

Chapter 10

LEADING

What Is Leading

- *Leading* is that management function which involves influencing others to engage in the work behaviors necessary to reach organizational goals.
- The definition indicates that a person or group of persons tasked with managing a group must assume the role performed by leaders.
- While leading refers to the function, leadership refers to the process.

How Leaders Influence Others

- Managers are expected to maintain effective work forces.
- Leaders are said to be able to influence others because of the power they possess.
- *Power* refers to the ability of a leader to exert force on another.

Bases of Power

1. legitimate power
2. reward power
3. coercive power
4. referent power
5. expert power

Legitimate Power	A person who occupies a higher position has legitimate power over persons in lower positions within the organization.
Reward Power	When a person has the ability to give rewards to anybody who follows orders or request, he is said to have reward power. Rewards may be classified into two forms: <i>material</i> and <i>psychic</i> .
Coercive Power	When a person compels another to comply with others through threats or punishment, he is said to possess coercive power.
Referent Power	When a person can get compliance from another because the latter would want to be identified with the former, that person is said to have referent power.
Expert Power	Experts provide specialized information regarding their specific lines of expertise. This influence is possessed by people with great skills in technology.

The Nature of Leadership

- Leadership may be referred to as the process of influencing and supporting others to work enthusiastically toward achieving objectives.
- Leadership is expected of any manager in charge of any unit or division.

Traits of Effective Leaders

1. a high level of personal drive
2. the desire to lead
3. personal integrity
4. self-confidence
5. analytical ability or judgment
6. knowledge of the company, industry, or technology
7. charisma
8. creativity
9. flexibility

<i>Personal Drive</i>	Persons with drive are those identified as willing to accept responsibility, possess vigor, initiative, persistence, and health.
<i>The Desire to Lead</i>	Leaders with the desire to lead will always have a reservoir of extra efforts which can be useful especially during critical moments.
<i>Personal Integrity</i>	A person who is well-regarded by others as one who has integrity possesses one important leadership trait. Integrity includes honesty, honor, incorruptibility, rectitude, righteousness, and similar virtues.
<i>Self-Confidence</i>	The steps of conceptualizing, organizing, and implementing will be completed if sustained efforts are made. For the moves to be continuous and precise, self-confidence is necessary.

<i>Analytical Ability</i>	A leader with sufficient skill to determine the root cause of the problem may be able to help the subordinate to improve his production.
<i>Knowledge of the Company, Industry, and Technology</i>	A leader who is well-informed about his company, the industry where the company belongs, and the technology utilized by the industry, will be in a better position to provide directions to his unit.
<i>Charisma</i>	When a person has sufficient personal magnetism that motivates people to follow his directives, this person is said to have charisma.
<i>Creativity</i>	This term refers to the ability of the manager to find new and better ways of accomplishing his work.
<i>Flexibility</i>	A leader who allows this situation as long as the required outputs are produced, is said to be flexible.

Leadership Skills

- Leaders need to have certain skills to be effective.
- These are as follows:
 1. technical skills;
 2. human skills; and
 3. conceptual skills.

