

MANAGEMENT INTRODUCTORY

CHAPTER 14

LEADERSHIP

➤ GROUP 9:

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THE NATURE OF LEADERSHIP



Leadership is crucial for the success of any organization, whether it's a military unit or a business. Three key aspects of leadership stand out: people, influence, and goals. Leadership involves actively influencing others to achieve specific objectives, highlighting the reciprocal nature of leader-follower relationships. It is fundamentally a "people" activity, distinct from mere administrative tasks or problem-solving.

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CONTEMPORARY LEADERSHIP

The concept of leadership is continually evolving, influenced by the changing needs of organizations and the environmental context in which they operate. Factors such as technology, economic conditions, labor dynamics, and social mores significantly shape effective leadership styles and the qualities that society admires in leaders.

Of particular interest for leadership in contemporary times is a postheroic approach that focuses on the subtle, unseen, and often unrewarded acts that good leaders perform every day, rather than on the grand accomplishments of celebrated business heroes. During the 1980s and 1990s, leadership became equated with larger-than-life personalities, strong egos, and personal ambitions. In contrast, the postheroic leader's major characteristic is humility. Humility means being unpretentious and modest rather than arrogant and prideful. Humble leaders don't have to be in the center of things. They quietly build strong, enduring companies by developing and supporting others rather than touting their own abilities and accomplishments.

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LEVEL 5 LEADERSHIP

Level 5 leadership refers to the highest level in a hierarchy of manager capabilities. A key characteristic of Level 5 leaders is an almost complete lack of ego, coupled with a fierce resolve to do what is best for the organization. In contrast to the view of great leaders as larger-than-life personalities with strong egos and big ambitions, Level 5 leaders often seem shy and unpretentious. Although they accept full responsibility for mistakes, poor results, or failures, Level 5 leaders give credit for successes to other people.

EXHIBIT | 14.1 Level 5 Hierarchy

Level 5: Level 5 Executive Builds enduring greatness through a paradoxical blend of personal humility and professional will.
Level 4: Effective Leader Catalyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulating higher performance standards.
Level 3: Competent Manager Organizes people and resources toward the effective and efficient pursuit of predetermined objectives.
Level 2: Contributing Team Member Contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting.
Level 1: Highly Capable Individual Makes productive contributions through talent, knowledge, skills, and good work habits.

SOURCE: Jim Collins, *Good to Great: Why Some Companies Make the Leap . . . and Others Don't* (New York: HarperCollins, 2001), 20. Copyright © 2001 by Jim Collins. Reprinted with permission from Jim Collins.

