

Strategy and Leadership PV237

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Leadership



Leadership Theories

Who leaders are / What leaders do / Under what circumstances

- **Traits** – leaders are born not made
- **Behaviors** – leaders behave in certain way
- **Situational Leadership** – leadership based on circumstances



Leadership Styles

- **Transactional Leaders**

Leaders who clarify goals, roles, and responsibilities, typically meet their deadlines within their budget and in the expected quality.

- **Transformational Leaders**

Leaders who generate awareness and acceptance of group's purpose and get employees see beyond their own needs for the good of the group. They make their followers believe they are a vital part of the organization. Their teams typically overperform.



Leadership Styles

- **Transactional Leaders**

Reward for performance

Management by exception: searches for deviations and corrects them



Leadership Styles

- Transformational Leaders

Idealized Influence: Provides vision and sense of mission, instills **pride**, gains **respect** and **trust**

Inspiration: Communicates **high expectations**, uses symbols to focus effort, expresses important messages in simple ways

Intellectual Stimulation: Promotes **intelligence**, rationality, and **careful problem solving**

Individualized Consideration: Treats people individually, **CARES**, coaches, advises



The surprising truth about what motivates us

- <https://www.youtube.com/watch?v=u6XAPnuFjJc>



Leadership fast track course

- A short course on leadership (Adair, 1983)

The six most important words ...

“I admit I made a mistake”

The five most important words ...

The four most important words ...

The three most important words ...

The two most important words ...

The one most important word ...

The least most important word ...



Traits Theory

- Effective leaders possess a similar set of qualities and characteristics
- e.g. Leaders are taller, more confident, and have greater physical stamina than non-leaders
- Leaders are born, not made

Leadership Traits

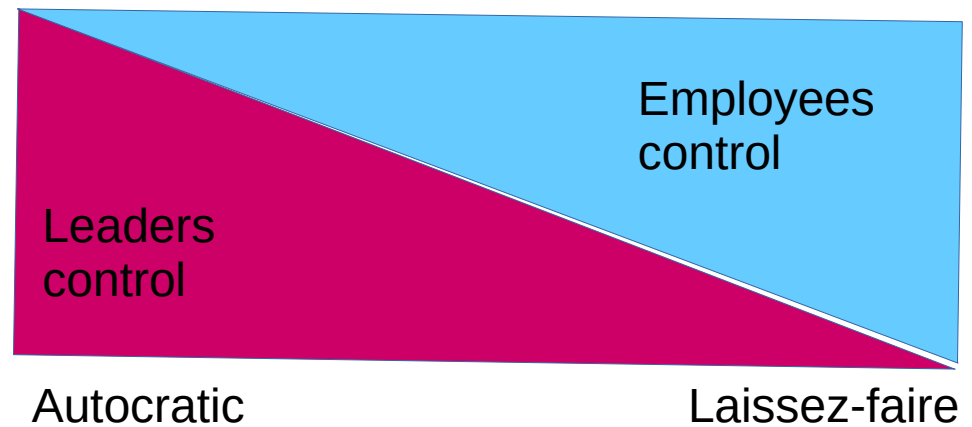
- ✓ Ambition and energy
- ✓ The desire to lead
- ✓ Honesty and Integrity
- ✓ Self-confidence
- ✓ Intelligence
- ✓ High self-monitoring
- ✓ Job-relevant knowledge

Do not worry! There is no evidence of cause and effect of traits and leadership

Behavioral Theories

- **Control based:**

- Autocratic
- Democratic
- Laissez-faire



White and Lippitt (1983) research in a boy's club:

The group was most productive under autocratic leader, but the leader had to be there, else the work stopped.

Democratic style was the most popular and the most consistent in both quality and productivity.

Laissez-faire scored poorly in all aspects in this study, but it can work well there where the members of the group are clear about their objective and their task.

Behavioral Theories

- **Concern based**

Two central leadership behaviors bring success:

- **Initiating structure (Concern for production)**

The degree to which the leader structure the roles of the followers by setting goals, deadlines, assigning tasks, and giving directions. Primarily affects subordinates' performance.