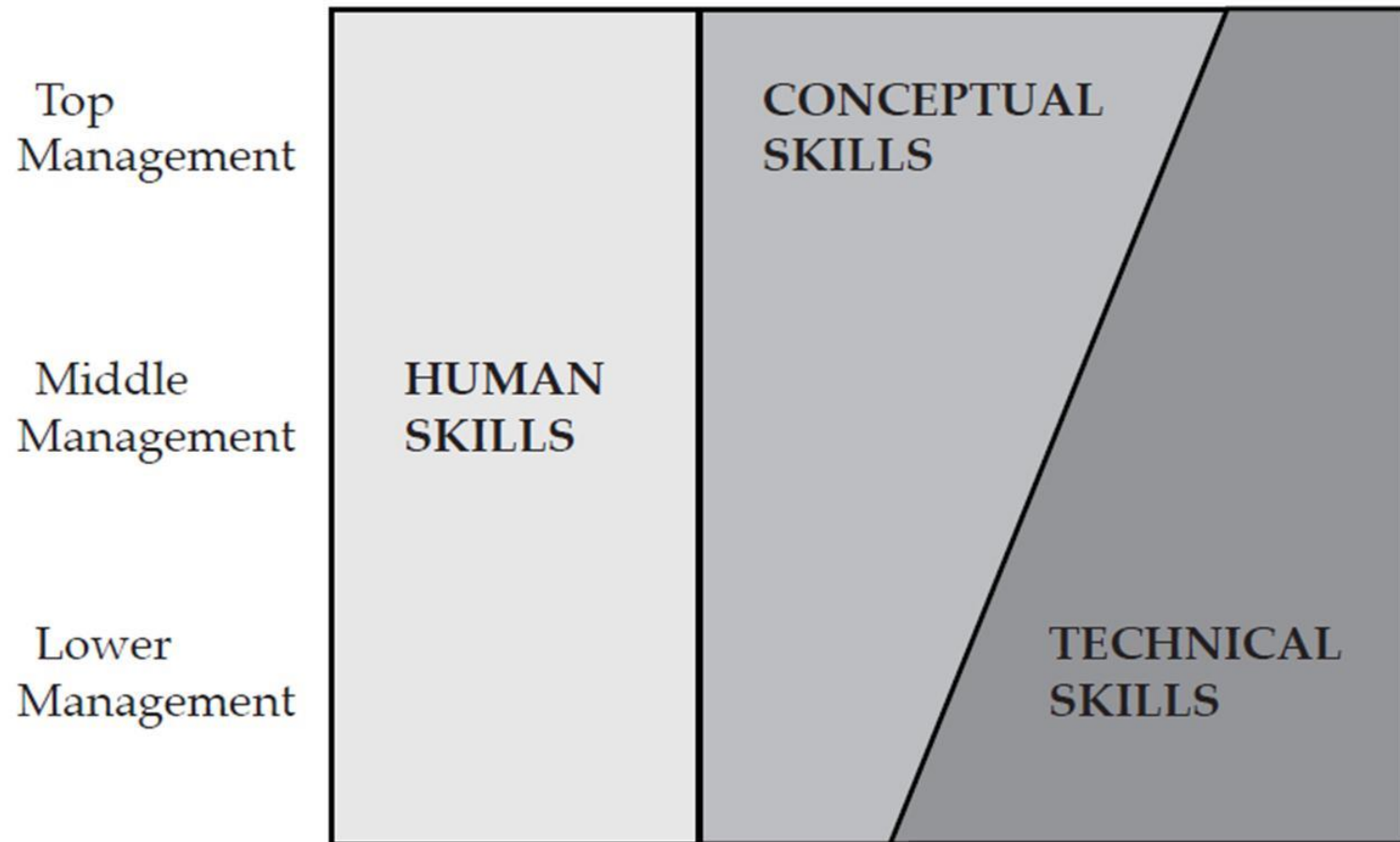


Figure 50. The Degree of Leadership Skills Needed at Various Management Levels

Technical Skills

These are skills a leader must possess to enable him to understand and make decisions about work processes, activities, and technology. *Technical skills* are the specialized knowledge needed to perform a job.

Human Skills

These skills refer to the ability of the leader to interact with people inside and outside of the organization. Good leaders must know how to get along with people, motivate them, and inspire them.

Conceptual Skills

These skills refer to the ability of a person to think in abstract terms and to see how parts fit together to form the whole.

Behavioral Approaches to Leadership Styles

- There are several approaches used in classifying leadership styles.
- These are the following:
 1. according to the ways leaders approach people to motivate them;
 2. according to the way the leader uses power; and
 3. according to the leader's orientation towards task and people.

Ways Leaders Approach People

- In motivating people, leaders use one of the two approaches consisting of *positive leadership* and *negative leadership*.
- When the leader's approach emphasizes rewards, the style used is positive leadership.

- The reward may be economic, like an increase in monthly salary, or it may be non-economic like membership in an advisory committee.
- When punishment is emphasized by the leader, the style is said to be negative leadership.
- The punishment may take the form of reprimand, suspension, or dismissal.

Ways Leaders Use Power

- Leadership styles also vary according to how power is used.
- They consist of (1) autocratic, (2) participative, and (3) free-rein.

Autocratic Leaders

- Leaders who make decisions without consulting subordinates are called autocratic leaders.
- Autocratic style is effective in emergencies and when absolute followership is needed.
- Disadvantage: leader receives little, if any, information, ideas, and suggestions from his subordinates as inputs into his decision-making.

