

14

LEADING

After studying this chapter, you should be able to:

- A Define leadership and explain why it is important.
- A Discuss how leaders can acquire power in organizations,
- A Identify traits that are sometimes associated with successful leadership and explain the problems associated with the trait approach. A Explain how democratic and autocratic leadership styles affect subordinate responses.
- A Discuss the roles of leader consideration and initiating structure. A Identify situational factors that influence the way leader behaviors affect subordinate responses. A Describe four models of leadership which take the situation into account and be able to explain how they differ and how they are similar. A Discuss substitutes for leadership.

In 1983, the Wickes Companies, a giant retailer of such things as building supplies, women's clothes, and food and drugs, was in severe financial difficulty. The Wickes directors replaced the top officers, known for their frequent trips to the golf course and for their lavishly decorated executive floor (off limits to most employees! at the company's San Diego headquarters. They brought in as chairman, Sanford C. Sigoloff, alias "Ming the Merciless."

Sigoloff quickly sought protection under Chapter 11 of the bankruptcy code, making Wickes the largest company ever to file for reorganization under the federal bankruptcy law. Numerous retail outlets and entire divisions were slashed, reducing annual sales from \$4.1 billion to \$2.6 billion. About 7,000 workers were fired or not replaced. Now the company is making progress, and the crisis atmosphere has subsided.¹ A change in leadership at Wickes clearly made a huge difference, just as clearly, a "Ming the Merciless" might fare less well in another situation.

The fact that successful leadership can have a great influence on firms is reflected in the tremendous compensation paid to some top executives. In 1984, T. Boone Pickens, Jr., chairman and president of Mesa Petroleum, was the highest paid U.S. executive, amassing a total annual compensation of \$22,823,000. David A. Jones, chairman of Humana Inc., the nation's second largest hospital chain, was runner-up at a mere \$18,116,000.² The belief that leadership can make a difference is also

1. Based on *The Wall Street Journal* [May 17, 1983], 35, .2. "Executive Pay: Who Mack the Most?" *Business Week* (May 6, 1985), 79.

evidenced by the increasing turnover at the top of major organizations. While resignations at 100 of the largest companies averaged 3.3 percent annually from 1960-1964, they increased to an annual 9.8 percent over the 1980-1983 period.³

Of course, there are leaders throughout the organization, not just at the top. All of them, though, must be concerned with the performance and satisfaction of their subordinates. But what *is* leadership?

Leadership can be viewed as a process or a property. Arthur Jago provides the following definition:

Leadership is both a process and a property. The *process* of leadership is the use of noncoercive influence to direct and coordinate the activities of the members of an organized group toward the accomplishment of group objectives. As a *property*, leadership is the set of qualities or characteristics attributed to those who are perceived to successfully employ such influence.⁴

Thus, Jago notes that leadership is not only some attribute of the person, but also what that person does. Also, the term leadership is not the same as manager or supervisor or superior. In fact, anyone in a group may take on leadership roles.

In this chapter we will first examine bases of leader power. Then, we will consider a variety of approaches to the study of leadership. Those approaches focus on traits, styles, and behaviors, as well as on situational factors that influence successful leadership. Together, they provide useful guidelines for leadership.

POWER

Few people would disagree with the statement, "Leaders influence followers." There might be less agreement, though, on just what is meant by influence. Further, how are leaders able to influence? In this section, we will consider authority, power, influence, and control. We will then discuss ways by which power is acquired.

The Nature of Power

To understand the nature of power, it is necessary to define some terms:

3. "Turnover at the Top," *Business Week* (December 19, 1983), 104-106.

4. Reprinted by permission of Arthur Jago, "Leadership: Perspectives in Theory and Research," *MANAGEMENT SCIENCE*, vol. 28, no. 3 [March 1982]. Copyright 1982 by The Institute of Management Sciences.

A Authority is the right to exert force on another. **A Power** is the ability to exercise force on another. **A Influence** is the actual exertion of force on another. **A Control** is the exertion of sufficient force on another to alter behavior.

Bases of Power

Of the various schemes for categorizing sources of power, that developed by John French and Bertram Raven (1960) is undoubtedly the best known. They have identified five bases of power:

A Legitimate power results when one individual feels it is legitimate, or right, for another to give orders or otherwise exercise force. A worker who says, "I ought to do as my boss says" is reflecting a belief in legitimate power. Legitimate power may be:

- a. *Culturally specified.* In some cultures, it is considered right that older people or people of certain castes or with certain characteristics should be given respect and obedience.
- b. *Due to acceptance of the social structure.* If individuals accept the social structure as legitimate—whether it be the organization's hierarchy, the status ranking in a street gang or the country's governance system—they are likely to see demands of those perceived to be higher in the structure as legitimate.
- c. *Designated by a legitimizing agent.* Those with legitimate power may choose to share it with others. A firm's CEO may appoint an assistant. Or, in democratic societies, the holders of legitimate power—the people—may pass on that power through elections.

Legitimate power sounds much like authority. The difference is that authority is the right to exert force while legitimate power is the individual's belief that another has that right. Unless authority is accepted, there is no legitimate power.

A Reward power is power whose basis is the ability to reward. It depends on one person's ability to administer desired outcomes to another and to decrease or remove those outcomes that are not desired. If Rosa feels that Carol controls things she wants, and that those rewards depend upon whether or not she does as Carol wants, Carol has reward power over Rosa.

A Coercive power is based on one person's ability to affect punishment that another receives. The strength of Heidi's coercive power over Tom depends on the degree to which the threatened punishment is negatively valent to Tom and the degree

which Tom perceives that the probability of punishment will decrease if he conforms. Our previous discussions of punishment suggest that coercive power should be used sparingly, if at all. Recall that the definition of leadership given at the beginning of this chapter excludes coercive power. The gist of that definition is that use of coercion does not constitute true leadership.

A Referent power is derived from the feeling of identity, or oneness, that one person has with another or the desire for such identity. Diana's statement that, "I want to be like Maria, so I will behave as she does or says," reflects Maria's referent power over Diana.

A Expert power is based on one person's perception that another has needed knowledge or perception in a given area. Doctors, lawyers, and computer specialists all may have expert power.

These bases of power, coupled with the definitions given above, suggest some characteristics of power. First, it is perceptual. If a subordinate perceives that the boss can reward or punish or has expertise or controls information, that person will behave accordingly, regardless of the objective situation. Second, power is relative. It is not, for instance, the absolute level of expertise one has that determines power over another but the expertise relative to the other. A superior may have considerable expert power relative to one subordinate and virtually none relative to another. Third, power is latent. It is the ability to use rewards, punishments, or other power bases. Even though those bases may never actually be used, power still exists. Finally, power is dynamic. Power relationships evolve over time as individuals gain or lose power bases relative to others or as perceptions change.

Power can vary in range and domain. The **range of power** is the number of different areas in which one person can influence another. The **domain of power** is the number of individuals over whom someone can exert influence with respect to a specified range. The bases of power defined above differ in range. Typically, referent power has the broadest range, while the range of expert power is limited.

Some Specific Sources of Power

The French and Raven bases help us to get a feel for the many ways power can be acquired. However, there are other specific sources of power which may not fit neatly into those categories.⁵¹ Notice that these sources of power aren't restricted to leaders or even to individuals.

5.1. Pfeffer, *Power in Organizations* (Maisfield, MA: Pitman Publishing Company, 101-135,

Provision of resources. Those who provide resources—whether financial, material, or human—have power since they can cut off the supply. So, workers gain power by threatening to strike; a bank has power due to its control of loan funds; and steel suppliers have power due to their ability to cut off supply and shut down auto plants.

Ability to cope with uncertainty. Organizations, and parts of organizations, are regularly faced with change, complexity, and other sources of uncertainty. Those who can handle this uncertainty gain power. These are often people at the "skin" of the organization, dealing directly with elements of the environment. Personnel managers and market researchers would be examples.

Inreplaceability. Members of organizations who carry out necessary functions and are irreplaceable have considerable power. Often, people take actions to ensure their irreplaceability. For instance, a computer programmer may fail to document programs so that others can't use them without his or her input. Other ways to make replaceability more difficult include limiting access to the profession or using jargon that few others can understand.

Control over the problem-solving process. Problem solving is a central, crucial process in organizations, and those who control it gain power. The ability to set the criteria that will be used to make strategic choices or to dictate which alternatives will be considered or to determine what information about alternatives is relevant carries power.

*Control of information.*⁶ Power is often acquired through access to or control of information. For instance, some people gradually acquire power over time through their growing knowledge of how things work and where things are. Some secretaries may know all the ins and outs of the organization and gain power as a result. Also, recall from the last chapter that people who are central in communication networks gain power through their access to information and their ability to decide who does—and does not—receive it.

Political skills. Some people clearly acquire power through their possession and use of political skills. Some simply have greater negotiation skills than others. Some are especially Machiavellian and therefore more inclined to rely on political skills. Some are capable of creating an "illusion of power," giving the false impression that they are capable of substantial influence. Since

6. Later formulations of the French and Raven power bases included information power as a sixth base. See B. H. Raven and A. W. Kruglanski, "Conflict and Power," ed. J. Swingle in *The Structure of Conflict* (New York: Academic Press, 1970)

power is inherently perceptual, these political tactics may be powerful.⁷

Now that we have considered some ways that leaders may gain the ability to influence others, let's examine views on what makes leaders effective. We will take a historical perspective.

TRAIT APPROACHES TO LEADERSHIP

The earliest approach to the study of leadership was to try to identify characteristics, or traits, of successful leaders. For instance, one study found leadership success to be positively related to intelligence, education, high-risk preferences, desire for independence, and other variables.⁸ Literally thousands of studies have now explored leadership traits. Some of those traits relate to physical factors, some to ability, many to personality, and still others to social characteristics. Of the traits, there appears to be most support for the roles of activity, intelligence, knowledge, dominance, and self-confidence.



& King Features Syndicate, Inc.

One trait approach with some potential was developed by Edwin Ghiselli (1971). He spent decades searching for managerially relevant needs, traits, and abilities. To qualify as managerially relevant in Ghiselli's eyes, a need, trait, or ability would have to meet three criteria:

7. See J. P. Kotter, "Power, Dependence, and Effective Management," *Harvard Business Review* (July-August 1977) for more on these tactics.