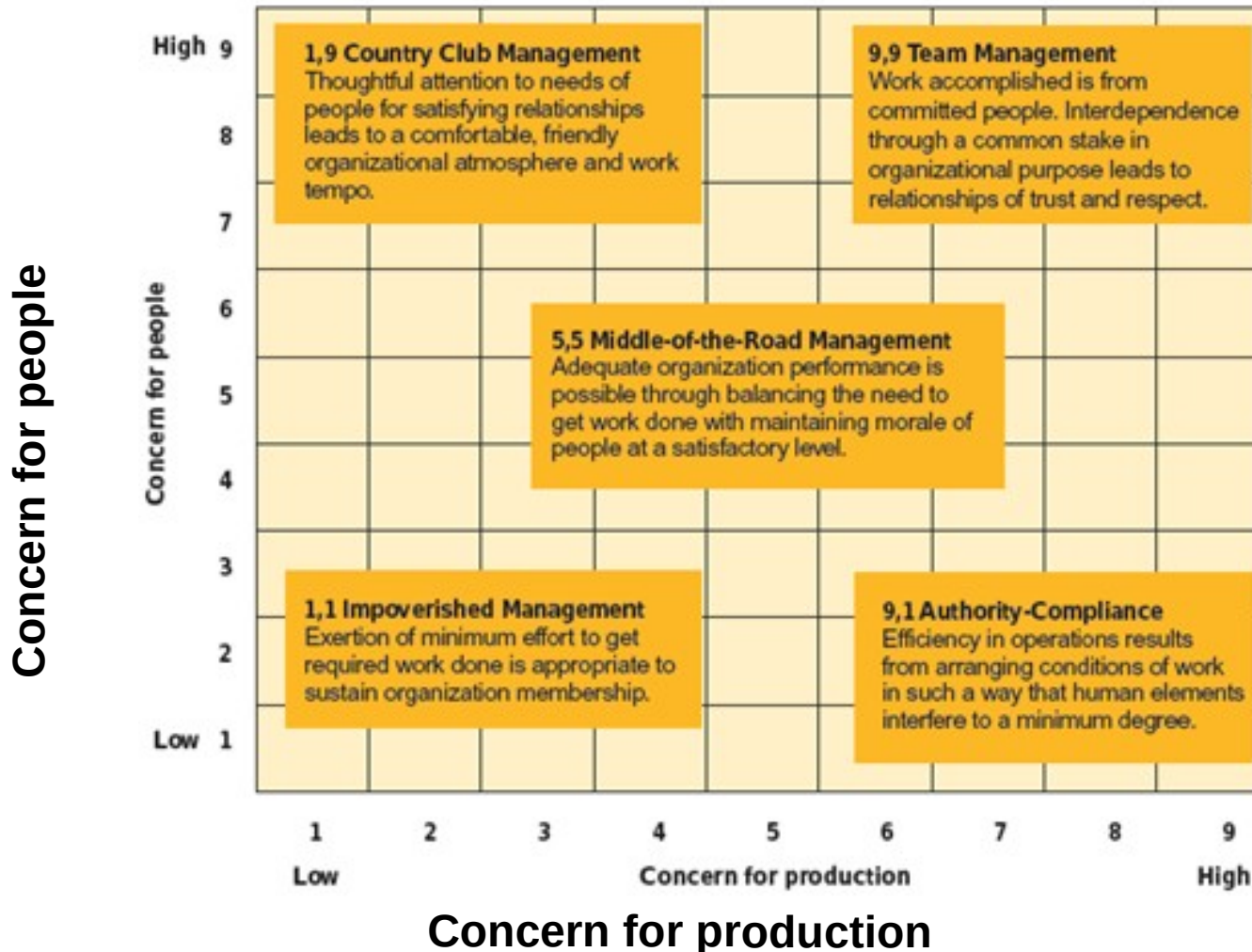
- **Consideration (Concern for people)**

The degree to which the leaders is friendly and approachable. Primarily affects subordinates' job satisfaction.



