

Engg5001

Leadership

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"A BUSINESS SHORT ON CAPITAL
CAN BORROW MONEY. BUT A
BUSINESS SHORT OF
LEADERSHIP HAS LITTLE CHANCE
OF SURVIVAL"

- Peter Drucker

- What is a leader?
- Do we need leaders?
- Am I/could I be a leader?

Marks of a Great Leader

QUESTION: WHY ARE THE FOLLOWING TRAITS CONSIDERED CHARACTERISTICS OF GREAT LEADERS?

- ♣ servicing and sacrificing
- ♣ initiating and risk taking
- ♣ needing no credit
- ♣ empowering others
- ♣ clarifying values

Management Vs Leadership

The Old View

Management:

- Activity of executives under stability
- Doing things right
- Monitoring, directing, refining performance
- Hierarchy, control,

Leadership

- Leading change
- Doing the right things
- Vision, directions
- Charisma, dynamism

Leaders vs. Managers

LEADERS:

- innovate
- focus on people
- inspire trust
- have a long-range view
- ask what and why
- have eyes on horizon
- originate
- challenge status quo
- do the right thing

MANAGERS:

- administrate
- focus on systems and structures
- rely on control
- have a short-range view
- ask how and when
- have eyes on bottom line
- initiate
- accept status quo
- do things right

Management Vs Leadership

The Reality

- ⊗ In today's competitive world change is constant
- ⊗ Managers cannot be successful without being good leaders
- ⊗ Leaders cannot be successful without being good managers
- ⊗ It is not possible to simply focus on doing things right
- ⊗ The **skills** required for one are also required for the other.
- ⊗ Effective management and leadership are inseparable.

Leadership

- The ability to influence a group toward the achievement of a particular goal.
- A problem with the study of leadership is that leadership is expressed in many different ways and places.

Key Aspects of Contemporary Leadership

- ⌘ Vision, created interactively
- ⌘ Conceptual skill
- ⌘ Business literacy
- ⌘ Achievement orientation
- ⌘ Executive decision capacity
- ⌘ Power of influence and persuasion
- ⌘ Self-knowledge and integrity
- ⌘ Respect for difference
- ⌘ Character -leads by example
- ⌘ Develops trust and trustworthiness

Skills of Successful Leaders

- ♣ Intelligent
- ♣ Conceptually skilled
- ♣ Creative
- ♣ Diplomatic
- ♣ Tactful
- ♣ Good speaking ability
- ♣ Knowledgeable of groups
- ♣ Persuasive
- ♣ Socially skilled

Leadership and Emotional Intelligence

- ⊗ Moods and emotions of leaders do influence behaviour and effectiveness of leaders
- ⊗ Involves self-understanding and the ability to understand others
- ⊗ Helps leaders develop vision, motivate others to the vision and energise others to work towards the vision
- ⊗ Enable leaders to develop significant identity for the organisation and instil high levels of trust and cooperation

What Derails Managers/Leaders

- ⊗ **Emotional stability** (Not able to handle pressure, moodiness, angry outbursts, etc.)
- ⊗ **Defensiveness** (tried to cover up mistakes)
- ⊗ **Lack of integrity**
- ⊗ **Weak interpersonal skills** (specially problematic at higher levels)
- ⊗ **Overconfidence and arrogance** especially when it lead to reject sound advice.

Bases of Power

- ⌘ Legitimate-the authority based on position
- ⌘ Reward-to give or withhold rewards
- ⌘ Coercive-ability to punish
- ⌘ Expert-based on special knowledge & skills
- ⌘ Information-based on controlling information
- ⌘ Referent-informal based on respect, admiration and loyalty

Contingency Theories of Leadership

- ♣ Leadership as being more flexible - different leadership styles used at different times depending on the circumstance.
- ♣ Suggests leadership is not a fixed series of characteristics that can be transposed into different contexts

Leadership

May depend on:

- Type of staff
- History of the business
- Culture of the business
- Quality of the relationships
- Nature of the changes needed
- Accepted norms within the institution

Factors Affecting Style

- Leadership style may be dependent on various factors:
 - Risk - decision making and change initiatives based on degree of risk involved
 - Type of business - creative business or supply driven?
 - How important change is - change for change's sake?
 - Organisational culture - may be long embedded and difficult to change
 - Nature of the task - needing cooperation? Direction? Structure?