Participative Leaders

- When a leader openly invites his subordinates to participate or share in decision-making, policy making, and operation methods, he is said to be a participative leader.
- Advantages: generates a lot of good ideas; increased support for decisions.
- Disadvantages: time consuming and frustrating to people who prefer to see a quick decision made.

***Free-rein
Leaders***

- These are leaders who set objectives and allow employees or subordinates relative freedom to do whatever it takes to accomplish those objectives.
- They are also referred to as laissez-faire leaders.
- If free-rein leadership fits the situation, there is full managerial delegation resulting to optimum utilization of time and resources.
- The weakness of free-rein leadership is that there is very little managerial control and a high degree of risk.

Leader's Orientation Toward Tasks and People

- Leadership may be classified according to how leaders view tasks and people. A leader may either be:
 - (1) employee-oriented,
 - (2) task-oriented.

<i>Employee Orientation</i>	A leader is said to be employee-oriented when he considers employees as human beings of intrinsic importance and with individual and personal needs to satisfy.
<i>Task Orientation</i>	A leader is said to be task-oriented if he places stress on production and the technical aspects of the job and the employees are viewed as the means of getting the work done.

Contingency Approaches to Leadership Style

- The contingency approach refers to that effort to determine through research which managerial practices and techniques are appropriate in specific situations.
- The following are the contingency approaches.
 1. Fiedler's Contingency Model
 2. Hersey and Blanchard's Situational Leadership Model
 3. Path-Goal Model of Leadership
 4. Vroom's Decision-Making Model

Fiedler's Contingency Model

- Fred Fiedler believes that leadership is effective when the leader's style is appropriate to the situation. The situational characteristics is determined by three principal factors:
 1. the relation between leader and follower;
 2. the structure of the task; and
 3. the power inherent in the leader's position.

- To be effective, according to Fiedler, the situation must fit the leader. If this is not so, any of the following may be tried:
 1. change the leader's traits or behavior;
 2. select leaders who have traits or behavior fitting the situation;
 3. move leaders around in the organization until they are in
 4. positions that fit them; and
 5. change the situation.

Hersey and Blanchard Situational Leadership Model

- The situational leadership model developed by Hersey and Blanchard suggests that the most important factor affecting the selection of a leader's style is the development (or maturity) level of subordinate.
- Maturity has two components:
 1. job skill and knowledge; and
 2. psychological maturity.

- Blanchard and others elaborated on the leadership styles appropriate for the various maturity levels of subordinates. They are the following:

Style 1	<i>Directing</i>	is for people who lack competence but are enthusiastic and committed.
Style 2	<i>Coaching</i>	is for people who have some competence but lack commitment.
Style 3	<i>Supporting</i>	is for people who have competence but lack confidence or motivation.
Style 4	<i>Delegating</i>	is for people who have both competence and commitment.

Path-Goal Model of Leadership

- The path-goal model of leadership espoused by Robert J. House and Terence R. Mitchell stipulates that leadership can be made effective because leaders can influence subordinate's perceptions of their work goals, personal goals, and paths to goal attainment.

- By using the path-goal model, it is assumed that effective leaders can enhance subordinate motivation by:
 1. clarifying the subordinate's perception of work goals;
 2. linking meaningful rewards with goal attainment; and
 3. explaining how goals and desired rewards can be achieved.