8. T. A. Mahoney, T. H. Jerdee, and A. N. Nash, *The Identification of Management Potential: A Research Approach to Management Development* (Dubuque, IA: William C. Brown Co., 1961)

- ▲ Managers score differently from nonmanagers on the dimension.
- A Scores on the dimension are related to managerial job success.
- ▲ The relationship of scores on the dimension to job success is stronger for managers than for nonmanagers.

Ghiselli developed a 64-item, forced-choice scale called the Ghiselli Self-Description Inventory. Sample items from this inventory were presented in Chapter 10. Recall that subjects are required to pick the item in each pair which best (or, in half the cases, least) describes themselves. On the basis of responses to the inventory, the subject's scores on 13 needs, traits, and abilities are derived. Those variables are shown in Table 14-1. When Ghiselli compared scores of managers and nonmanagers on the dimensions, he found many differences in levels, satisfying his first criterion. Further, when he correlated scores for managers, supervisors (first-line managers), and workers with measures of their job success, he achieved the results presented in Table 14-1.

That table shows that managers' scores on certain of the needs, traits, and abilities—notably supervisory ability, need for occupational achievement, need for self-actualization, intelligence, and decisiveness—were positively correlated with job success. The correlation of 0.46 of

Table J4-L CORRELATIONS BETWEEN GHISELLI SDI SCORES ' AND JOB SUCCESS

Abilities	Managers	Supervisors	Workers
Supervisory ability	.46	.34	.10
Intelligence			
Initiative	.27	.06	.03
Halts		-.07	.02
Self-assurance	.19	.18	-.03
Decisiveness			
Masochism	.22	.15	.05
Working-class affinity	.05	-.05	-.09
Needs	.03	.13	.02
	.17	.07	-.03
Need for occupational achievement			
Need for self-actualization	.34	.01	.01
Need for power over others			
Need for high financial reward	.26	.01	.01
Need for job security	.03	.11	-.16
	.18	.01	-.10
	.30	-.05	-.11

Source: E. E. Ghiselli, *Explorations in Managerial Talent* [Pacific Palisades, CA: Goodyear Publishing Co., Inc., 1971], 150. Reprinted with permission.

supervisory ability to job success means that over 22 percent [$0.46^2 \times 100$] of variance in job success is related to variance in the supervisory ability score. Managers' scores on some other dimensions, especially need for job security, were negatively related to job success. Scores on still other dimensions showed almost no overall relationship to success. Thus, many of the dimensions satisfied Ghiselli's second criterion. Further, comparison of correlations across the three groups shows that they generally decrease from managers to supervisors to workers, satisfying Ghiselli's third criterion. Based on these findings, Ghiselli arrayed the thirteen needs, traits, and abilities in terms of their relative importance to managerial success.

Unfortunately, most reviews of studies relating to leadership traits have concluded that the trait approach has not been fruitful.⁹ Charles Bird (1940) concluded his early survey of the literature by noting that of all traits that showed up in one study or another to be related to leadership effectiveness, only 5 percent were common to four or more studies. In a study by Launor Carter and Mary Nixon (1949) some high school students emerged as leaders on one type of task, and others emerged on other tasks. These findings suggest that the traits needed by leaders may depend on the situation. To illustrate how traits of successful leaders may vary, consider the following profiles of current business leaders in Figure 14-L. How are they similar? How do they differ?

A further concern with the trait approach relates to operationality. That is, what can be done with the findings? Since traits are relatively stable, it is unlikely that they can be instilled in leaders through training. So, while information concerning traits of successful leaders might be useful for the purposes of selection and placement, it is otherwise of limited value.

This doesn't mean that the trait approach should be abandoned. For instance, it may be useful to determine which traits are associated with success in particular situations. Use of rigorous scales, such as that developed by Ghiselli, in conjunction with measures of the situation, may be revealing. However, it seems safe at this point to say that more is likely to be gained by looking directly at what successful leaders *do* than at what they *are*.

DEMOCRATIC AND AUTOCRATIC STYLES

An early approach to the study of leadership considered the degree to which leaders are autocratic or democratic. Autocratic leaders make

9- See W. O. Jenkins, "A Review of Leadership Studies with Particular Reference to Military Problems," *Psychological Bulletin* 44 (1947): 54-79; R. M. Stogdill, "Personal Factors Associated with Leadership: A Survey of the Literature," *Journal of Psychology* 25 (1948): 35-71; and C. A. Gibb, "Leadership," ed. G. Lindzey in *Handbook of Social Psychology* (Reading, MA: Addison-Wesley, 1954)



Managerial Profile

LORNA ADAMS

Lorna Adams is president of Doak Pharmacal Co., Inc. An owner of four beauty salons in the 1960s, she has been employed by Doak Pharmacal for 15 years. At Doak Pharmacal, she previously served as sales representative and director of professional services.

Q: As president of Doak Pharmacal, you are in a position to turn your views about organizational effectiveness and Improvement into reality. In your opinion, what makes a company excellent?

A: Excellence in a company is achieved when there is consistency in management. Its managers must have the ability to deal with people honestly, to motivate others, and to delegate authority. It also requires that each person in the company understands and enjoys his or her areas of responsibility.

Q: What skills do you feel are most crucial to the effectiveness of a manager in an organization such as yours?

A: The skills that are crucial to a managerial position in any industry are as follows:

- ▲ Remember that managers sell themselves first—then their products and companies.
- ▲ Project a dynamic image, one of power and control.
- A Communicate through body language. A Create a total program for marketing one's self, learn the art of corporate etiquette, and let it work for you. A Maximize your visual impact and maintain a professional image.

Additional skills include planning, being prepared, and using good judgment in decision making. To achieve excellence, allow talented managers the opportunity to bring their ideas to fruition and strive for perfection.

Q: What suggestions do you have for students aspiring to a position such as yours?

A: In today's world, success seems to be measured in dollars and cents, but it takes "sense" to make it all come together. Goals are extremely important; without them, it is difficult to move ahead. Do not be afraid to change your goals as your business grows and new ideas form. If an error is made, it is not an end but a stepping stone from which you can learn, grow, and prosper as a manager. Remember that people are human. Make the most of what comes and the least of what goes. Let everyone enjoy being part of the best, even if the company is not the biggest.

It is important in a business career to expose yourself both verbally and in writing. Based on my experience, my recommendation to students preparing for a high position is that they become well-rounded in all aspects of the company's business beginning at the bottom.

Q: Based on your experience, do you have any other comments or observations that you feel may be useful for a student preparing for a career in business?

A: Personal appearance, communication skills, good manners, and the avoidance of social fads all play an important role. You might feel that this is being rather dull, but you will come out on top. Most important to me is having a family that is supportive of the work that I do. My husband served as my mentor. He and my sons gave me moral support and the freedom to achieve my goals. They were proud, they cheered, and they understood.

Figure 14-1 **LEADER PROFILES**

Here are some sketches of chief executives of U.S. firms. While only glimpses, they give some feel for the, different styles of big business leaders.

Lee Iacocca, Chairman, Chrysler

Iacocca is an action-oriented, decisive, master communicator. He says, "There comes a time when you've got to say, 'Let's get off our asses and go,' whether you're running a war or whatever... I have always found that if I move with 75 percent or more of the facts, I usually never regret it." (Iacocca and Novak 1984, 71) "What the last fifty years have taught us was the difference between right and wrong, that only hard work succeeds, that there are no free lunches, that you've got to be productive." [p. 51] Iacocca "is a consummate salesman with an eye for product and styling ... has credibility and visibility ... directness, humor, and salty language that appeal to the public." [*Executive Pay*, 90]

John V. Welch, Jr., Chairman, General Electric

Welch is determined to make each *GE* business Number 1 or 2 in its particular field. Under his leadership, GE has entered nontraditional markets. Welch tries to inspire discipline and respect and to promote risk-taking behavior. According to former employees, Welch "conducts meetings so aggressively that people tremble. He attacks almost physically with his intellect, criticizing, demeaning, ridiculing, humiliating." (Flax 1984, 19) "Since taking over, Welch has announced the closing of 25 plants. This has earned him the nickname 'Neutron Jack.' Employees joke that, like the aftermath of a neutron bomb, after Welch visits a facility, the building is left standing, but a lot of people are dead." [p. 19]

Cad Reichardt, Chairman and President, Wells Fargo Bank

Reichardt is a performance-oriented leader who likes to motivate people by offering rewards for good work. He believes in teamwork and shares decision making with subordinates. Reichardt considers time cards an insult to people. "If we don't trust them, they shouldn't be here, so we're eliminating time cards." (Garcia 1983, 851) He encourages staff to "walk in here and talk to me and not feel they're going around someone's back." [p. 851] Reichardt says, "I communicate clearly, I delegate, but I like to understand the detail of things also... When I have confidence in people, there's complete freedom to act around here. We're a decentralized organisation." (p. 83)

decisions themselves, without inputs from subordinates. **Democratic leaders** let subordinates participate in decision making. So, autocratic and democratic styles are at opposite ends of a single continuum, differing in degree of delegation of decision-making authority. It is important to recognize that they differ only on this dimension, not necessarily on other variables such as sensitivity or caring. There are "benevolent autocrats" and uncaring democrats, as well as their opposites.

While there have been many studies relating to these styles, findings are frustratingly mixed. It is clear that democratic style is consistent-

ly positively related [therefore, autocratic style is negatively **related**) to, subordinate satisfaction. The relationship of style to performance is more complex. Relationships of democratic style to productivity are generally positive, but often weak. There are apparently many factors that determine whether a democratic style is appropriate, including the nature of the task and the personalities of subordinates. When tasks are simple and repetitive, participation has little effect because "there is little to participate about."¹⁰ When subordinates are intelligent and desire independence, participation is especially important. Later in this chapter, we will examine a model that more thoroughly addresses this issue.

Also, we noted in Chapter 3 that people vary their behaviors as a function of their perceptions of others. (Recall that this is a cause of the Pygmalion effect.) So, we might expect that managers who see their subordinates as high performers may treat them differently, giving them more responsibility. As a result, the correlation between democratic style and performance could be due to the impact of performance on style rather than vice versa. We'll see that this issue is relevant to other areas of leadership research.

