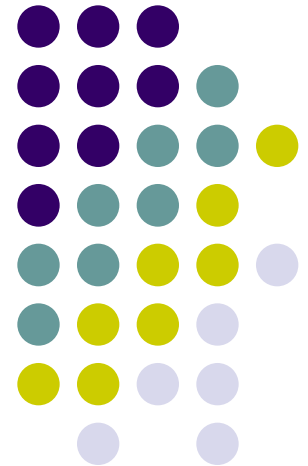
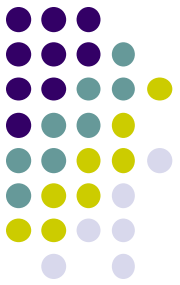


Lecture 7

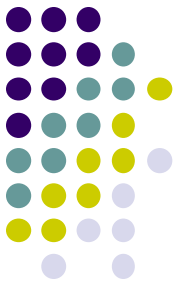
LEADERSHIP



Sharapiyeva Zamira Toktasynovna, MSc

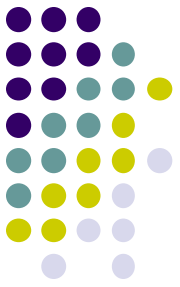


- Nonsanctioned leadership – the ability to influence that arises outside the formal structure of the organization – is often as important or more important than formal influence.
- So, leaders can emerge from within a group as well as by formal appointment.



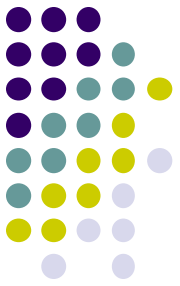
**What is the difference
between leaders and
managers in organization?**

Leaders vs Managers



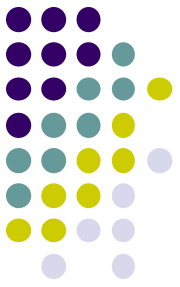
Organizations need ...

- **Leaders** to challenge the status quo, create visions of the future, and inspire organizational members to want to achieve the visions.
- **Managers** to formulate detailed plans, create efficient organizational structures, and oversee day-to-day operations.



MANAGEMENT
is doing things right;
LEADERSHIP
is doing the right things.
Peter Drucker

Contemporary leadership theories

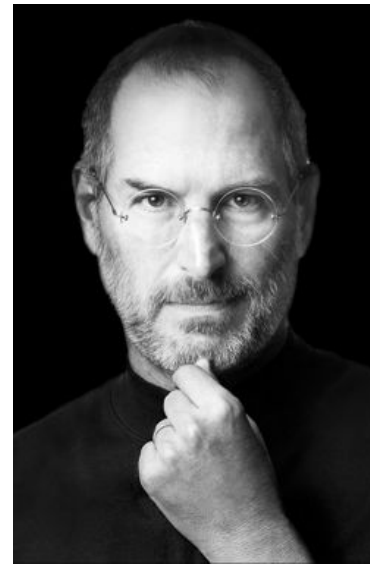


- **CHARISMATIC LEADERSHIP**
- **TRANSACTIONAL LEADERSHIP**
- **TRANSFORMATIONAL LEADERSHIP**
- **AUTHENTIC LEADERSHIP**

CHARISMATIC LEADERSHIP (Robert House)



A theory that states that followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors.

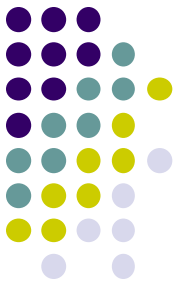


Characteristics of Charismatic Leaders



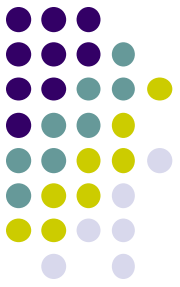
- Have a vision
- Willing to take personal risks to achieve that vision
- Sensitive to follower needs
- Exhibit extraordinary behaviors

Are Charismatic Leaders Born or Made?



- 1 – develop an aura of charisma by maintaining an optimistic view; using passion as a catalyst for generating enthusiasm; and communicating with the whole body, not just with words.
- 2 – draw others in by creating a bond that inspires them to follow.
- 3 – bring out the potential in followers by tapping into their emotions.

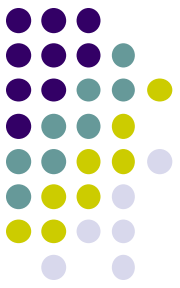
TRANSACTIONAL LEADERSHIP



- **Transactional leaders** – who guide their followers toward established goals by clarifying role and task requirements.
- Examples are McCarthy and de Gaulle

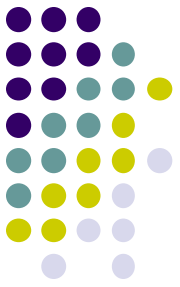


Characteristics of Transactional Leadership



- **Contingent Reward:** Contracts exchange of rewards for efforts, promises rewards for good performance, recognizes accomplishments.
- **Management by Exception (active):** Watches and searches for deviations from rules and standards, takes correct action.
- **Management by Exception (passive):** Intervenes only if standards are not met.
- **Laissez-Faire:** Abdicates responsibilities, avoids making decisions.