Concern with the Task

Concern
with
People



Concern with the Task

Maturity

the ability and willingness of people to take responsibility for directing their own behavior.

Levels of Maturity (Readiness)

- ⊗ **M1.** People are both unable and unwilling to take responsibility to do something. They are neither competent nor confident.
- ⊗ **M2.** People are unable but willing to do the necessary job tasks. They are motivated but currently lack the appropriate skills.
- ⊗ **M3.** People are able but unwilling to do what the leader wants.
- ⊗ **M4.** People are both able and willing to do what is asked of

Adjusting Leadership style

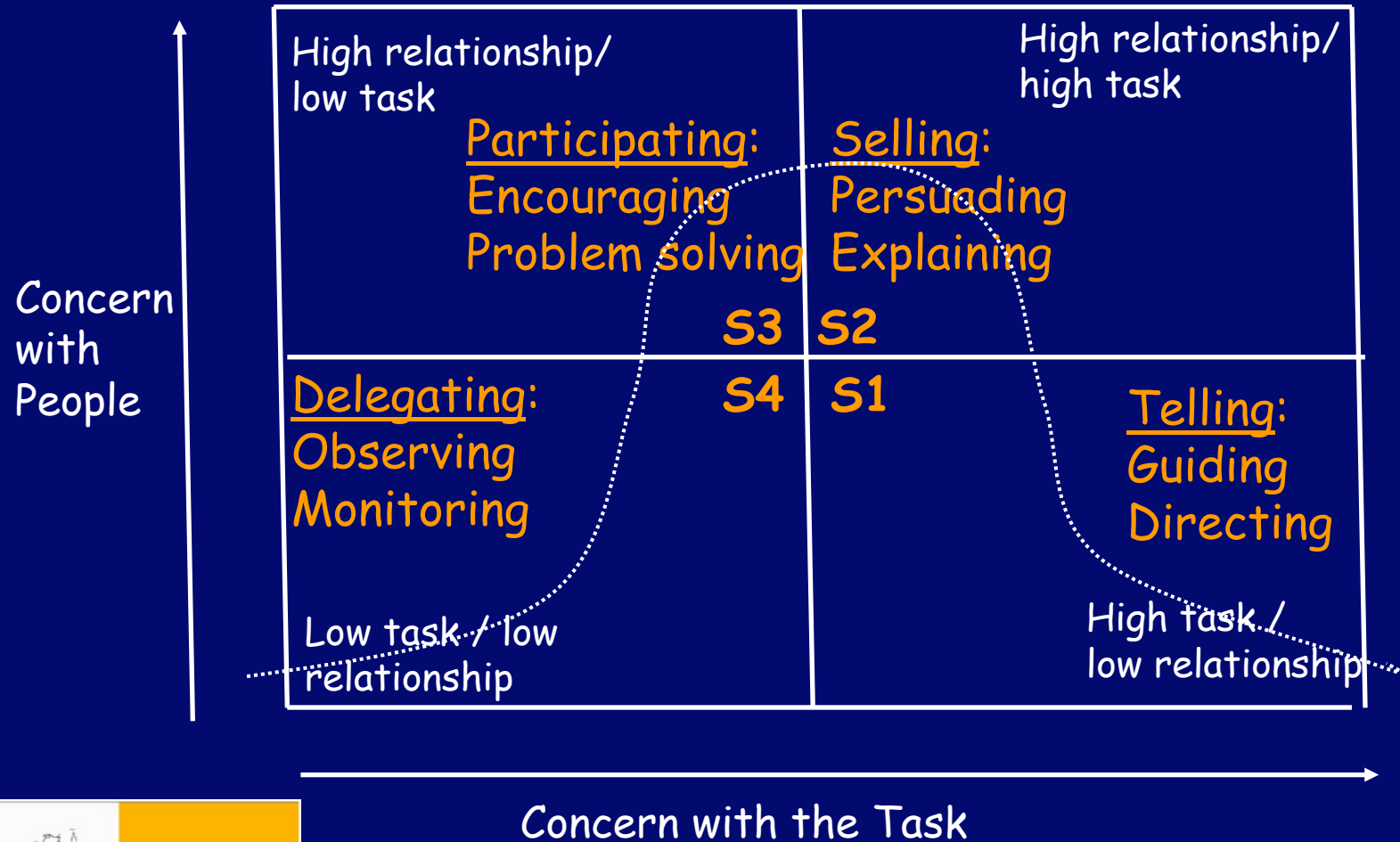
- ⊗ Low followers Maturity- telling (high task direction and low support)
- ⊗ Moderate followers maturity- selling (task direction and support)
- ⊗ Moderate to high maturity- participating (supportive behavior and a little direction)
- ⊗ High maturity- delegating- (little support and direction)