CONSIDERATION AND INITIATING STRUCTURE

As we've seen, democratic and autocratic leadership styles differ on only a single dimension—the degree of delegation of decision-making authority. Clearly, this is a narrow focus, ignoring many potentially important leader behaviors. A more promising approach might begin by taking a broader view, generating a lengthy list of leader behaviors. Then, it would be possible to see which behaviors group together and to examine how the groups are related to subordinate responses. This, in fact, is the approach taken in a major research program carried out at Ohio State University.

The Ohio State researchers developed a scale, called the Leader Behavior Description Questionnaire (LBDQ), that asked subordinates to¹ indicate the extent to which they agreed with a wide variety of statements about behaviors of their leaders. Statistical analyses revealed that two independent underlying factors were most important in explaining subordinates' responses.¹¹ Those two factors were:

10. A. C. Filley, R. J. House, and S. Km, *Managerial Process and Organization Behavior*, 2d ed. (Glenview, IL: Scott, Foresman & Company, 1976), 226.

11. The statistical technique employed is called factor analysis. Factor analysis is used to isolate the underlying factors that explain a set of responses. While a very large number of factors may be extracted, the factors extracted first are the most powerful in explaining the responses. In this case, factors other than consideration and initiating structure were much less powerful.

A Consideration. Halpin and Winer (1957) defined this as behaviors "indicative of friendship, mutual trust, respect, and warmth." Sample LBDQ items are "Does personal favors for group members" and "Finds time to listen to group members."

A Initiating structure. Halpin and Winer defined this as behaviors "which indicate that the [leader] organizes and defines the relationship between himself and members of the crew." Sample LBDQ items are "Rules with an iron hand" and "Schedules the work to be done."

Consideration and initiating structure have emerged as key dimensions of perceived leader behavior in many subsequent studies in a wide variety of settings. We should stress that these are *independent* dimensions. It is possible for a manager to be both considerate and structuring, to be considerate but not structuring, and so on. That is, a high score on one dimension does not imply a low score on the other.

Evidence Concerning Consideration and Initiating Structure

The evidence concerning the roles of consideration and initiating structure is quite mixed. Consideration does seem to be positively related to subordinate satisfaction and unrelated to performance, though other patterns are sometimes evident. Initiating structure is often positively related to group performance and negatively related to satisfaction, though exceptions again crop up.

To try to make some sense of this literature, it would be useful to explore three issues: First, is leader behavior a cause or consequence of subordinate responses? Second, do consideration and initiating structure act separately, or do they somehow interact? Third, how might the nature of the situation be important?

The Direction of Causality

One reason it is hard to isolate the roles of consideration and initiating structure is that research in this area has relied heavily on survey methodology and on correlations as the measure of association. As we've stressed previously, correlations show only how two variables are related, not whether one causes the other.

In fact, as we suggested earlier, it could be that leader behavior is as much a response to subordinate behavior as the reverse. It makes sense, for instance, that if we think our subordinates are working hard and doing a good job, we will treat them differently than if we see them as loafers.

This possibility was nicely illustrated in a study by Aaron Lowin and James Craig (1960). They carried out an experiment in which subjects were led to believe they had been hired to supervise a "Job Corps trainee"

who was typing letters. The "Job Corps trainee" was really a confederate of the experimenters and the quality of letters was experimentally varied. When subjects thought their "trainee" was not competent, they supervised him more closely and exhibited more initiating structure and less consideration than when they saw him as competent.¹²

Leader behaviors and outcomes also may be spuriously related. That is, the influence of some third variable may cause them to move in similar ways even though they are not themselves causally related. For instance, the nature of some jobs might cause employees to be satisfied and encourage their leaders to allow high levels of participation. Other jobs might cause dissatisfaction and encourage autocratic behavior. A comparison across jobs might suggest that satisfaction and leader behavior are causally related, when in fact they are mutually influenced by job characteristics.

The Interaction of Leader Behaviors

While most studies have considered the separate roles of consideration and initiating structure, they may in fact interact to influence subordinate reactions.¹³ For instance, consider Situation 1. How do you think you would react to such "Walk Around Management"? Chances are, if you saw the boss as considerate, such personal visits would be pleasant. If not; they might be seen as spying or as an unwelcome intrusion.

SITUATION 1

Walk Around Management

At Apple Computer's headquarters, many of the company's employees wear large badges labeled WAM. The initials stand for "Walk Around Management" and reflect an attempt to preserve the entrepreneurial atmosphere that contributed to Apple's success. At Hewlett-Packard, this approach is called "Management by Wandering Around." Motorola Chairman Robert Gaivin often sets aside a day or more outside of headquarters to devote primarily to chatting with employees. These examples—and more could be cited—show that many managers feel it is important to break through the layers of bureaucracy and

12. See also G. R. Farris and F. G. Lim, "Effects of Performance on Leadership Considerateness, Influence, Satisfaction, and Subsequent Performance," *Journal of Applied Psychology* 53 (1969): 490-99; and N. Rosen, *Leadership Change and Group Dynamics: An Experiment* (Ithaca, NY: Cornell Univ. Press, 1969).

13. A. P. Brief and R. J. Aldag, "The Impact of Leader Behavior and Task Characteristics on Subordinate Job Satisfaction," *Proceedings of the Southeast AIDS Conference* (Columbia, SC, 1976).

see what is going on among the workers. Such an approach may aid worker morale, help prevent executive insulation, and point out important problems or opportunities. However, if carried too far, it may cause executives to be bogged down in details and may undermine lower level managers by breaking the chain of command.

Source: Adapted from "Where's the Boss? Taking a Walk," *Forbes* (August 29, 1983). 62

Figure 14-2 shows how manufacturing employees' satisfaction was related to their leaders' behaviors in one study. Scores can range from a low of 1 to a high of 7.

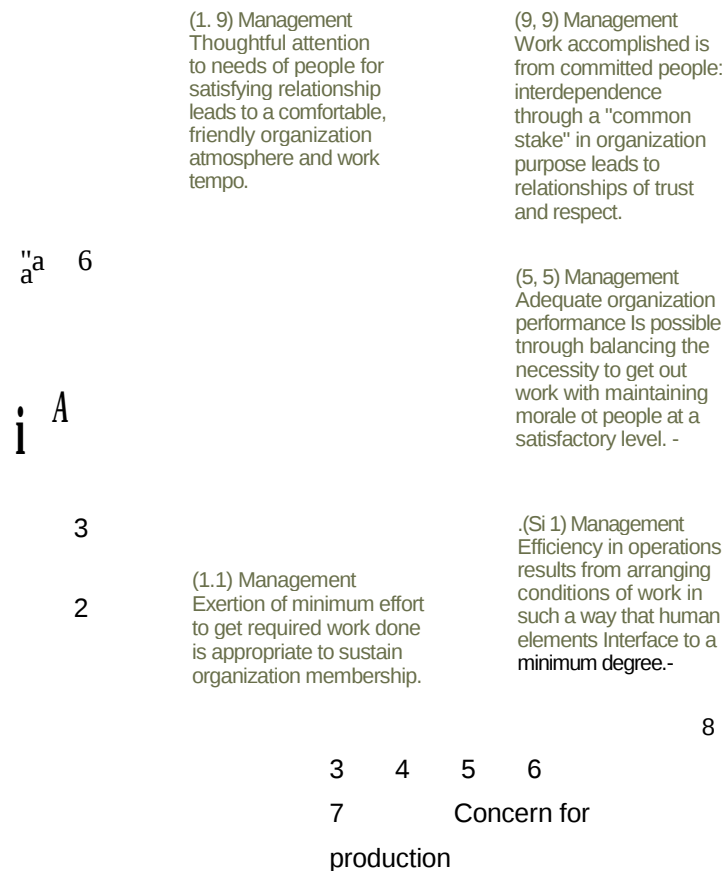
14*2. HOW CONSIDERATION AND INITIATING STRUCTURE		CONSIDERATION	
		Low	High
INITIATING STRUCTURE	Low	4,06	4,63
	High	3,50	5,13

Source: A. P. Brief and R. J. Aldag, "The Impact of Leader Behavior and Task Characteristics on Subordinate Job Satisfaction," *Proceedings of the Southeast AIDS Conference* (Columbia, SC, 1976)

Clearly, employees were more satisfied when they saw their leaders as considerate than when they thought them inconsiderate. On the other hand, initiating structure had little overall relationship to satisfaction. However, examination of the cells in the matrix presents a somewhat different picture. It can be seen that satisfaction was lowest when consideration was low and initiating structure was high. Perhaps surprisingly, satisfaction was highest when both consideration and initiating structure were high. This suggests that the way employees react to initiating structure depends on how considerate they feel their superiors are. If the superiors are seen as considerate, initiating structure is apparently viewed as helpful. If they are viewed as inconsiderate, such structuring is seen as evidence of lack of trust and as "breathing down the neck" of the employees.

This focus on the possible beneficial effects of concern for both people and tasks is reflected in the popular managerial Grid*, shown in Figure 14-3. The axes of the managerial Grid, developed by Robert Blake

THE MANAGERIAL GRID

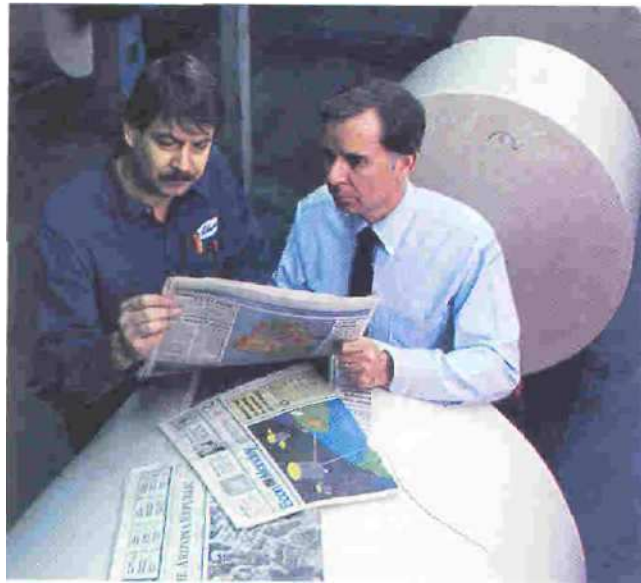


Source: The Managerial Grid figure from *The Managerial Grid III*, by Robert ft. Blake and Jane Srygley Mouton. Houston: Gulf Publishing Company, Copyright. © 1985, page 12. Reproduced by permission.

and Jane Srygley Mouton, are concern for people and concern for production. These are similar to consideration and initiating structure, respectively, except that they deal with attitudes (that is, concern) rather than actual behavior. A manager can fall into any of the cells of the Grid. Blah and Mouton argue that a 9,9 approach, integrating high concern for both people and production, is preferable. Through well-developed training programs, Blake and Mouton help managers achieve that approach.

