohio
  - Initiating Structure: pay close attention to formal lines of communication and procedures
  - Consideration: pay close attention to employee quality of life
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Situational Models of Leadership

- LPC Theory
- Path-Goal Model
- Vroom-Yetton-Jago model

LPC Theory

- Control Variables (Favorableness)
  - Leader-member relations
  - Task structure
  - Position power
- Uncontrollable Variables
  - Leadership Behavior (?!)

LPC Theory Diagram

LPC Theory (cont1)

- Assumes that there are two leadership styles
  - Task-oriented
  - Relationship-oriented
- Style is function of personality and can NOT be changed
LPC (cont2)

- Each situation can be evaluated in terms of its "favorableness"
- Factors are:
  - Leader-members relations
  - Task structure
  - Position power

Making changes with the LPC model

- The model suggest that the leader modify situational factors so as to create a situation that favors the dominant style of the leader....

Diagnosis with the LPC Model

<table>
<thead>
<tr>
<th>Leader-member relations</th>
<th>Good</th>
<th></th>
<th>Bad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task structure</td>
<td>High</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Position power</td>
<td>Strg</td>
<td>Wk</td>
<td>Strg</td>
</tr>
</tbody>
</table>

Most Fav. Mod. Fav. Least Fav.

Best Style TASK RELATIONSHIP TASK

Path-Goal Model

- Controllable Variables
  - Leader behavior
  - Subordinate personal factors
  - Environmental characteristics
"Leadership"

P-G Model Diagram

Subordinate Factors ➔ LEADERSHIP STYLE ➔ Environmental Factors

P-G Leader Styles

- Directive
  - setting expectations
- Supportive
  - concern for employee welfare
- Participative
  - consultive in decision-making
- Achievement Oriented
  - setting clear task outcomes

Subordinate Factors

- Perceived ability
- Locus of control
  - internal focus
  - external focus

Environmental Factors

- Task structure
  - high or low
- Authority system
  - formal or informal
- Work group
  - supportive or unsupportive
Application of the P-G model

- User must determine which style is appropriate given the value of each variable
- Model does not specify "correct" match
- Vroom-Yetton-Jago model provides stronger prescription

Vroom-Yetton-Jago model

- Establishes guidelines for decision making
- Control Variables
  - Decision making style
  - Factors pertaining to quality, acceptance, and time
- Uses a decision tree approach

Decision Styles

- Authoritative I (AI)
  - Makes decision alone
- Authoritative II (AII)
  - Asks for information, but makes decision alone

Decision Styles (cont.)

- Consultive I (CI)
  - Obtains feedback from individual subordinates, but makes decision alone.
- Consultive II (CII)
  - Obtains feedback from group, but makes decision alone.
- Group II (GII)
  - Group discusses and makes decision
Situation Factors

- Quality requirement
  - To what extent will the quality of the decision affect the desired outcome?
  - i.e., how much margin for error is there?
- Subordinate Commitment
  - How important?
- Leader's information
  - Does the leader alone have sufficient information?

Situation Factors (cont.)

- Problem structure
  - Is the problem well structured?
- Commitment probability
  - If made alone, would subordinates be committed to decision?
- Goal congruence
  - Do subordinates share in the organizational goals being addressed?

Situation Factors (cont.)

- Subordinate conflict
  - Is conflict over preferred solutions likely?
- Subordinate information
  - Do subordinates have sufficient information to make a quality decision without the leader?

Decision Tree

- see handout
- Do exercises in Exp. book
  - note differences between books
Leadership Summary

• Leadership is a function of psychological, behavioral, and situational factors
• Power is essential to leadership performance
• Different types of leadership styles
• Models can help managers select a leadership style to use in a given context

Questions

• Identify John Sculley’s leadership traits. Michael Spindler’s?
• What kind of power does Sculley use?
• Find evidence in the text that Sculley developed vision, aligned people, and motivated and inspired?
• Where would you place Sculley and Spindler on the job vs. employee leadership scales? Does this assessment need to be qualified?
• Analyze Sculley’s leadership style from in terms of the LPC model (you may pick a specific period of time if necessary).
• Analyze Sculley’s leadership style in terms of the Path-Goal model (you may pick a specific period of time if necessary).
• Analyze Sculley’s decision to put in a new management team in Feb 1990 (see p. 6) in terms of the Vroom-Yetton-Jago model. What style did he use? What style should he have used?
• Analyze Spindler’s decision to establish Quality Management in August 1990 (see p. 14) in terms of the Vroom-Yetton-Jago model. What style did he use? What style should he have used?