Behavioral Theory

Blake&Mouton Leadership Grid



Source: Leadership Dilemmas – Grid Solutions
Robert R. Blake and Anne Adams McCauley. 1991



Who is your colleague/ boss?

Least Preferred Co-worker scale

- Concern for production leadership style

Leaders that are task oriented typically describe their least preferred co-worker in rather negative terms.

- Concern for people leadership style

Relationship oriented leaders describe even their least preferred co-worker in positive terms.



Situational Leadership Contingency Theory

- **Authority/Autonomy** is contingent of four variables:
 - the leader
 - the led
 - the task
 - the context



Contingency theories of Leadership

- **The Leader**

The theory says that leaders' ability to flex their style is relatively limited.

Things to check before you join in:

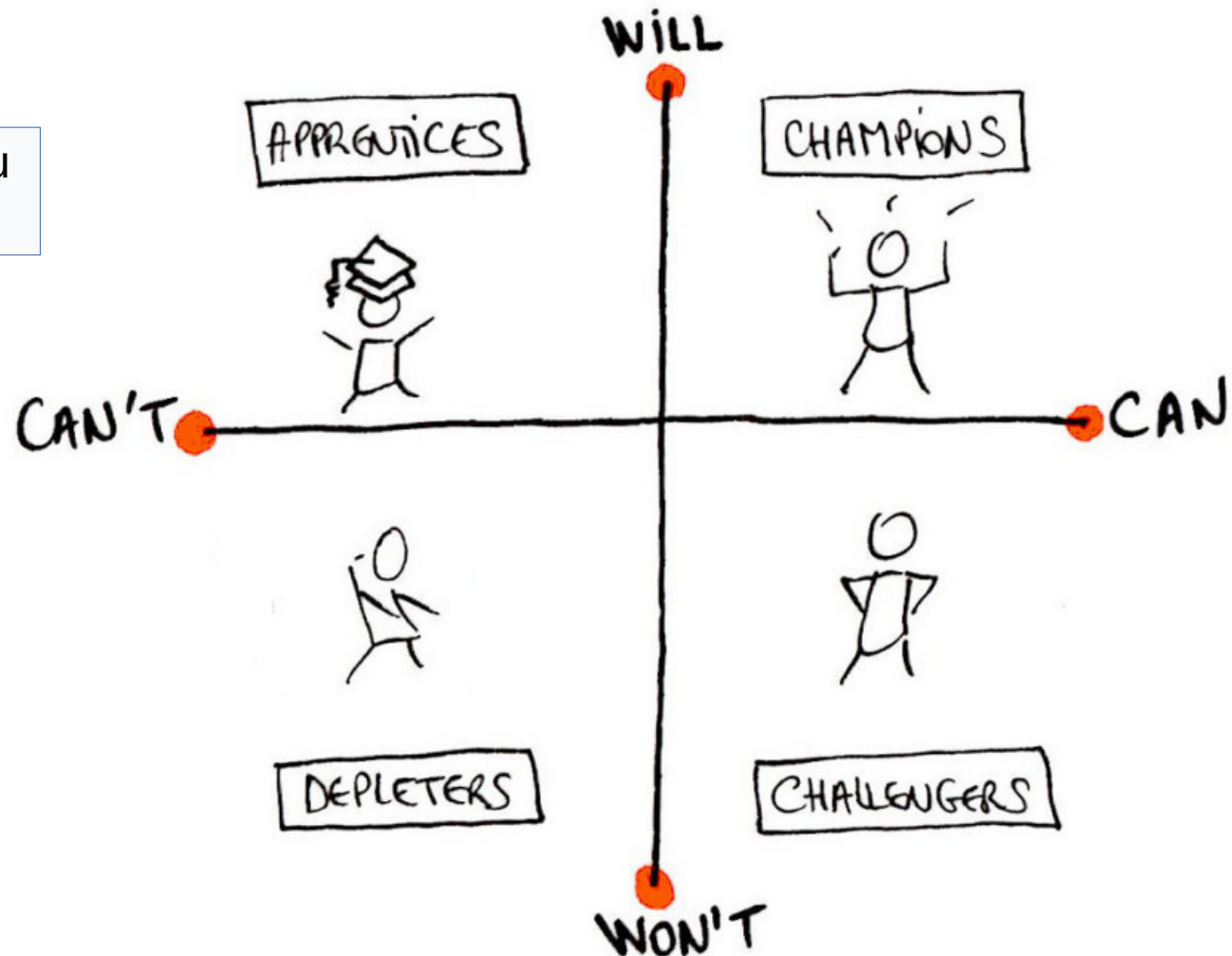
- Be aware of your style
- Be aware of the extent to which you are able and willing to adjust
- Are people you will be working with compatible with your style?
- Is the task?
- How much freedom will you have in the given company culture?