However, research suggests that it is *not* always best for the leader to exhibit high levels of both consideration and initiating structure. **This** does not necessarily contradict the Blake and Mouton arguments—they argue that the leader should show *concern* for people and production. ID some situations, the concern would not have to translate into behavior. Instead, behaviors are appropriate in some situations but not in others.

According to the managerial Grid, leaders must exhibit concern for both people and production.



The Role of the Situation

Steve Kerr and his colleagues (1974) have identified a variety of factors which influence the way leader behaviors affect subordinate responses. Some of those factors are:

- A *Pressure*. When the situation involves stress, time pressures, task demands, and physical danger, leader-initiating structure is viewed more favorably than in calm, secure situations. Historically, autocratic, structuring leaders have been accepted in times of war or other national emergency.
- A *Task-related satisfaction*. When jobs are not intrinsically satisfying, leader-initiating structure may increase performance, but it leads to resentment and dissatisfaction. Apparently, if subordinates don't like the job, they see little to gain from being told how to do it. Also, when the task is not intrinsically satisfying, leader consideration becomes more important. While a friendly, supportive boss may not be very important if you really enjoy your work, a bit of warmth and comforting helps ease the pain of an unsatisfying job.
- A *Subordinate need for information*. When subordinates lack knowledge about the task, perhaps because they are new on the job or because the job is very ambiguous, they react favorably to initiating structure.
- A *Subordinate expectations*. Subordinates tend to react more positively to levels of consideration and initiating structure which they expect than to unexpected levels of those behaviors.

Together, these findings simply call for some common sense on the part of the leader. If the situation calls for structure, provide it. If it doesn't, structuring behaviors will be seen as redundant and bothersome. If the situation is one in which subordinates clearly could use some support, consideration would be especially helpful. If not, consideration may be less important (though it rarely hurts). And, subordinates [and others¹ value some predictability in behavior. If leaders behave erratically, subordinates are likely to react with suspicion and caution.

ENGINEERING THE JOB TO FIT THE MANAGER

The approaches we have been considering assume that, if there is not a proper "fit" between characteristics of managers (such as their behaviors) and characteristics of their situations (such as information needs), something should be done about it. One possible way to bring about fit (the approach taken by subsequent models) is to change the behaviors of the manager. Another possibility is to alter the situation. This latter approach has been suggested by Fred Fiedler (1965) in his contingency model of leadership. We have seen the term contingency used before. Again, it simply means that something is contingent upon (that is, depends upon) something else. In the case of Fiedler's model, leadership effectiveness is seen as depending upon whether situational characteristics fit the manager.

Nature of the Model

Fiedler reasoned that if a fit could be found between some leader trait or behavior and the situation, that information could be used in one or more of four ways. It would be possible to try to:

- ▲ Change the leader's traits or behaviors.
- ▲ Select leaders who have traits or behaviors fitting the situation.
- ▲ Move managers around in the organization until they are in positions that fit them.
- ▲ Change the situation.

Fiedler felt that the first three options—training, selection, placement—simply don't work well enough to make meaningful improvements. Instead, he reasoned, we should "engineer the job to fit the manager." The logic of his approach is as follows:

- ▲ Find a stable characteristic of the leader.
- ▲ Find situational characteristics that can be manipulated.

- A Find the fit between the characteristics of the leader and of the situation.
- A For a particular leader, see if fit is correct or incorrect. ▲ If fit is incorrect, change the situation to achieve correct fit.

Fiedler's measure of the leader is unique and controversial. Called the **LPC** (for least-preferred-co-worker) **scale**, it requires the manager to describe on a number of dimensions the individual with whom he or she least liked to work in the past.¹⁴ A manager with a high LPC score sees the least-preferred co-worker in relatively favorable terms, and vice versa. Fiedler now sees a high LPC leader as being concerned with relationships and a low LPC leader as task oriented and directing. ^ The measure is relatively stable, though it does seem that people's LPC scores sometimes drop when they enter the military.¹⁶

Fiedler selected three situational characteristics which he felt reflected favor/ability of the situation and could be altered. They were:

- A Leader-member relations. This involves the degree to which group members trust and like the leader and are willing to follow his or her guidance.
- A Task structure. This involves the degree to which the task is spelled out step by step for the group and to which it can be done according to a detailed set of standard operating procedures.
- A Leader position power. This is the power of the leadership position, as opposed to personal power. This might include reward power, coercive power, and legitimate power.

According to Fiedler, the most favorable situation from the point of view of the manager is one in which leader-member relations are positive, the task is highly structured, and the leader has considerable position power. If the three dimensions of the situation are classified as high or low, there are a total of eight [2 x 2 x 2] octants differing in level of situational favorability.

On the basis of research on over 800 groups in settings ranging from heavy-machinery plants to research labs, from bombers to bowling

14. Fiedler initially used an ASO (for assumed similarity of opposites) score, based on the difference between the MPC (most-preferred-co-worker) and LPC scores. Since there was little variance in MPC scores, LPC became the focus of attention.

15. It has been suggested that LPC may also be a measure of the leader's ability to deal with complex information (called cognitive complexity)!- A high LPC leader is able to differentiate between different traits of the least-preferred-co-worker, rating some high and some low. A low LPC leader, on the other hand, sees things as all good or all bad, rating the least-preferred-co-worker low on all dimensions. So, a low LPC score may reflect halo error, discussed in Chapter 3-

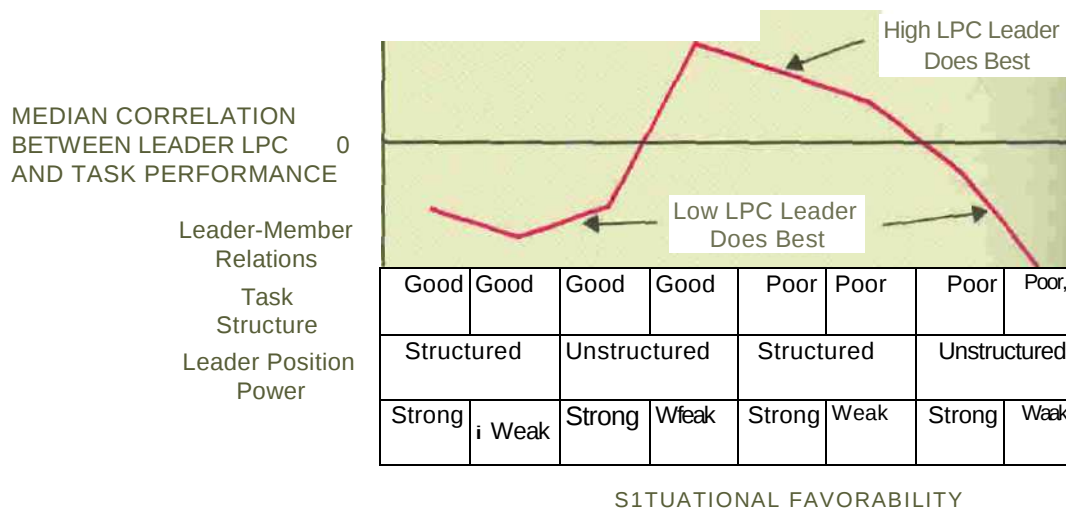
16. P. M. Bors, A. R. Bass, and S. S. Komorita, "Changes in Leadership Style as a Function of Military Experience and Type of Command," *Personnel Psychology* 23 (1970): 551-68.

alleys, Fiedler concluded that the best LPC depended on the situation. His findings are summarized in Figure 14-4. The vertical axis of that figure shows the median correlation between the leader's LPC score and the performance of his or her group. The figure indicates that high LPC leaders do well (relative to low LPC leaders) in moderately favorable situations. Conversely, low LPC leaders do relatively well in situations that are either very favorable or very unfavorable.

Figure 14-4

HOW EFFECTIVE LEADERSHIP VARIES WITH THE SITUATION

1



Source: Reprinted by permission of the *Harvard Business Review*. Exhibit from "Engineering the Job: Fit the Manager" by Fred E. Fiedler (September/October 1965). Copyright © 1965 by the President and Fellows of Harvard College; all rights reserved.

Fiedler made sense of these findings as follows:

In very favorable conditions, where the leader has power, formal backing, and a relatively well-structured task, the group is ready to be directed about how to go about its task. Under a very unfavorable condition, however, the group will fall apart unless the leader's active intervention and control can keep the members on the job. In moderately unfavorable conditions, the accepted leader faces an ambiguous task, or his relations with group members are tenuous. Under these circumstances, a relationship-oriented, nondirective, permissive attitude may reduce member anxiety or intragroup conflict, and this enables the group to operate more effectively (i.e., the members would

not feel threatened by the leader, and considerate, diplomatic leader behavior under these conditions may induce group members to cooperate!¹⁷

Implications of the Model

If the model as presented by Fiedler is valid, it would have important implications for management. An obvious implication is that managers should attempt to analyze their situations, assess their LPC scores, and try to make any necessary changes in the situation.

The model would also suggest that some types of leader training may actually be harmful if they move the leader to an inappropriate octant. As an example, human relations training may improve leader-member relations and thereby improve situational favorability. The model indicates that a high LPC leader currently in a situation of moderate favorability might be harmed by such a move.

Finally, the model suggests that, because the situation can be altered, the firm can perhaps focus selection processes on finding talented individuals rather than on attempting to find managers who fit the current situation.

The LEADER MATCH Program

Fiedler developed a program called **LEADER MATCH** to train managers to apply his model. LEADER MATCH uses a self-paced programmed manual which trainees can complete on their own time in about five hours. It can be augmented by lectures, group discussions, or films. The manual explains the model and shows trainees how to compute scores for LPC and situational factors. It then suggests ways to alter the situation to match the trainee's LPC.