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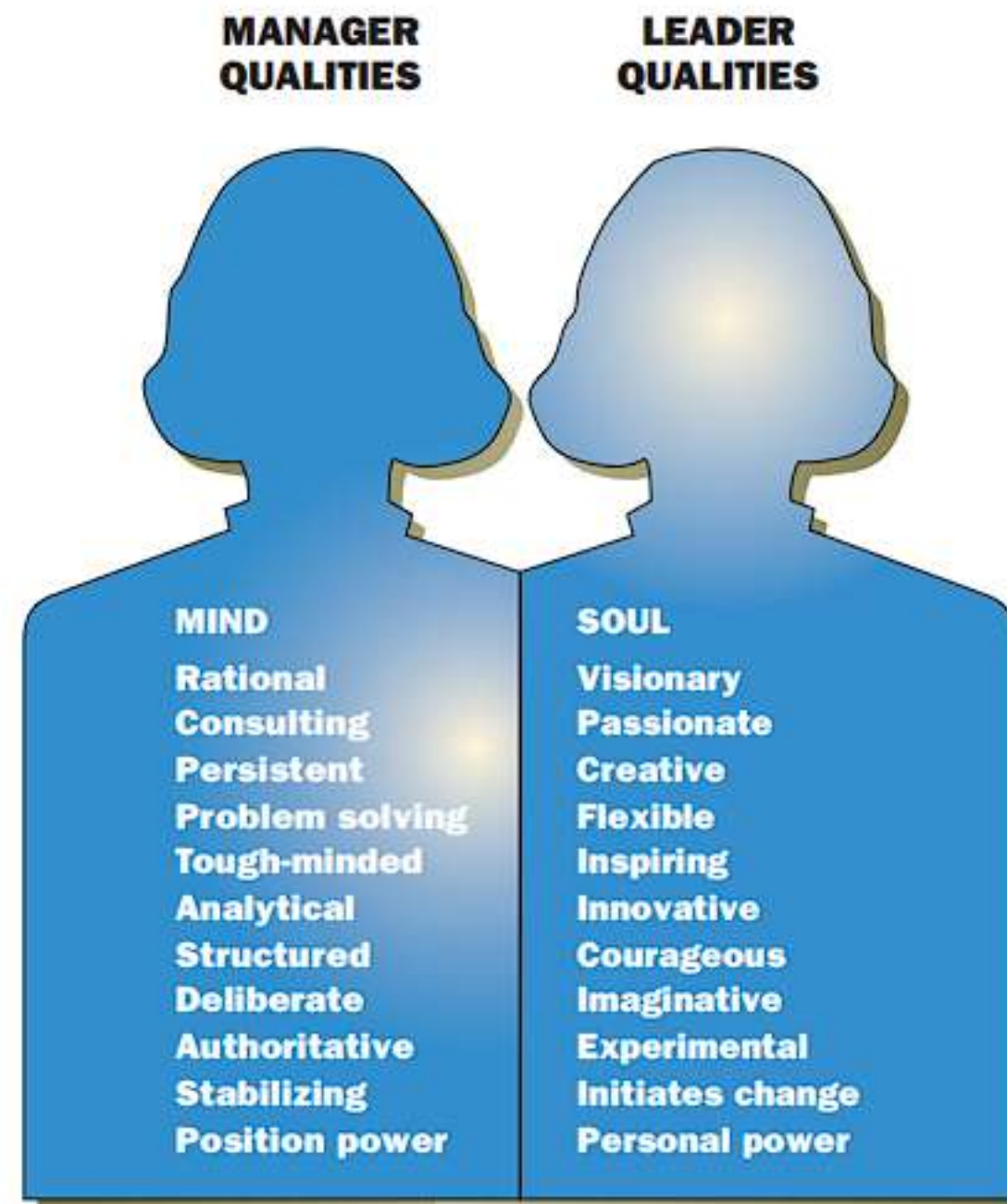
INTERACTIVE LEADERSHIP

The focus on minimizing personal ambition and developing others is also a hallmark of interactive leadership. Interactive leadership means that the leader favors a consensual and collaborative process, and influence derives from relationships rather than position power and formal authority.

FROM MANAGEMENT TO LEADERSHIP

Management and leadership are two distinct yet complementary roles within an organization. Management focuses on promoting stability, order, and problem-solving within existing structures, ensuring operational efficiency and meeting current commitments. On the other hand, leadership is about fostering vision, creativity, and change, challenging the status quo to address new challenges and replace outdated practices. Effective managers must embody both management and leadership qualities. A well-managed organization provides the foundation for leadership to build upon, enabling it to meet current commitments while also guiding it toward future growth and innovation. Leadership cannot replace management; it should be in addition to management. Good management is needed to help the organization meet current commitments, while good leadership is needed to move the organization into the future. Leadership's power comes from being built on the foundation of a well-managed organization.

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SOURCE: Based on Genevieve Capowski, "Anatomy of a Leader: Where Are the Leaders of Tomorrow?" *Management Review* (March 1994): 12.