Leadership Styles

The theory prescribes a different leadership style for different levels of maturity:

- ⊗ **Telling/Directive / Autocratic**--tells people what, how, when, and where [authoritarian]
- ⊗ **Selling/Coaching**-- provides both direction and supportive behavior [paternalistic?]
- ⊗ **Participating/Supportive/ Democratic**--the main role of the leader is facilitating and communicating, decision making is shared.
- ⊗ **Delegating/ Laissez faire**--the leader provides little direction and support

Situational Leadership: Leader Behaviours



LEADERSHIP - Empowerment

Empowerment Strategies

- ⊗ Avoid competition for power, status, recognition
- ⊗ Delegate
- ⊗ Create and communicate a vision
- ⊗ Insist that others diligently work to achieve meaningful goals
- ⊗ Help others believe in their own worth and potential
- ⊗ Create a culture in which fear and intimidation are replaced by trust
- ⊗ Demonstrate a willingness to be supportive of others

LEADERSHIP - How Vision Works

- The right vision attracts **commitment** and **energizes** people.
- The right vision creates **meaning** in workers' lives.
- The right vision establishes a standard of **excellence**.
- The right vision **bridges** the present and the future.

LEADERSHIP

How You Know You Need a Vision

- Is there evidence of confusion about purpose?
- Do employees complain about insufficient challenge?
- Do employees say they are not having fun any more?
- Is the organization losing market share or reputation for innovation?
- Are there signs of declines of pride in your organization?
- Is there excessive risk avoidance?
- Is there an absence of sharing?
- Is there a strong rumor mill?

Types of Leadership Style

- **Autocratic:**

- Leader makes decisions without reference to anyone else
- High degree of dependency on the leader
- Can create de-motivation and alienation of staff
- May be valuable in some types of business where decisions need to be made quickly and decisively

Types of Leadership Style

- **Democratic:**
- Encourages decision making from different perspectives - leadership may be emphasised throughout the organisation
 - **Consultative:** process of consultation before decisions are taken
 - **Persuasive:** Leader takes decision and seeks to persuade others that the decision is correct

Types of Leadership Style

- **Democratic:**
 - May help motivation and involvement
 - Workers feel ownership of the firm and its ideas
 - Improves the sharing of ideas and experiences within the business
 - Can delay decision making

Types of Leadership Style

- Laissez-Faire:
 - 'Let it be' - the leadership responsibilities are shared by all
 - Can be very useful in businesses where creative ideas are important
 - Can be highly motivational, as people have control over their working life
 - Can make coordination and decision making time-consuming and lacking in overall direction
 - Relies on good team work
 - Relies on good interpersonal relations

Types of Leadership Style

- **Paternalistic:**
- Leader acts as a 'father figure'
- Paternalistic leader makes decision but may consult
- Believes in the need to support staff