Evaluation of the Model

Fiedler's contingency theory has received some harsh criticism. For instance, there is a concern that the LPC is a "measure in search of a meaning."¹⁸ Its interpretation has changed over time and is still unsettled. Further, the model doesn't really explain how the LPC is causally related to group performance. There are also a number of measurement problems associated with the model. For one, since the leaders often provide measures of the situational variables (task structure, leader position

17. From *A Theory of Leadership Effectiveness* by Fred E. Fiedler. Copyright © 1967 by McGraw-Hill Book Company. Reprinted with permission.

18. S. C. Scliriesheim and S. Kerr, "Theories and Measures of Leadership: A Critical Appraisal of Current and Future Directions," ed. J. G. Hunt and L. Larson in *Leadership: The Cutting Edge* (Carbondale, IL: Southern Illinois Univ. Press, 1977), pp. 9-45, 51-56.

power, and leader-member relations), those measures may be distorted. It is possible, for instance, that high LPC leaders and low LPC leaders may see the same situation differently.¹⁹

A fundamental issue is whether results within octants should be used to prescribe moves across octants. The model suggests, for instance, that a high LPC leader in a very favorable situation should try to decrease situational favorability. This is based on the logic that high LPC leaders do poorly *relative* to low LPC leaders in highly favorable situations and do well *relative* to low LPC leaders in moderately favorable situations. Such relative arguments do not necessarily mean that the high LPC leader will do better on an *absolute* basis in the moderately favorable situation.

These criticisms notwithstanding, there is some evidence in support of the model. For instance, each of 12 studies of the effectiveness of the LEADER MATCH program found the leaders who were trainees to subsequently receive better performance ratings than leaders in control groups.²⁰ Another investigation examined 145 hypothesis tests of the model, as well as the 33 results on which the model was based, and concluded that there was strong statistical support for the model's predictions of group performance.²¹

In view of the continuing controversy concerning the model, it appears that this is an interesting approach with some potential. However, more research and a greater effort to address criticisms are necessary before the model can be confidently applied.

THE HERSEY AND BLANCHARD SITUATIONAL LEADERSHIP THEORY

One attempt to explain the often conflicting findings concerning consideration and initiating structure was presented by Paul Hersey and Kenneth Blanchard (1977). Originally named the life cycle theory of leadership, it is now called the **situational leadership theory**. The theory is concerned with two sets of leader behaviors which are much like consideration and initiating structure:

- ▲ **Relationship behavior** is the extent to which leaders are likely, |
to maintain personal relationships between themselves and

19. G. A. Yukl, *Leadership in Organizations* (Englewood Cliffs, NJ: Prentice-Hall 1981)

20. F. E. Fiedler and L. Mahar, "The Effectiveness of Contingency Model Training: A Review of the Validation of LEADER MATCH," *Personnel Psychology* 32 (1979): 45-61

21. See M. J. Strube and T. E. Garcia, "A Meta-Analytic Investigation of Fiedler's Contingency Model of Leadership Effectiveness," *Psychological Bulletin* 90 [1981]: 30-21. The authors used meta-analysis in this investigation. Meta-analysis basically involves applying statistical tests to a thorough literature review.

members of their group (followers) by opening up channels of communication, providing socioemotional support, "psychological strokes," and facilitating behavior.

- A, Task behavior is the extent to which leaders are likely to organize and define roles of members of their group (followers); to explain what activities each is to do and when, where, and how tasks are to be accomplished; characterized by endeavoring to establish well-defined patterns of organization, channels of communication, and ways of getting jobs accomplished.

Follower Maturity

The situational leadership theory includes one situational variable as a moderator of the relationship between the above leader behaviors and leader effectiveness: follower "maturity."²² Maturity of the follower is measured in terms of the particular task to be performed. So, a follower may be mature on one task and immature on another. Maturity would thus be likely to vary across both individuals and tasks.

Hersey and Blanchard see maturity as having two components: job maturity and psychological maturity. Job maturity refers to skills and technical knowledge relevant to the task. Psychological maturity includes feelings of self-respect and self-confidence. Thus, a "high-maturity" follower would possess task-relevant skills and self-confidence. A "low-maturity" follower would possess neither.

Behavior Prescriptions

Basically, the situational leadership theory says that as follower maturity increases, the leader should decrease task behavior. Further, as shown in Figure 14-5, the leader should increase relationship behavior as follower maturity increases, but only up to a point. Beyond moderate levels of maturity, relationship behavior should be decreased. To simplify the model, Hersey and Blanchard break follower maturity into four levels and provide leadership guidelines for each of those levels.

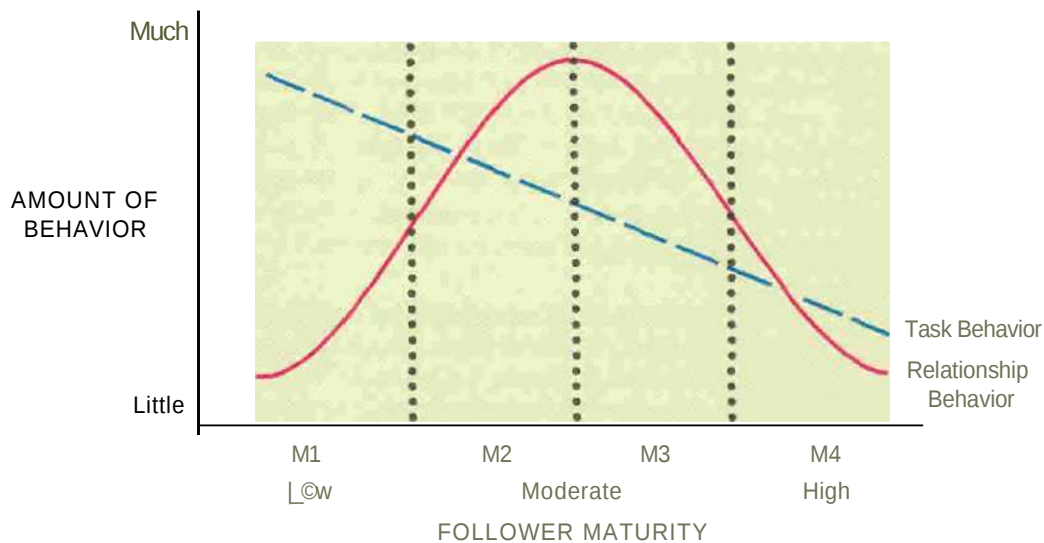
When followers are at the very immature (M1) level, the leader should emphasize task behavior, guiding subordinates and structuring their roles. At this stage, according to the model, relationship behavior would only interfere with such guidance.

For situations of intermediate follower maturity (M2 and M3), the leader should focus somewhat less on task behavior but substantially more on showing consideration and support and exhibiting praise and attention.

22. A moderator variable influences the strength of the relationship between other variables. The moderator variable is not necessarily causally related to either of the variables whose relationship it moderates,

Figure 14-5

APPROPRIATE BEHAVIORS IN THE SITUATIONAL LEADERSHIP THEORY



Source: Paul Hersey, Kenneth H. Blanchard, *MANAGEMENT OF ORGANIZATIONAL BEHAVIOR*, Utilizing Human Resources, 3d ed., © 1977, p. 165. Adapted by permission of Prentice-Hall, Englewood Cliffs, NJ

Finally, very mature (M4) followers have self-confidence and know how to do the job. As a result, they need little direction or support from the leader. Thus, both task and relationship behaviors can be deemphasized.

Hersey and Blanchard recognize that leader behaviors may influence follower maturity. In fact, they discuss "developmental interventions." For instance, these might consist of the leader being less directive and assigning the subordinate greater responsibility and then providing praise if the follower does well. Such developmental interventions may also be needed for a formerly mature follower who has regressed, perhaps by losing self-confidence or becoming apathetic. So, leader behaviors play dual roles, shaping follower maturity and then appropriately responding to it.

Evaluation of the Situational Leadership Theory

The situational leadership theory has several positive features, it highlights the need for flexibility in leadership and for the recognition

differences among subordinates and across situations. It sees the leader as able to shape the situation and to respond to it. These are positive and potentially useful views.

On the other hand, there is little *empirical evidence relating to the model*. Further, the model has been criticized /or ignoring many other potentially important situational variables. It has also been argued that maturity is an overly broad term, combining a number of things that should be considered separately. So, while the theory is valuable in prescribing a proactive, flexible role for the leader, it is not dear at thisj

THE PATH-GOAL THEORY OF LEADERSHIP

Robert House (1971) developed the **path-goal theory of leader effectiveness**, an extension and revision of the work of Martin Evans (1970). House based the approach on expectancy theory (discussed in Chapter 12). House and Terence Mitchell explain the theory as follows:

According to this theory, leaders are effective because of their impact on subordinates' motivation, ability to perform effectively, and satisfaction. The theory is called path-goal because its major concern is how the leader influences the subordinates' perceptions of their work goals, personal goals, and paths to goal attainment- The theory suggests that a leader's behavior is motivating or satisfying to the degree that the behavior increases subordinate goal attainment and clarifies the paths to these goals."^{1*}

To couch these statements more explicitly in expectancy theory terms, the path-goal theory sees the leader as having three motivational functions. The leader can increase valences associated with work-goal attainment, instrumentalities of work-goal attainment for the attainment of the acquisition of personal outcomes, and the expectancy that effort will result in work-goal attainment.

Behaviors Considered in the Theory

The theory considers four kinds of leader behaviors:

- ▲ **Directive leadership** is characterized by a leader who lets subordinates know what is expected of them and tells them how to do it. This is similar to initiating structure.

23. R. J. House and T. R. Mitchell, "Path-Goal Theory of Leadership," *journal of Contemporary Business* (Autumn 1974), 81-98.

According to the path-goal theory, leadership may be directive, supportive, participative, or achievement-oriented.



Supportive leadership is characterized by a friendly approachable leader who shows concern for the status, being, and needs of subordinates. This is much like consideration.

Participative leadership is characterized by a leader who consults with subordinates and asks for their suggestions, while he or she seriously considers before making a decision.

Achievement-oriented leadership is characterized by a leader who sets challenging goals, expects subordinates to perform at their highest level, and shows confidence that subordinates will meet such expectations.

The theory attempts to explain how each of these types of leadership affects satisfaction of subordinates, their acceptance of the leader, the degree to which they feel their effort will result in performance (expectancy) and that performance will result in rewards (instrumentalities). The theory essentially argues that subordinates will see each of leadership as acceptable, satisfying, and motivating to the extent

the styles are seen either as an immediate source of desired outcomes or as useful in leading to such outcomes in the future.

