UNIT 5 THEORIES OF LEADERSHIP

Structure

5.1 Introduction
5.2 Objectives
5.3 Defining Leadership, Meaning and Its Importance

5.4 Context of Gender in Leadership
5.5 Theories of Leadership

5.5.1 Great Man Theory/Trait Theory of Leadership
5.5.2 Contingency/Situational Theories
5.5.3 Transactional Theory of Leadership
5.5.4 Transformational Theory of Leadership

5.6 Leadership Theories in the Context of Gender
5.7 Summing Up
5.8 Glossary
5.9 Answers to Check Your Progress Exercises
5.10 References and Suggested Readings
5.11 Questions for Reflection and Practice

5.1 INTRODUCTION

Leadership in the context of gender does it make much difference? In the previous Units (Unit 2 and Unit 3), there was a wide discussion on the Organizational policies and practices and the intended goals, vision and mission of organization. In the next three
units, focus is laid on the leaders who make their contribution in achieving the vision and goals of organization. The success of an organization depends much on the quality of a leader and thus a strong leadership can contribute to the overall effectiveness of the organization. In this unit, the theories of leadership such as traits theory, behavioural and contingency theory has been discussed. Before we begin with the theories of leadership, a brief discussion is made on the term leadership, meaning and importance of leadership in an organization and the context of gender in leadership.

5.2 OBJECTIVES
After studying this Unit, you would be able to
- define leadership;
- discuss meaning of leadership;
- explain the theories of leadership; and
- examine the context of gender in leadership.

5.3 DEFINING LEADERSHIP, MEANING AND ITS IMPORTANCE
Leadership has been defined in different ways by different set of scholars. Leadership is defined as the ability to influence a group towards the achievement of a vision or set of goals. Keith Davis observes that, “without leadership, an organization is but a muddle of men and machines…Leadership transforms potential into reality. It is the ultimate act which brings to success all the potential that is in an organization and its people”.

In 1938, Chester Bernard gave a new definition of leadership and stated that, “leadership is the ability of a superior to influence the behaviour of subordinates and persuade them to follow a particular course of action”. A recent theorist on leadership, Williams (2005), states that, “leadership is an interactive art in which the leader is dancing with the context, the problem, the faction, and the objective”.

A person in an organization may assume leadership both in a formal and informal way. By formal leadership we mean to say that a person assumes leadership role, based on the position that he holds in an organization and in such form of leadership, the leader is
designated with the title, along with the authority and responsibility to lead the team. In the second form of leadership, a person assumes leadership without any formal sanction of authority and duty. That is, in informal leadership, the ability to influence the group arises outside the formal structure of the organization and people in the organization oblige to such influence even without the formal influence.

Leadership is quite important for an organization and they act as agents who cope with change and bring about change for the betterment of the organization. Leaders establish direction by developing a vision of future for the organization, communicate the vision to the people in the organization and synchronize them with the organizational vision and mission, thereby inspire the people to translate the goals, vision and mission into reality. Thus, leadership is the ultimate act that brings to success all of the potent potential, that is in an organization and its people.

5.4 CONTEXT OF GENDER IN LEADERSHIP

Some of the concern that is raised about women leadership is the capability and competence of a woman in playing the role of a leader. The gender that a woman carries sometimes acts as both a boon and bane in reaching leadership positions. Because of gender, a woman is given high profile positions in an organization at times, and again because of her gender, a woman is denied the opportunity of becoming a leader, on the ground that whether, she will be able to face the leadership challenges. A cause of concern that has been observed in recent years is that, women tend to occupy dangerous leadership positions, when things are getting hairy and when things go great, the top leadership position typically go to men (Klenke, 2011).

Though women have been occupying a place of prominence in various sectors, there seems to be underrepresentation of women in certain sectors, especially in finance sector and corporate management sector. Such underrepresentation of women in leadership positions is a global phenomenon, which extends across public and private sector industries and professions. Even if found in few leadership positions, women are often evaluated less favorably than their male counterparts with similar backgrounds and
experience. The term, ‘glass-ceiling’ and ‘glass-escalator’ are widely used metaphors in recent times, which are used to explain such gender differences. ‘Glass-ceiling denotes the presence of invisible barriers that obstruct the upward movement of women in leadership positions. On the contrary, men are more likely to be accelerated into leadership positions by means of ‘glass escalators’ (Klenke, 2011).

However, in spite of all such challenges, the role of women in leadership positions has been widely recognized in recent times, and female leaders are on the rise, especially after the era of globalization.

**Box 5.1 – Case Study**

**Chanda Kochar, CEO and Managing Director of ICICI**

Chanda Kochar has been ranked in the Fortune Magazine in a consistent manner and has been in the Forbes list since 2005. Though she started her career as a management trainee, she moved up the ladder in a rapid way. Before becoming the CEO and Managing Director of ICICI, the positions held by her, in the chronological order include, being an assistant, general deputy manager, chief financial officer apart from managing the corporate and international business of ICICI. She was instrumental in transforming ICICI from a local retail bank to a universal bank. Over a period of 2 decades, she was able to bring this transformation, and under her leadership, ICICI has won the Award of “Best Retail Bank of India” and ICICI had got this award for about 5 years. Some of the lead activities of ICICI that was managed by her include, setting up the finance infrastructure, supervising banking functions such as finance, audit, risk, compliance, etc. As per the statement given by Kochar in an interview, “adaptability is the greatest challenge in an organization, and a person, who takes on the challenge and maintain equanimity and change the challenge into an opportunity”, is the most effective leader. (Klenke, 2011).