LEADERSHIP TRAITS

Early research on leadership success focused on identifying the personal characteristics, or traits, of effective leaders. This approach, known as the *Great Man* theory, aimed to discover the common traits among great leaders and select or train future leaders who possessed similar qualities. However, studies found only a weak link between personal traits and leadership success. In recent years, interest in leadership traits has resurfaced, with researchers examining not only personality traits but also physical, social, and work-related characteristics. While certain traits have received significant research support, it is essential to recognize that their appropriateness depends on the specific leadership situation. The same traits may not be effective in every organization or context. As a result, research has shifted from solely focusing on individual traits to exploring the dynamics of the leader-follower relationship, providing a more comprehensive understanding of leadership.

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The inability to define effective leadership based solely on traits led to an interest in looking at the behavior of leaders and how it might contribute to leadership success or failure. Two basic leadership behaviors identified as important for leadership are *task-oriented* behavior and *people-oriented* behavior. These two *metacategories*, or broadly defined behavior categories, were found to be applicable to effective leadership in a variety of situations and time periods.

Although they are not the only important leadership behaviors, concern for tasks and concern for people must be shown at some reasonable level. Thus, many approaches to understanding leadership use these *metacategories* as a basis for study and comparison. Important research programs on leadership behavior were conducted at Ohio State University, University of Michigan, and University of Texas

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EXHIBIT 14.3 Personal Characteristics of Leaders

Physical Characteristics Energy Physical stamina	Personality Self-confidence Honesty and integrity Enthusiasm Desire to lead Independence	Work-Related Characteristics Achievement drive, desire to excel Conscientiousness in pursuit of goals Persistence against obstacles, tenacity
Intelligence and Ability Intelligence, cognitive ability Knowledge Judgment, decisiveness	Social Characteristics Sociability, interpersonal skills Cooperativeness Ability to enlist cooperation Tact, diplomacy	Social Background Education Mobility

SOURCES: Based on Bernard M. Bass, *Bass & Stogdill's Handbook of Leadership: Theory, Research, and Managerial Applications*, 3rd ed. (New York: The Free Press, 1990), pp. 80–81; and S. A. Kirkpatrick and E. A. Locke, “Leadership: Do Traits Matter?” *Academy of Management Executive* 5, no. 2 (1991): 48–60.

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Ohio State Studies

Consideration and initiating structure are independent of each other, which means that a leader with a high degree of consideration may be either high or low on initiating structure. A leader may have any of four styles: high initiating structure–low consideration, high initiating structure–high consideration, low initiating structure–low consideration, or low initiating structure–high consideration. The Ohio State research found that the high consideration–high initiating structure style achieved better performance and greater satisfaction than the other leader styles.

Michigan Studies

Researchers have identified two key leadership behaviors: task-oriented and people-oriented. Effective leaders balance both, while less-effective, job-centered leaders focus on schedules, costs, and production efficiency, often neglecting team goals and human needs. In contrast, people-oriented leaders prioritize supportive behavior and the well-being of their team, emphasizing goal achievement. This balance is essential for successful leadership and positive organizational outcomes.

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The Leadership Grid

Leadership grid is a two dimensional leadership theory that measures the leader's concern for people and for production. Team management often is considered the most effective style and is recommended for leaders because organization members work together to accomplish tasks. Country club management occurs when primary emphasis is given to people rather than to work outputs. Authority-compliance management occurs when efficiency in operations is the dominant orientation. Middle-of-the-road management reflects a moderate amount of concern for both people and production. Impoverished management means the absence of a management philosophy; managers exert little effort toward interpersonal relationships or work accomplishment.

CONTINGENCY APPROACHES

Contingency approach is a model of leadership that describes the relationship between leadership styles and specific organizational situations.

➤ HERSEY AND BLANCHARD'S SITUATIONAL THEORY

Situational theory is a contingency approach to leadership that links the leader's behavioral style with the task readiness of subordinates.

➤ FIEDLER'S CONTINGENCY THEORY

The starting point for Fiedler's theory is the extent to which the leader's style is task oriented or relationship (people) oriented. Fiedler considered a person's leadership style to be relatively fixed and difficult to change; therefore, the basic idea is to match the leader's style with the situation most favorable for his or her effectiveness. By diagnosing leadership style and the organizational situation, the correct fit can be arranged.