Contingency Factors

Two contingency factors are considered by the model—personal characteristics of the subordinates and the nature of the task to be performed. As an example, subordinates who don't feel they have the ability needed to master their tasks will probably react positively to directive leadership. And, if the job is highly structured, directive leadership will be seen as unnecessary and will be resented.

Evaluation of the Theory

Research on the path-goal theory has primarily focused on two hypotheses:

- A Directive leadership will contribute to the satisfaction of followers engaged in ambiguous [i.e., unstructured) tasks and will contribute to the dissatisfaction of followers engaged in clear (i.e., structured) tasks.
- A Supportive leadership will have its most positive effect on the satisfaction of members engaged in clear (i.e., structured) tasks.

While these hypotheses are intuitively reasonable, research findings concerning their validity have been mixed. One review found six studies supporting the first hypothesis and six failing to support it. That review found five studies which supported the second hypothesis and four which did not provide support.²⁴ Some nonsupportive findings could, of course, be due to measurement error and other problems with methodology, rather than because the hypotheses are incorrect. At this point, it seems that more research is needed before conclusions can be confidently drawn concerning the theory's validity.

Path-goal theory has been criticized on a number of conceptual grounds, most of them focusing on its complexity and its lack of precision in specifying how variables interact. And, since the theory is based on expectancy theory, it is harnessed to the weaknesses of that theory as well as to its strengths.

Nevertheless, the theory does provide guidelines concerning potentially important situational variables. Also, like the Hersey and Blanchard situational leadership theory, it emphasizes the need for flexibility in leader behavior.

24, C. A. Schriesheim and M. A. Von Glirto, "The Path-Goal Theory of Leadership: A Theoretical and Empirical Analysis" *Academy of Management Journal* 20 [1977]: 398-405,,

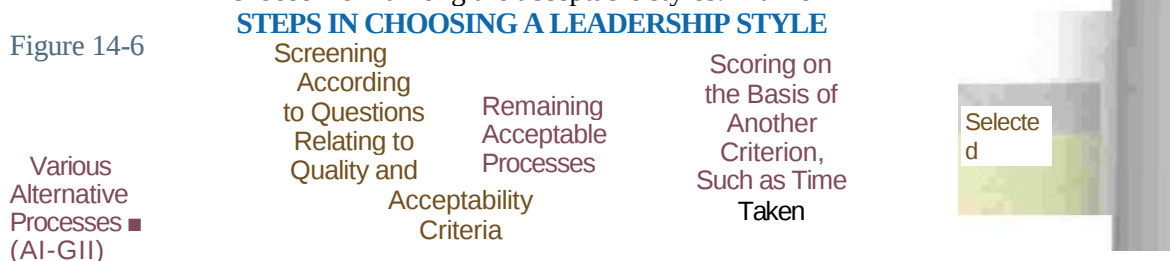
THE VROOM AND YETTON NORMATIVE MODEL OF LEADERSHIP

As we've seen, participative leadership styles are not always best; In fact, it seems that their value depends upon the situation. Research indicates that participative approaches are more useful when subordinate acceptance of the chosen alternative is important (especially if subordinates would not accept an autocratic decision), when managers don't have the information necessary to make an autocratic decision, and when the problem is unstructured. Autocratic styles may be best if acceptance is unimportant, if subordinates don't share the goals of the organization, and if time is short and an autocratic decision would be accepted. Victor Vroom and his colleagues used such information to build a normative model, generally called the **Vroom and Yetton normative model of leadership**, which prescribes the appropriate leadership style(s) for various situations.

The Nature of the Model

The logic of Vroom's model is detailed in Figure 14-6. The model begins with a set of feasible styles, ranging from completely autocratic to completely participative. A series of questions, each of which can be answered with a yes or no, are considered. The answers to those questions generally eliminate some styles which violate one or more rules. The styles which violate none of the rules are all appropriate. That is, they meet all quality and acceptability requirements. The manager can use some other criterion to choose from among the acceptable styles. If time

Figure 14-6



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is short, the most autocratic of the styles could be chosen. If it is important to develop the decision-making skills of subordinates, the most participative style could be chosen.

The specific styles considered in the Vroom model are presented in Figure 14-7. They range from the completely autocratic AI style, in which subordinates play no role, through consultative styles, to a pure group style.²⁵

ie 14 7

ALTERNATIVE LEADERSHIP STYLES IN THE VROOM AND YETTON MODEL

- AJ** You solve the problem yourself: using information available to you at that time.
- All** You obtain the necessary information from your subordinate(s), then decide on the solution to the problem yourself. You may or may not tell your subordinates what the problem is, in getting the information from them. The role played by your subordinates in making the decision is clearly one of providing the necessary information *Wyofr*, rather than generating; or evaluating alternative solutions.
- CI** You share the problem with relevant subordinates individually, getting their ideas and suggestions without bringing them together as a group. Then you make the decision that may or may not reflect your subordinates' influence.
- CII** You share the problem with your subordinates as a group, collectively obtaining their ideas and suggestions. Then you make the decision that may or may not reflect your subordinates' influence.
- GJ1** You share the problem with your subordinates as a group. Together, you generate and evaluate alternatives and attempt to reach agreement (consensus) on a solution. Your role is much like that of a chairperson. You do not try to influence the group to adopt "your" solution, and you are willing to accept and implement any solution that has the support of the entire group.

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The problem attributes and diagnostic questions in the model are shown in Figure 14-8.²⁶ The diagnostic questions guide the manager

25. The model presented here is called the group model. There is also an individual model, applicable when consultation with only one subordinate is being considered. The DI (for delegate to a subordinate) style in the individual model corresponds to the missing GI style in the group model.

26. While the model is couched in terms of superiors and subordinates, it is more generally applicable to the question of whether an individual should involve others in the decision process.

Figure 14-8 PROBLEM ATTRIBUTES AND QUESTIONS
IN THE VROOM AND YETTON MODEL

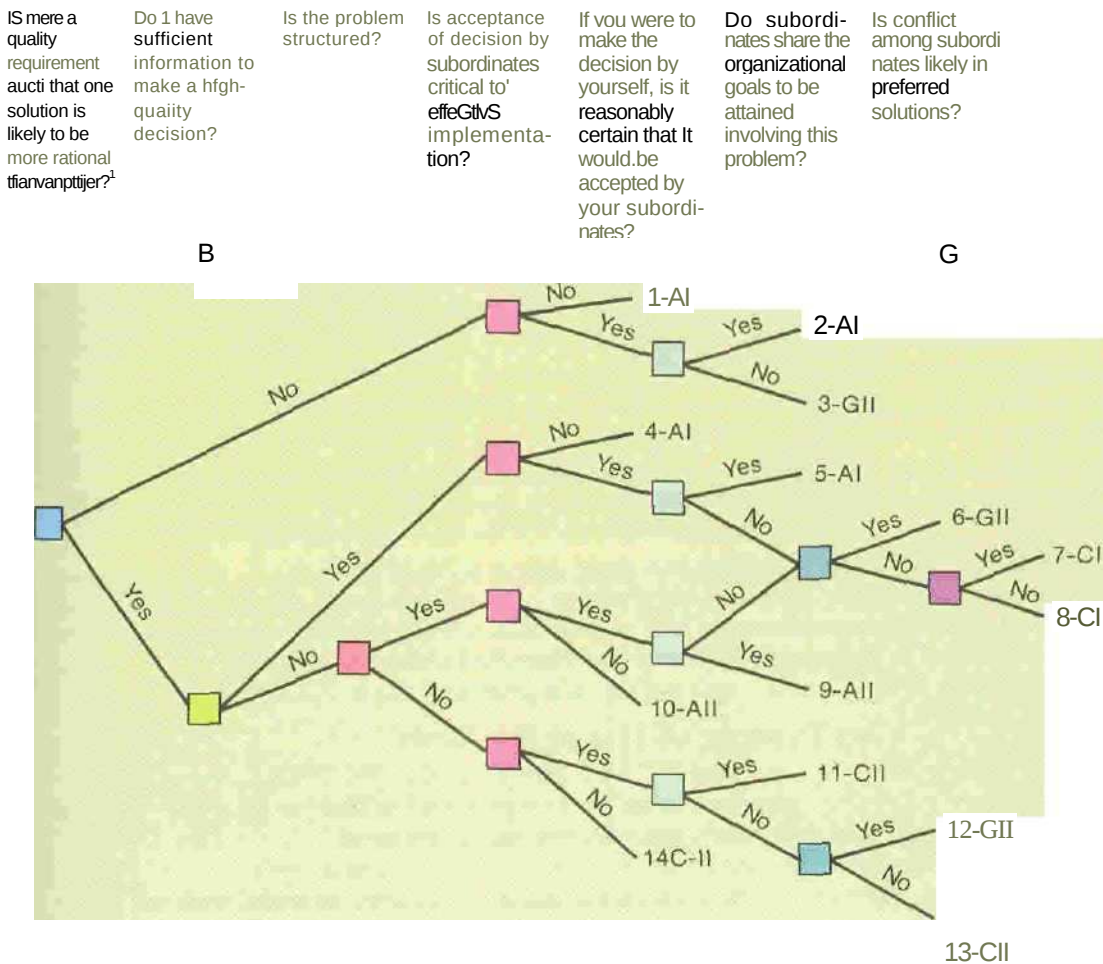
Problem Attributes	Diagnostic Questions
Aj The importance of the quality of the solution.	Is there a quality requirement such that one solution is likely to be more rational than another?
B. The extent to which the leader possesses sufficient information/expertise to make a high-quality decision by himself [or herself].	Do I have sufficient information to make a high-quality decision?
>CL. The extent to which the problem is structured.	Is the problem structured?
D. The extent to which acceptance or commitment on the part of subordinates is critical to the effective implementation of the decision.	Is acceptance of the decision by subordinates critical to effective implementation?
E.. The prior probability that the leader's autocratic decision will receive acceptance by subordinates.	If you were to make the decision by yourself, is it reasonably certain that it would be accepted by your subordinates?
M.i. The extent to which subordinates are motivated to attain the organizational goals as represented in the objectives explicit in the statement of the problem.	Do subordinates share the organizational goals to be obtained in solving this problem?
G. The extent to which subordinates are likely to be in conflict over preferred solutions.	Is conflict among subordinates likely over preferred solutions?