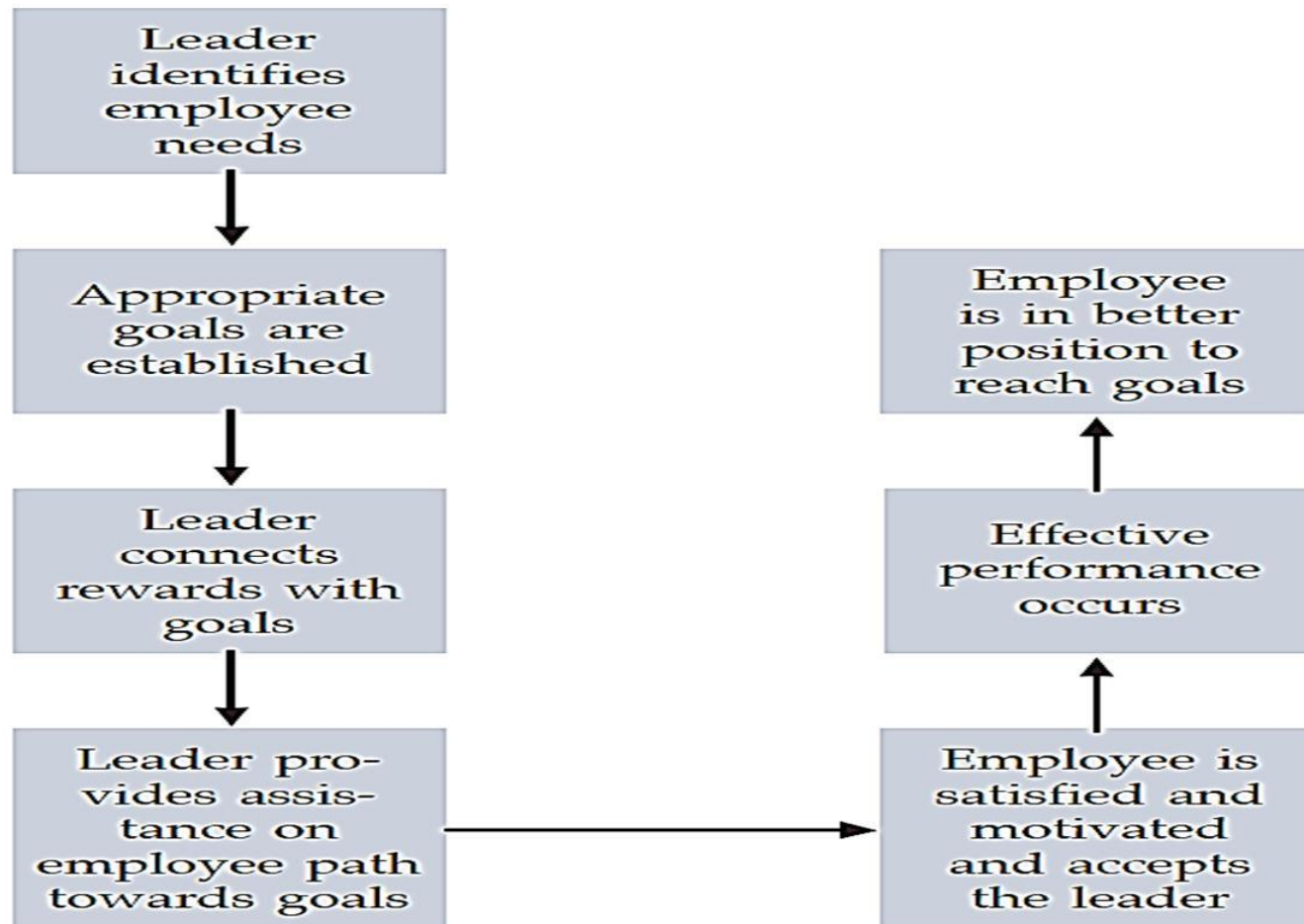


Figure 52. The Path-Goal Process

Leadership Styles Suggested

1. Directive leadership	where the leader focuses on clear task assignments, standards of successful performance, and work schedules.
2. Supportive leadership	where subordinates are treated as equals in a friendly manner while striving to improve their well-being.
3. Participative leadership	where the leader consults with subordinates to seek their suggestions and then seriously considers those suggestions when making decisions.
4. Achievement-oriented leadership	where the leader sets challenging goals, emphasizes excellence, and seeks continuous improvement while maintaining a high degree of confidence that subordinates will meet challenges in a responsible manner.

Vroom's Decision-Making Model

- Vroom's model of leadership is one that prescribed the proper leadership style of various situations, focusing on the appropriate degrees of delegation of decision-making authority.

Symbol	DECISION-MAKING STYLE	Degree of Subordinate Participation
	AUTOCRATIC LEADER	
A - 1	Leader solves the problem or he himself makes the decision using available information.	None
A - 2	Leader obtains necessary information from subordinates, then decides.	Low
	CONSULTATIVE LEADER	
C - 1	Leader approaches subordinates individually, getting their ideas, then makes decision.	Moderate
C - 2	Leader shares the problem with subordinates as a group, obtaining their collective ideas and suggestions, then decides.	Moderate
	GROUP-DIRECTED	
G - 2	Leader shares the problem with subordinates as a group. Lets the group generate and evaluate alternative solutions, and then makes a collective decision.	High

Figure 53. Alternative Decision-Making Styles in the Vroom Model