Contingency theories of Leadership

- The Led

As leaders, what would you do with each category?



Contingency theories of Leadership

- **The Task**

What are the characteristics of a task that enable more relaxed leadership style?



Contingency theories of Leadership

- **The Context**

What can you do in case the company culture / the context is not compliant with your style, with what your people need, with the task requirements?



Situational Leadership Contingency Theory

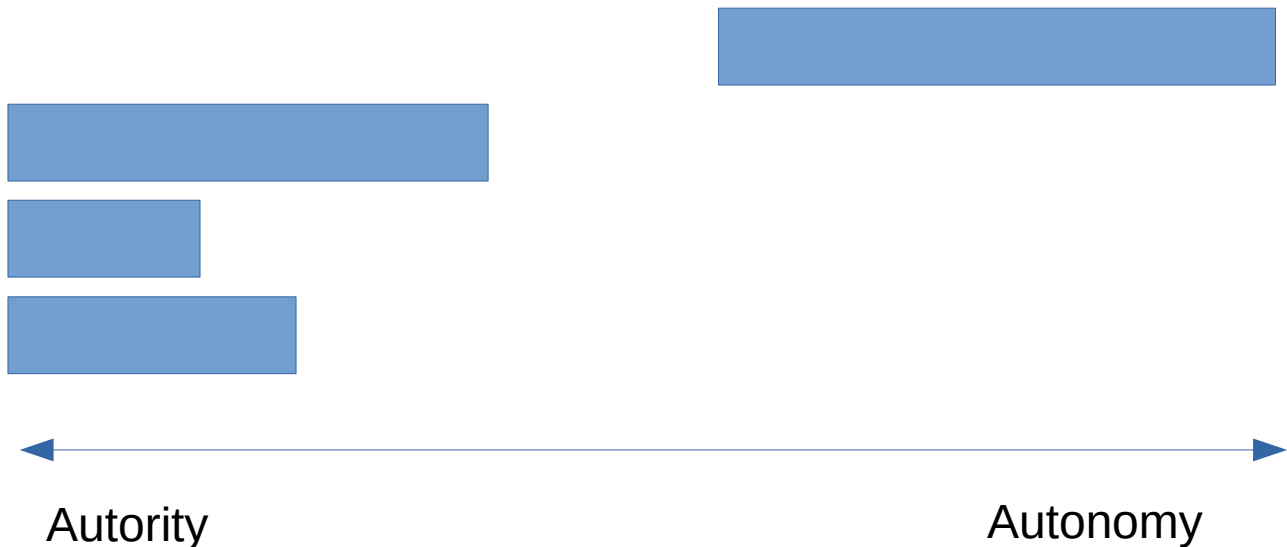
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Situational Leadership Contingency Theory

