

Leadership: Theory and Evidence

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MINISTERSTVO ŠKOLSTVÍ,
MLÁDEŽE A TĚLOVÝCHOVY

INTRODUCTION

- *“Leadership is a process whereby an individual influences a group of individuals to achieve a common goal”* (Nortonhouse 2010, p.3).
- The field of leadership can be generally divided on leadership approaches and leadership development.
- Leadership approaches can be divided on five principal stages that reflect its development in time (Alimo-Metcalfe; 2013):
1) trait theories; 2) behavioural approaches; 3) situational and contingency approaches; 4) neo-charismatic / heroic models; 5) post-heroic models. First two groups of approaches are less relevant for the context of modern society.

SITUATIONAL AND CONTINGENCY APPROACHES

- Those models we developed in the 1960s and 1970s in the US, in the time of economic prosperity, when greater productivity, effectivity and maintaining of the status quo was the major focus of organizations (Northouse 2010).
- *“The strengths of the situational models are that they encourage managers to consider a range of variables when selecting an appropriate leadership style in any situation, and stress that flexibility in approach is key to effectively influencing the behavior of subordinates in achieving an objective.”* (Alimo-Metcalfe 2013; p. 19).
- Most significant of those approaches were Fiedler’s contingency model and leader-member exchange (LMX) theory.

Fiedler's contingency model

- Based mainly on research in military organizations. Core assumption is that one's leadership style depends on his/her personality (Fiedler 1964; 1972).
- The model is not much flexible. The critical aspects on of leader's effectiveness is matching the leader to the situation, rather than vice versa (Alimo-Metcalfe 2013).
- Three core components:
 - **1) leader–member relations:** the warmth and loyalty between the leader and the follower
 - **2) task structure:** the degree to which there is only one specific way in which the task can be achieved successfully
 - **3) position power of the leader:** the amount of authority they have to reward or discipline subordinates.

Fiedler's contingency model

- Peters et al. (1985) and Strube & Garcia (1981) found partial support for the theory.
- However, other studies questioned the construct validity (the degree to which a test measures what it claims, or purports, to be measuring) of its core measure, the Least Preferred Co-worker (LPC) Scale (Triandis 1993; Wright 1996).
- *“...given that the model is based on the inflexibility of leadership style, if it were correct then individuals in leadership positions would have to be moved around an organization as the task structure and position power varied, which is hardly practical. Further, it does not take account of the characteristics of subordinates, including their skills and knowledge...”* (Alimo-Metcalfe 2013; p. 20).

Leader-member exchange (LMX) theory

- One of the main contributions of LMX theory is the focus on the nature of the dyadic interactions between leaders and their followers (Graen & Uhl-Bien 1995).
- LMX theory focuses on the exchange between the parties (the formation of in-groups and out-groups), explores the moderating impact of empowerment on work-related attitudes such as job satisfaction, job performance and organizational citizenship behaviors, and relates the theory to leadership at the team level (Harris et al. 2009; Graen & Uhl-Bien 1995).

Leader-member exchange (LMX) theory

- LMX theory has been criticised for emphasis on in-groups and out-groups that may lead to discrimination for less preferred followers (by leader) (Harter & Evaneky 2002; Scandura 1999).
- Another criticism points to the inappropriate content validity and unidimensionality of the LMX measures (Graen & Uhl-Bien 1995; Schriesheim et al. 2001).

NEO-CHARISMATIC / HEROIC MODELS

- *Those approaches entailed reaction to economic challenges of oil crisis and growing global competition in 80s in terms of dealing with continuous change and unpredictability (Bryman, 1993).*
- Those models focused on development of charisma, vision and transformation (Alimo-Metcalfe 2013).
- Avolio et al. (2009) and Gardner et al. (2011) state transformational leadership as most significant neo-charismatic approach.