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through the tree depicted in Figure 14-9. The last of these questions W_1 require explanation. The logic of the model is that if subordinates are likely to be in conflict over the preferred solution, there are cases (especially when acceptance is important) when a group process will be useful to resolve that conflict. Any other process would leave some subordinates unhappy and may cause them to reject the solution.²⁷

27. Research suggests that this is the single question in the model which managers typically do not obey. Perhaps they feel that in a situation of potential conflict, they must maintain control.

THE VROOM AND YETTtJN MODEL



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At the end of each branch in the tree is the number of a problem type as well as a specific style. Figure 14-10 shows the acceptable styles for each problem type. The specific style at the end of each branch in Figure 14-9 is the fastest (that is, most autocratic) of the acceptable styles.

e 14-10 APPROPRIATE DECISION STYLES'

Problem Type	Acceptable Styles
1	AI,AU,CI,CII,GII
i.	AI,AII,Ci>ai,GIL
3	Gil
4	AI,ATI,CI CIIiGH*
5	AI!AII'CI!CII!GH-
6	an
7	Gil
8	ci.cn
9	Aii.ci.GH.Gir
10:	AII.CI.CII.Gir
11	cn Gir
12	GIT
13	an
14	Gn.cn

'Acceptable only when the answer to question F is yes..

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An Example of Use of the Model

The tree is rather complex and perhaps a bit scary. To **illustrate** how it is used, consider the following case:

You are on the division manager's staff and work on a wide variety of problems of both an administrative and technical nature. You have been given the assignment of developing a standard method to be used in each of the five plants in the division for manually reading equipment registers, recording the readings, and transmitting the scorings to a centralized information system.

Until now, there has been a high error rate in the reading and/or transmittal of the data. Some locations have considerably higher error rates than others, and the methods used to record and transmit the data vary among plants. It is probable, therefore, that part of the error variance is a function of specific local conditions rather than anything else, and this will complicate the establishment of any system common to all plants. You have the information on error rates but no information on the local practices that generate these errors or on the local conditions that necessitate the different practices.

Everyone would benefit from an improvement in the quality of the data; it is used in a number of important decisions. Your contacts with the plants are through the quality-control supervisors who are responsible for collecting the data. They are a conscientious group.

committed to doing their jobs well, but are highly sensitive to interference on the part of higher management in their own operations. Any solution that does not receive the active support of the various plant supervisors is unlikely to reduce the error rate significantly.²⁸

To choose an appropriate style, it is necessary to answer the seven diagnostic questions in Figure 14-8. First, there is a quality requirement—the data are used for a number of important decisions. Second, you do not have sufficient information to make a high-quality decision—you lack information on local practices and local conditions. Third, the problem is not well structured—there are many variables to consider and no obvious way to use them all to arrive at a right answer. Fourth, acceptance is vital—without the active support of plant supervisors, the effort is unlikely to succeed. Fifth, it is unlikely that an autocratic decision would be accepted. The plant supervisors are sensitive to interference on the part of higher management. Sixth, the plant managers do seem to share the organization's goals—everyone would be likely to benefit from improved data quality. Finally, there is likely to be conflict among plant managers—variations in local practices and local conditions complicate the establishment of a common system.

The answers to the seven diagnostic questions are thus yes, no, no, yes, no, yes, and no, respectively. Moving along the corresponding branches in Figure 14-9, we see that the number at the end of the branch is 12, indicating the problem type is 12. As shown in Figure 14-10, only the GH style is appropriate in that case.

Evidence Concerning the Model

A variety of interesting questions can be raised concerning the Vroom model. One basic issue is simply whether managers do in fact already behave in ways consistent with prescriptions of the model. Remember that Vroom intended this to be a *prescriptive* model, useful for improving decision making. To assess its value as a prescriptive model, though, it is important to see whether it is also a *descriptive* model. Consider the following possibilities:

- A The model may perfectly explain managers' current behavior.
That is, managers may behave exactly as the model says they should. While this might seem like a happy result, it would in fact suggest that the model is worthless for prescriptive purposes; it only says to do what managers are already doing.
- A The model may not explain managers' current behavior at all
That is, managers may behave in ways that are completely unre-

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lated to the model's suggestions. This would be an upsetting finding. After all, managers aren't completely foolish. They must be doing something right, and if they don't behave at all like the model, the model must be missing something.

- ▲ Managers may behave in some ways as the model suggests, but deviate from its suggestions in other ways. In this case, the model would hold promise. The findings would suggest that the model may be able to help managers to weigh better the factors influencing proper choice of a decision style.

Happily, evidence suggests that the latter scenario is most accurate. Studies using a variety of methodologies show that:

- ▲ Managers generally behave as the model says they should. About two-thirds of managers' decisions obey the model. About one-third, then, do not.

A Managers are less flexible in their choice of styles than the model says they should be. That is, they don't vary their styles as much from one situation to another as the model dictates.

- ▲ Managers behave a bit more autocratically than the model says they should.

- ▲ The ways managers behave depends much more on the situation they are in than on their individual differences. That is, managers' choices of behaviors are more a function of whether the situation calls for autocratic or democratic behavior than of whether the managers are generally "autocrats" or "democrats."

The second of these findings highlights a potentially crucial leadership skill—flexibility. That is, the model suggests that, rather than **being** concerned about whether they should be autocratic or democratic in general, managers should adapt to the situation. Curiously, there has been almost no attention in the leadership literature to leader behavior flexibility *per se*.

Another, equally important, question is whether it helps to obey the model. That is, do managers who obey the model make better decisions than those who don't? On the basis of available evidence, the answer is again positive. For instance, managers in one study were asked to recall a successful decision they had made, as well as the characteristics of the decision situation and the style they had used.²⁹ This process was repeated for an unsuccessful decision. For each decision, the Vroom model could be applied to the information about the situation to deter:

29. V. H. Vroom and A. G. Jago, "On the Validity of the Vroom-Yetton Model," *Journal of Applied Psychology* 63 (1978): 151-62.

mine which styles were appropriate. Figure 14-11 shows how many unsuccessful and successful decisions involved styles that agreed or disagreed with the model. For 85 percent of the successful decisions, managers used styles agreeing with the model. Managers used styles agreeing with the model for only 43 percent of unsuccessful decisions.

Figure 14-11

DECISION SUCCESS AND AGREEMENT WITH THE MODEL

		DECISION	OUTCOME
		Good	Bad
AGREE WITH	Yes	80	37
MODEL?	No	14	50

In an experimental test of the Vroom model, R. H. George Field (1982) formed business students into teams. Each team was instructed to solve five decision-making problems, differing in their situational attributes, and were told to use different styles for each problem. Results supported the validity of the model. Decisions made with appropriate styles as determined by the model were judged significantly more effective than inappropriate styles. An interesting footnote to the Field study was that data for over 40 percent of decisions had to be discarded because the (simulated) leaders simply did not behave in the ways they were supposed to. They were often unable or unwilling to adopt the appropriate style, especially when the AI or All style was called for. This suggests again that it is not enough simply to know the "right" way to behave. Some individuals may lack the ability to handle certain styles or the flexibility to vary styles appropriately.

Criticisms of the Model

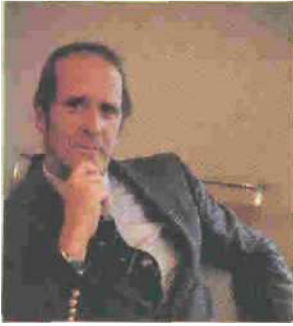
It has been argued that answering questions with a simple yes or no is overly simplistic and that many variables not considered by the model may be important. Also, managers may err in defining the situation and thereby misuse the model.

Further, use of the model may cause managers to treat the situation as fixed and to choose a style accordingly rather than to attempt to change it. For instance, some critics argue that if conflict is likely among subordinates over a preferred solution, managers should try to reduce the conflict potential rather than to treat it as a given.

Finally, it has been pointed out that the CII style generally falls in the set of acceptable styles. Of 14 problem types in Figure 14-10, the CII

Academic Profile

VICTOR H. VROOM



Victor H. Vroom [Ph.D., Psychology, University of Michigan) is the John G. Searle Professor of Organization and Management at Yale University. Professor Vroom is an internationally recognized expert on leadership and decision making. As a teacher and researcher, he has focused on the psychological analysis of behavior in organizations. He is author of several books, including *Work and Motivation* and *Leadership and Decision Making*, and 50 articles. He is currently working on another book on leadership. Professor Vroom has been elected president of the Society of Industrial and Organizational Psychology and a fellow of the American Psychological Association. He has been active as a consultant to major corporations.

Q: The Vroom and Yetton model of leadership gives managers a concrete way to choose an appropriate leadership style. How widespread is current use of the model in organizations? Can you give some specific examples of its use?

A: I find it easier and more appropriate given our objectives of the model to answer a related question—namely, the uses of the model in management training rather than its uses in management. The indicators of its use in the development of managers include the following:

A The number of managers who have taken a course dealing exclusively with the Vroom-Yetton model can be conservatively estimated in six figures. For example, Kepner-Tregoe, Inc., a management training firm with worldwide operations, offers a three-day program entitled "Managerial Leadership," and Yale University offers a three-day course for senior executives entitled "Leadership and Decision Making."

▲ Computer software firms have begun to offer managerial decision aids including the Vroom-Yetton model. For example, Applied Science Associates has issued DAM (Decision Aid for Managers)—two diskettes and a manual covering the Vroom-Yetton model.

A Nightingale-Conant, Inc., a firm specializing in audio cassettes, has marketed a set of six cassettes entitled "Managerial Leadership," based entirely on the Vroom-Yetton model.

"These data are not only easier to obtain than data on use but also more appropriate to our intended role for

the model. As I wrote earlier ("Can Leaders Learn How to Lead?", *Organizational Dynamics*, 1977, pp. 17-28), the emphasis in training using the model is to help managers become aware of their own personal assumptions regarding participation and power sharing and to identify avenues for improvement based on comparisons with the model.

Q: How would you summarize current evidence concerning the degree to which use of the model improves decision-making effectiveness?

A: Art Jago (The 1973 Vroom/Yetton Model: A Research Review, Academy of Management, 1984) has summarized the many strands of evidence bearing on the validity of the model. There is surprising consistency among the results obtained by different investigators and employing different methods. Since Jago's review, a cross-cultural replication in Austria has been conducted, yielding very similar results to those obtained in the United States. Q: Are you currently working on any revisions or extensions of the model?