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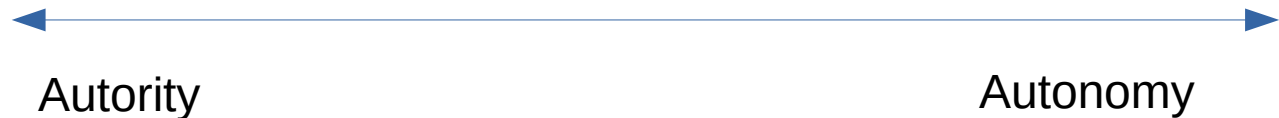
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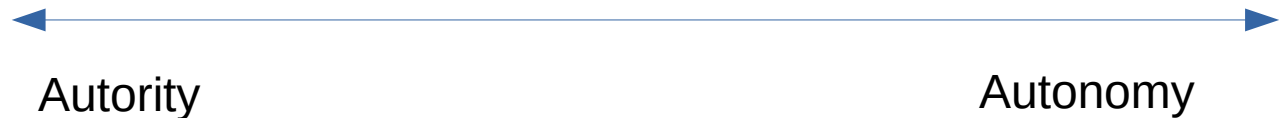
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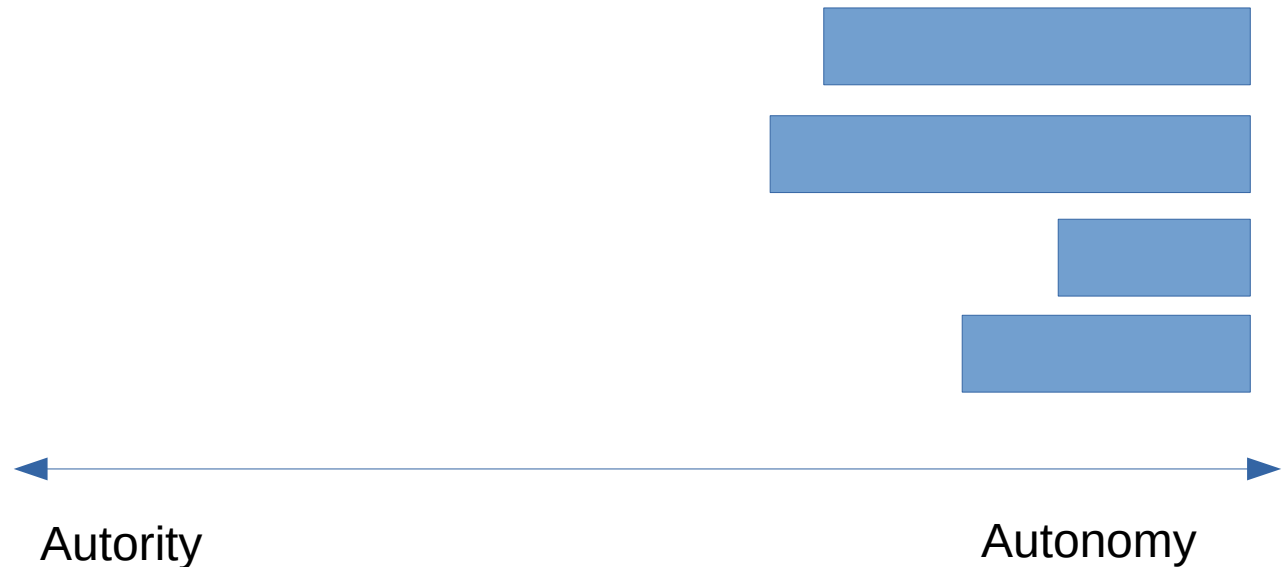
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Situational Leadership Contingency Theory

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Situational Leadership Contingency Theory

- **Fielders' Contingency Theory (1953):** group performance depends on leader's psychological make-up, as well as group atmosphere, task, and the leader's power position
- **Hickson's Strategic Contingency Theory (1971)**
- **Hersey & Blanchard's situational theory (1970s and early 1980s)**
- **Vroom and Yetton's decision participation contingency theory (1973):** decision quality, acceptance by the audience, amount and quality of information available to leader, integrity of hierarchy



Do we all need to be leaders?

- <https://www.youtube.com/watch?v=h08MwBZl-Vc>



Assignment 5

- Those who did not attend:
 - Watch the two videos and write a short summary of each.
 - Complete “Adair’s short course of leadership” on slide 8 with leadership messages you consider the most powerful in 5, 4, 3, ... words.
 - Answer the question on slide 16.
- Submit via email



Assignment 5

- **Submit decision Glo-bus strategic simulation game round**
- **Submit your takeaway from today lesson within 24 hours**