CONTINGENCY APPROACHES

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➤ **MATCHING LEADER STYLE TO THE SITUATION**

Combining the three situational characteristics yields a variety of leadership situations, ranging from highly favorable to highly unfavorable.

➤ **SUBSTITUTES FOR LEADERSHIP**

A substitute for leadership makes the leadership style unnecessary or redundant. For example, highly professional subordinates who know how to do their tasks do not need a leader who initiates structure for them and tells them what to do. A neutralizer counteracts the leadership style and prevents the leader from displaying certain behaviors.

CHARISMATIC AND TRANSFORMATIONAL LEADERSHIP

➤ -CHARISMATIC LEADER

Charismatic leaders are great at creating a strong vision for the future. A vision is an inspiring idea of what could be, even if it's not easy to achieve. These leaders connect with employees on an emotional level, helping them feel like they are part of something important. While others might see problems or setbacks, charismatic leaders see opportunities and hope.

Charismatic leaders usually have a powerful vision that they are very passionate about. They can motivate others to work towards this vision because they communicate it in a way that makes it feel real and meaningful.

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TRANSFORMATIONAL LEADERSHIP

Transformational Leaders are similar to charismatic leaders, but they are distinguished by their special ability to bring about focus on driving innovation and change. They pay close attention to the needs and concerns of their team members, encouraging them to view challenges from different angles and to question traditional ways of doing things.

These leaders inspire their followers to not only believe in the leader but also to believe in their own ability to create a better future for the organization. Transformational leaders aim to bring about significant change in both the people they lead and the organization as a whole.

TRANSACTIONAL LEADERSHIP

- A leader who clarifies subordinate's role and task requirements, initiates structure, provides rewards, and displays consideration for subordinates. The transactional leader's ability to satisfy subordinates may improve productivity. Transactional leaders often emphasize aspects of performance, such as plans, schedules, and budgets. Transactional leadership is important to all organizations, but leading change requires a different approach.

FOLLOWERSHIP

Leadership matters, but without effective followers no organization can survive. Leaders can develop an understanding of their followers and how to help them be most effective.

➤ FIRST DIMENSION

Critical Thinking : Thinking independently and being mindful of the effect of one’s behavior on achieving goals. They offer constructive criticism, creativity, and innovation.

Uncritical Thinking : Uncritical thinker does not consider possibilities beyond what he or she is told, does not contribute to the cultivation of the organization, and accepts the supervisor’s ideas without thinking.

➤ SECOND DIMENSION

Active followers participate fully engage in their work, take initiative, feel a sense of ownership, and help solve problems.

Passive followers is characterized by need constant supervision and only do what's necessary. This passivity is often seen as laziness, as they avoid taking on extra responsibilities.

A PERSON'S LEVEL OF ACTIVITY AND THEIR ABILITY TO THINK CRITICALLY OR UNCRITICALLY AFFECTS THE TYPE OF FOLLOWER THEY BECOME.

1. The alienated follower

Alienated followers are able to think independently, but they do not participate in developing solutions to the problems or deficiencies they see. These people waste valuable time complaining about their boss without offering constructive feedback.

2. The conformist

Conformist participates actively in a relationship with the boss but doesn't use critical thinking skills. The conformist participates willingly, but without considering the consequences of what he or she is being asked to do—even at the risk of contributing to a harmful endeavor.

3. The pragmatic survivor

A mix of active and passive, critical and uncritical; they adapt to survive. This type of person uses whatever style best benefits his or her own position and minimizes risk.

4. The passive follower

Their activity is limited to what they are told to do, and they accomplish things only with a great deal of supervision. Passive followers leave the thinking to the boss because they learn that to show initiative, accept responsibility, or think creatively is not rewarded, and may even be punished by the boss, so they grow increasingly passive.