A: Art Jago and I are in the process of writing a book on a significant revision and extension of the original Vroom-Yetton model. This model includes a wider range of situational attributes known to affect the efficiency of participative methods and substitutes five-point scales for the dichotomous treatment of problem attributes in Vroom and Yetton. Evidence exists that the new model has significantly higher validity than the earlier model. The major limitation is that it can no longer be represented in decision tree form and requires a personal computer. For those interested in using a model to guide on-line decision making, the new model is the one to use.

ed, directive, structuring leadership will be neutralized. That is, it will be redundant or ineffective. Similarly, when subordinates have high needs for independence, when the task is intrinsically satisfying, and when work groups are cohesive, relationship-oriented, supportive, considerate leadership will be neutralized.

While the leadership literature is certainly frustrating, we don't share the pessimistic view that leadership has no impact. One study which examined the impact of substitutes for leadership found that hierarchical leadership was still important, even in the presence of potential

14.12 SUBSTITUTES FOR LEADERSHIP

CHARACTERISTIC	SUBSTITUTES FOR LEADERSHIP WILL TEND TO NEUTRALIZE	
	Relationship-Oriented Supportive, Considerate Leadership	Task-Oriented Directive, Structuring Leadership
Of The Subordinate		
1. Ability, experience, training, knowledge		X
2. Need for independence	X	X
3. "Professional" orientation	X	X
4. Indifference toward organizational rewards	X	X
Of The Task		
5. Unambiguous and routine		X
6. Standardized methods		X
7. Provides its own feedback concerning accomplishment		X
8. Intrinsically satisfying	X	
Of The Organization		
9. Formalization [explicit plans, goals, and areas of responsibility]		X
10. Inflexibility (rigid, unbending rules and procedures)		X
11. Closely knit, cohesive work groups	X	X
12. Highly specified and active advisory and staff functions		X
13. Organizational rewards not within the leader's contract	X	X
14. Considerable distance between superior and subordinate	X	X

Source: S. Kerr and J. M. Jermier, "Substitutes for Leadership: Their Meaning and Measurement," *Organizational Behavior and Human Performance* 22 (1978): 375-403. Reproduced with permission.

substitutes for leadership.³² Further, the evidence we have reviewed in this chapter does provide some consistent findings concerning leadership, often explaining 10 or 15 percent of the variance in subordinates' responses. Finally, while studies of leadership are typically conducted in large organisations, it seems likely that leaders play more visible roles in small and developing firms.⁵³ As scales and theories are refined, and as more is understood about how situational factors should be taken into consideration, results will almost certainly be more promising.

IMPLICATIONS FOR MANAGEMENT

As a manager, you will often find yourself in positions of leadership or of potential leadership. Your leadership role will sometimes be formally prescribed, and at other times may develop informally. In either case, your actions may have a substantial impact on the performance and satisfaction of your subordinates and others. Give your leadership behaviors the attention they deserve.

To carry out your leadership duties, you will often need to draw on bases of power. Successful leaders draw on a variety of power bases. They recognize that referent power has a broad range and that heavy reliance on coercive power can be dangerous. As a leader, remember that control over resources, information, and the problem-solving process all serve to augment power.

In selecting people for leadership positions or when assigning them to leadership tasks, it may be useful to consider such traits as intelligence, self-confidence, decisiveness, and need for occupational achievement. However, be sure to ask whether such traits are really needed in the position. Recall that it is illegal to use selection criteria that are unrelated to task performance.

Remember that a leader must show concern for both task accomplishment and fulfillment of subordinate needs. This does not mean that as a leader you will always need to emphasize each of these factors. Often, the nature of tasks or of subordinates will take care of some concerns or make them less important. However, you must be ready to step in to see that these dual needs are somehow satisfied.

Remember too that the same style or behavior may not work in every situation. In deciding how to behave, consider such factors as the maturity and needs of your subordinates, the structure and other charac-

32. [J. P. Howell and P. W. Dorfman, "Substitutes for Leadership: Test of a Construct," *Academy of Management Journal* 24 (1981): 7]4-28.

33. On this point, see; A. C. Filley and R. [J. Aldag, "Organizational Growth and Types: Lessons from Small Institutions," ed. B. M. Staw and L. L. Cummings in *Research in Organizational Behavior* 2 (Greenwich, CT: JAI Press. 1979).

teristics of the task, and the nature of the organization. The models & cussed in this chapter should be useful in highlighting factors to keep in mind. Treat them as guides rather than as absolute rules. If you are using styles or behaviors that violate the suggestions of the models, ask yourself why. Do you disagree with the model? Is it ignoring variables that you feel are relevant, or are you somehow failing to assess the situation properly ;

'In general, behaviors reflecting consideration on the part of the leader are satisfying to subordinates and don't harm productivity. Further, consideration makes initiating structure more palatable. So, if the situation is one; that calls for leader-initiating structure, consideration will be important.

Leadership can be frustrating. Structured tasks, separation of¹ superiors and subordinates, inflexibilities in the organization, and other factors can sometimes handcuff the leader. Try to be aware of such substitutes for leadership. If they seem beneficial to the satisfaction and performance of your subordinates, it may be best to simply accept them. If you feel they are constraining performance or satisfaction, you may want to try to circumvent them. For instance, if your subordinates are indifferent toward organizational rewards, you may try to determine which rewards are important to them. You may also need to rely on alternative power bases to supplement those that are constrained.

Also, as a leader you should not accept the situation as fixed, Task structure, your power, relations with subordinates, and other dimensions can be modified. Before accepting the constraints, try to loosen them Before fitting your behaviors to the situation, tailor the. situation to your liking.

Perhaps more than anything else, the models reviewed in this chapter show that leader sensitivity, common sense, and flexibility are crucial. Leaders must be sensitive to the characteristics of tasks, workers, and other dimensions of the situation. They must have the commoa sense to choose suitable behaviors, avoiding those that are inappropriate or redundant. They must then possess the flexibility to adopt those behaviors. These are difficult attributes to develop, but they will become increasingly important. You would be wise to try to cultivate them,

KEY TERMS AND CONCEPTS

achievement-oriented
leadership
authority autocratic
leaders coercive
power consideration
contingency model of
leadership control
democratic leaders

directive leadership
domain of power
expert power
influence
initiating structure
job maturity
LEADER MATCH
leadership
legitimate power
LPC scale

managerial Grid®	relationship behavior
participative leadership	reward power
path-goal theory of leader effectiveness	situational leadership theory
power	substitutes for leadership
psychological maturity	supportive leadership task behavior
range of power referent power	Vroom and Yetton normative model of leadership

REVIEW QUESTIONS

1. Name four approaches to the study of leadership.
2. Define four bases of power.
3. Identify three traits that are often related to leadership.
4. How do democratic and autocratic leadership styles differ?
5. How do leader consideration and initiating structure interact to influence subordinate satisfaction?
6. What is the managerial Grid?
7. Name three situational factors that influence the way that leader behaviors affect subordinate responses.
8. Explain what is meant by "engineering the job to fit the manager."
9. What are the two sorts of maturity incorporated in the Hersey and Blanchard situational leadership theory?
10. Describe the kinds of leader behaviors considered in the path-goal theory of leadership.
11. What are four of the questions asked in the Vroom and Yetton normative model of leadership?
12. Name four things that act as substitutes for, or neutralizes of, leadership.

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CASE 14 A The "Big Men"

Anthropologists have long been interested in the rise of "pristine states." These are states, such as Mesopotamia about 3300 B.C., Peru about the time of Christ, and Mesoamerica about 100 A.D., that developed without stimulation from preexisting states. Many anthropologists believe that such states developed when village societies intensified their food production in order to support growing populations.

Anthropologists refer to the intensifiers of agricultural production as "big men." In their purest, most egalitarian phase, known best from studies of numerous groups in Melanesia and New Guinea, "big men" play the role of hard-working, ambi-

tious, public-spirited individuals who inveigle their relatives and neighbors to work for them by promising to hold a huge feast with the extra food they produce. When the feast takes place, the "big man," surrounded by his proud helpers, ostentatiously redistributes—parcels out—piles of food and other gifts but keeps nothing for himself. Under certain ecological conditions, and in the presence of warfare, these food managers could have gradually set themselves above their followers and become the original nucleus of the ruling classes of the first states.

Among the Siuai on Bougainville in the Solomon Islands, a "big man" is called s

rnurni. To achieve mumi status is every youth's highest ambition. A young man proves himself capable of becoming a mumi by working harder than everyone else and by carefully restricting his own consumption of meat and coconuts. Eventually, he impresses his wife, children and near relatives with the seriousness of his intentions, and they vow to help him prepare for his first feast. If the feast is a success, his circle of supporters widens and he sets to work preparing an even greater display of generosity. He aims next at the construction of a men's clubhouse in which his male followers can lounge about and in which guests can be entertained and fed. Another feast is held at the consecration of the clubhouse. If this is also a success, his circle of supporters—people willing to work for the feast in order to come—grows still larger, and he will begin to be spoken of as a mumi. What do supporters get from all this? Even though larger and larger feasts mean that the mumi's demands on his supporters become more irksome, the overall volume of production goes up. So if they occasionally grumble about how hard they have to work, the followers nevertheless remain loyal as long as their mumi continues to maintain or increase his renown as a "great provider."

Finally the time comes for the new mumi to challenge the others who have risen before him. This is done at a muminai feast, where a tally is kept of all the pigs, coconut pies, and sago-almond puddings given away by the host mumi and his followers to the guest mumi and his followers. If the guest mumi cannot reciprocate in a year or so with a feast at least as lavish as that of his challengers, he suffers great humiliation and his fall from "mumihood" is immediate. In deciding on whom to challenge, a mumi must be very careful. He tries to choose a guest whose downfall will increase his own reputation, but he must avoid one whose capacity to retaliate exceeds his own.

Source: Abridged and adapted from *Cannibals and Kings: The Origins of Cultures*, by Marvin Harris (New York: Random House, 1977), 103-105. Reprinted with permission.

1. What bases of power are employed by the "big men"?
2. How would you characterize the leader behaviors of the "big men"?
3. In what ways is the role of the "big man" similar to that of modern leaders in organizations? What are some key differences?