Transformational leadership

- Transformational leadership is based on a leader's ability to identify the needs of the organization, to distribute those needs among followers through the vision and idealized influence, and to help the necessary change to come true (Bass 1985).
- 4 main dimensions:
 - *idealized influence*
 - *inspirational motivation*
 - *intellectual stimulation*
 - *individualized consideration*

Transformational leadership

- Transformational leadership is significantly associated with follower performance, satisfaction, motivation and commitment (Lowe et al., 1996; Skakon et al., 2010; Tims et al., 2011; Yukl, 1999).
- Conception of transformational leadership has been criticised for potential misuse of power and elitism (Yukl 1999) and its evidence for being based solely on self-report reports and using noninclusive samples with respect to gender and ethnicity (Alimo-Metcalfe 2013).

POST HEROIC MODELS OF LEADERSHIP

- *“In the wake of a series of corporate scandals, including the fall of Enron, AmCom, and Lehman Brothers, and the global banking crisis, which is regularly attributed to the greed and hubris of those in the most senior organizational roles, there was growing dissatisfaction with the legacy of the neo-charismatic models, which are commonly referred to as models of “heroic” leadership”... One notable response to these models has been the popularity, in both the professional managerial and academic publications, of a new genre of leadership texts, which have denounced the notion of attributing organizational success or failure to the presence of a “saviour” figure as crass...” (Alimo-Metcalfe 2013; p. 25).*
- Main post heroic approaches include authentic leadership, ethical leadership and servant leadership.

Authentic leadership

- Authentic leadership is defined as *“a pattern of leader behavior that draws upon and promotes both positive psychological capacities and a positive ethical climate, to foster greater self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency on the part of leaders working with followers, fostering positive self development”* (Walumbwa et al. 2008, p. 94).
- Aim of authentic leaders is to serve others more effectively through better understanding their own leadership (George 2007).

Authentic leadership

- Dimensions (Walumbwa et al. 2008):
 - **Self-awareness:** A deeper insight into one's multifaceted nature of self and his/her impact on other people.
 - **Relational transparency:** Presenting one's authentic self to others.
 - **Balanced processing:** The ability to objectively analyse all relevant data (including the opinions of others) before coming to a decision.
 - **Internalized moral perspective:** Consistency which exists between one's values and actions.

Ethical leadership

- Ethical leadership can be defined as “*the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making.*” (Brown et al. 2005; p. 120).
- Ethical leaders serve as an attractive role models of ethical behavior for the followers (transformational aspect) and they also use appropriate rewards and punishments (a *transactional* aspects) to reinforce it (Treviño et al. 2000).

Servant leadership

- *“Servant leadership is based on the premise that to bring out the best in their followers, leaders rely on one-on-one communication to understand the abilities, needs, desires, goals, and potential of those individuals. With knowledge of each follower's unique characteristics and interests, leaders then assist followers in achieving their potential” (Liden et al. 2008; p. 162).*
- Contrary to traditional approaches to leadership, the servant leadership focuses on forming strong long-term relationships with employees and extends outside the organization (serving multiple stakeholders) (Liden et al. 2014).

Servant leadership

- Dimensions (Liden et al. 2008):
 - **Emotional healing**
 - **Creating value for the community**
 - **Conceptual skills**
 - **Empowering**
 - **Helping subordinates grow and succeed**
 - **Putting subordinates first**
 - **Behaving ethically**
 - **Relationships**
 - **Servanthood**

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LEADERSHIP DEVELOPMENT

- Leadership development can be defined as the expansion of the capacity of individuals to be effective in leadership roles and processes as well as the growth of a collective's capacity to produce direction, alignment, and commitment (Day and Dragoni 2015).
- Leaders and followers play important and interdependent roles in generating leadership (Day and Dragoni 2015).

LEADERSHIP DEVELOPMENT

- There are three main groups of theory and research:
 - **Leader behaviors targeted at directing and motivating followers** (see Bass 2008 for a review).
 - **Approaches that highlight the role of followers** in perceiving, categorizing, or otherwise making sense of a leader (Hogg 2001; Van Knippenberg and Hogg 2003).
 - **Approaches that seek** better balance between the roles of leaders and followers in generating leadership (DeRue and Ashford 2010; Lord et al. 1999).

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