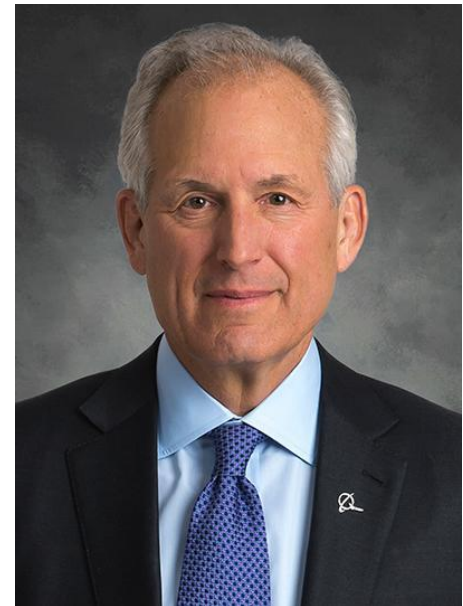
TRANSFORMATIONAL LEADERSHIP



- ***Transformational leaders – who inspire followers to transcend their own self-interest and who are capable of having a profound and extraordinary effect on followers.***



COURTESY: AVON



Transformational Leadership



- The moral character and virtue of leaders.
- The values embedded in a leader's vision, the communication of this vision and the plan for followers.
- The morality of processes, actions and choices that leaders and followers jointly pursue.

Components of Transformational Leadership



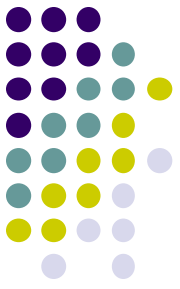
- Charisma
- Inspirational Motivation
- Intellectual Stimulation
- Drive for People Development

Characteristics of Transformational Leaders



- **Idealized Influence:** Provides vision and sense of mission, instills pride, gains respect and trust.
- **Inspirational Motivation:** Communicate high expectations, uses symbols to focus efforts, expresses important purposes in simple ways.
- **Intellectual Stimulation:** Promotes intelligence, rationality, and careful problem solving.
- **Individualized Consideration:** Gives personal attention, treats each employee individually, coaches, advises.

Effects of Transformational Leadership



- *Creativity* and higher levels of *creative performance*
- Higher levels of individual *follower performance, team and organizational performance*
- Greater *decentralization* of responsibilities
- Managers have more *propensity to take risks*
- *Obtain higher level of trust*, which reduces stress for followers

Differences between Transactional and Transformational Leaders

Transactional leadership	Transformational Leadership
❖ Leadership is responsive	❖ Leadership is proactive
❖ Works within the organizational culture	❖ Work to change the organizational culture by implementing new ideas
❖ Transactional leaders make employees achieve organizational objectives through rewards and punishment	❖ Transformational leaders motivate and empower employees to achieve company's objectives by appealing to higher ideals and moral values
❖ Motivates followers by appealing to their own self-interest	❖ Motivates followers by encouraging them to transcend their own interests for those of the group or unit

AUTHENTIC LEADERSHIP



- **Authentic leaders** know who they are, know what they believe in and value, and act on those values and beliefs openly and candidly.

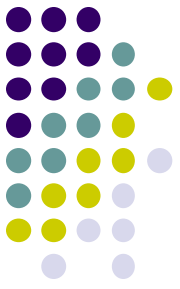


Douglas R. Conant,
CEO of Campbell Soup



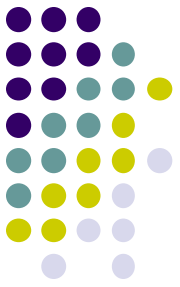
Mike Ullman, CEO of J.C. Penney

Characteristics of Authentic Leadership



- Followers consider them as *ethical people*
- *Trust*, people have *faith* in them
- Focuses on *moral aspects* of being a leader

Basic Types of Leadership Style

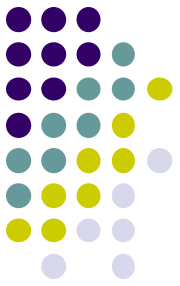


- AUTOCRATIC
- BUREAUCRATIC
- DEMOCRATIC
- LAISSEZ-FAIRE

Autocratic

- All decision-making powers are centralized in the leader
- They do not entertain any suggestions or initiatives from subordinates
- High degree of dependency on the leader
- Subordinates expected to obey orders without receiving any explanations
- Structured set of rewards and punishments

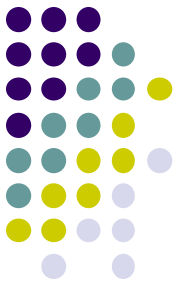




Bureaucratic

- Manages “by the book”
- Everything done according to procedure or policy
- Enforces the rules
- A police officer not a leader

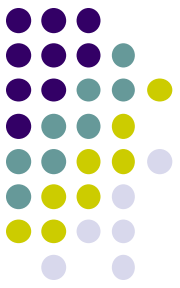




Democratic

- Also known as participative style
- Encourages staff to be a part of the decision making
- Keeps staff informed about everything that affects their work and shares decision making and problem solving responsibilities



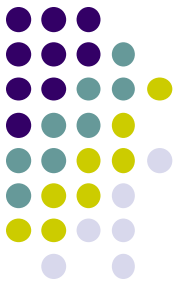


Laissez-Faire

- Also known as the “hands-off” style
- The manager provides little or no direction and gives staff as much freedom as possible
- All authority or power given to the staff and they determine goals, make decisions, and resolve problems on their own

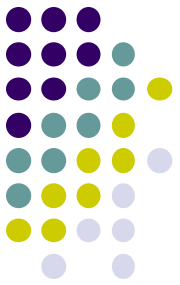


Which leadership style is this?



- <https://www.youtube.com/watch?v=Bv16yctXaFM>
- <https://www.youtube.com/watch?v=8YtpTK-AFoQ>

Conclusion



Three factors that influence which leadership style to use:

- The manager's personal background: What personality, knowledge, values, ethics, and experiences does the manager have. What does he or she think will work?
- Staff being supervised: Staff individuals with different personalities and backgrounds; the leadership style use will vary depending upon the individual and what he or she will respond best to
- The organization: The traditions, values, philosophy, and concerns of the organization influence how a manager acts.