5. The effective follower

Being both a critical, independent thinker and active in the organization. Effective followers are not afraid of taking risks or facing conflicts. They manage themselves well, understand their own strengths and weaknesses, and are dedicated to a larger goal beyond themselves. They strive to improve their skills and make a positive impact.

POWER AND INFLUENCE

POWER IS THE POTENTIAL ABILITY TO INFLUENCE THE BEHAVIOR OF OTHERS. BASICALLY, INFLUENCE IS THE EFFECT A PERSON'S ACTIONS HAVE ON THE ATTITUDES, VALUES, BELIEFS, OR BEHAVIOR OF OTHERS.

POSITION POWER :

THIS POSITION ALLOWS THEM TO INFLUENCE EMPLOYEES BY REWARDING OR PUNISHING THEM

-Legitimate Power

Authority that comes from the manager's official position. Once a person has been selected as a supervisor, most employees understand that they are obligated to follow his or her **direction with respect to work activities.**

-Reward Power

Managers can use rewards to influence subordinates' behavior to give rewards, like bonuses or promotions, to encourage desired behavior.

-Coercive Power

If an employee does not perform as expected, the manager has the coercive power to reprimand him, put a negative letter in his file, deny him a raise, and hurt his chances for a promotion.

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PERSONAL POWER

Personal power comes from within an individual. This can be based on their unique knowledge, skills, or personal traits. Personal power is key for leaders, and it is becoming increasingly important as businesses are run by teams of workers who are less tolerant of authoritarian management.

- Expert Power

Expert power comes from a person's special knowledge or skills related to a task. When someone is recognized as an expert, others tend to follow their advice because they trust their knowledge.

- Referent Power

Referent power comes from an individual's personal characteristics that command others' identification, respect, and admiration so they wish to emulate that individual.

OTHER SOURCES OF POWER

➤ Personal Effort

People who show initiative, work beyond what is expected of them, take on undesirable but important projects, and show interest in learning about the organization and industry often gain power as a result.

➤ Information

Information is a primary business resource, and people who have access to information and control over how and to whom it is distributed are typically powerful.

➤ Network of Relationships

People who are enmeshed in a network of relationships have greater power. Developing positive associations with superiors or other powerful people is a good way to gain power

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INTERPERSONAL INFLUENCE TACTICS

1. Use rational persuasion.

Using rational persuasion can often be highly effective, because most people have faith in facts and analysis.

2. Make people like you.

People would rather say yes to someone they like than to someone they don't. Effective leaders strive to create goodwill and favorable impressions.

3. Rely on the rule of reciprocity.

Leaders can influence others through the exchange of benefits and favors. Means that leaders who do favors for others can expect that others will do favors for them in return.

4. Develop allies

Effective leaders develop networks of allies, they strive to reach a meeting of minds with others about the best approach to a problem or decision.

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INTERPERSONAL INFLUENCE TACTICS

5. Be assertive—ask for what you want.

Leaders have to be explicit about what they want, or they aren't likely to get it.

6. Make use of higher authority.

Sometimes to get things done leaders have to use their formal authority, as well as gain the support of people at higher levels to back them up

7. Reward the behaviors you want.

Leaders can influence how people behave at work by using rewards for good actions and consequences for bad ones. Combining rewards with personal connections can make them very effective in encouraging the right behavior.

LEADERSHIP AS SERVICE

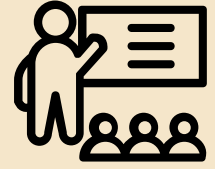
Characteristics of servant leadership and moral leadership can be successfully used by leaders in all situations to make a positive difference.

➤ SERVANT LEADERSHIP

Servant leaders facilitate the growth, goals, and development of others to liberate their best qualities in pursuing the organization's mission.

➤ MORAL LEADERSHIP

Moral leadership means seeking to do the honest and decent thing in the practice of leadership. Leaders can make a positive difference by applying characteristics of servant and moral leadership.



THANK YOU