Thus in recent times, the male model of leadership that was a dominating theory, research and practice has been fading away. Women now are reaching top management positions, breaking the glass-ceiling and pursue the role of leadership with success, by exhibiting personality characteristics and leadership styles.
5.5 THEORIES OF LEADERSHIP

In influencing the people in the organization towards the goals of the organization, there have been various approaches adopted by different set of leaders, as one model may not be suitable for different organizations with different set of objectives. Moreover, such models or theories of leadership also depend on the qualities that a leader inherit or display in managing her/his team. Some of the theories of leadership ranging from conventional theories to contemporary theories have been dealt with over here, the chief of them being the following:

- Great Man Theory/Trait Theory
- Behavioural Theories
- Contingency/Situational Theories,
- Transactional Theory of Leadership
- Transformational Theory of Leadership

5.5.1 Great Man Theory/Trait Theory of Leadership

Some of the leaders in the history have always been identified as strong leaders based on the qualities or traits that they display. Leaders like Mahatma Gandhi, Indira Gandhi, Margaret Thatcher, Nelson Mandela, Narayana Murthy of Infosys, Apple’s Cofounder Steve Jobs etc. has been identified, based on the traits that they displayed. For instance, when Margaret Thatcher was the prime minister of the Great Britain, she was regularly described as a confident, iron-willed, determined and decisive leader. Thus, the trait theories of leadership consider personal qualities and characteristics that differentiate leaders from non-leaders (Robbins, Judge, & Sanghi, 2007).

In the beginning, the assumption behind trait theory was that ‘leaders are born and not made’. This concept was popularly known as the ‘Great Man Theory’ of leadership. The great man theory was originally proposed by Thomas Carlyle in 1949 and the assumption behind this theory is that ‘great leaders will arise, when there is great need’. The theory also assumes that a leader cannot be a normal person and they are different from the
average person in terms of personality traits such as intelligence, perseverance and ambition. However, a proposition of ‘Great Woman’ finds no place, especially in leadership studies mainly due to the fact that gender issues were out of context, when the theory was proposed and moreover, it was only male members of the society who were into such research and such biasness was hardly realized by the people then.

In the period of 1960s, various research studies were made on the traits of a leader and about 80 traits that a leader could display was identified. The trait theory assumes that leaders are born with inherited traits and good leaders have the right combination of traits. In 1974, stogdill identified certain traits and skills that are essential for a leader, which are as follows:

**Table 1 Traits and Skills**

<table>
<thead>
<tr>
<th>Traits</th>
<th>Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptable to situations</td>
<td>Clever (Intelligent)</td>
</tr>
<tr>
<td>Alert to social environment</td>
<td>Conceptually skilled</td>
</tr>
<tr>
<td>Ambitious and achievement oriented</td>
<td>Creative</td>
</tr>
<tr>
<td>Assertive</td>
<td>Diplomatic and tactful</td>
</tr>
<tr>
<td>Cooperative</td>
<td>Fluent in speaking</td>
</tr>
<tr>
<td>Decisive</td>
<td>Knowledgeable about group task</td>
</tr>
<tr>
<td>Dependable</td>
<td>Organised (administrative ability)</td>
</tr>
<tr>
<td>Dominant (desire to influence others)</td>
<td>Persuasive</td>
</tr>
<tr>
<td>Energetic (high activity level)</td>
<td>Socially-skilled</td>
</tr>
<tr>
<td>Persistent</td>
<td></td>
</tr>
<tr>
<td>Self-confident</td>
<td></td>
</tr>
<tr>
<td>Tolerant to stress</td>
<td></td>
</tr>
<tr>
<td>Willing to assume responsibility</td>
<td></td>
</tr>
</tbody>
</table>

Ref: Stogdill, 1974

A comprehensive review of the leadership literature on traits, reveal that one of the significant approach that was developed was the *Big Five Personality Framework*. Though various traits were identified by different studies, it was possible that such traits were somehow clubbed or subsumed under the Big Five approach. Though the approach seems to be complex, it offers useful insights. Leaders who are extraverted (individuals who like being around people and are able to assert themselves), conscientious (individuals who are disciplined and keep commitments they make), and open (individuals who are creative and flexible) do seem to have an advantage when it comes to leadership, suggesting that good leaders do have key traits in common.
In recent years, another trait that has been identified with leadership is the Emotional Intelligence (EI). Advocates of EI argue that without it, a person can have outstanding training, a highly analytical mind, a compelling vision, and an endless supply of terrific ideas, but still not make a great leader. The general assumption is that, empathetic leaders can sense others’ needs, listen to what followers say (and don’t say), and are able to read the reactions of others.

**Behavioural Theories**

In the 1940s, apart from the research studies being conducted on the traits displayed by leaders, research was also conducted on the behaviours exhibited by leaders. The first and foremost study on leadership was carried out by psychologist, Kurt Lewin and his associates in 1939 and identified different styles of leadership, viz. autocratic, democratic and laissez-faire leadership, which has been discussed in the next unit. While the assumption behind traits theory is that ‘leaders are born, rather than made’, behavioural theories assume that specific behavioural patterns of leaders can be acquired through learning and experience. While the trait theory concentrates on ‘what the leaders are’, the behavioural theories concentrate on ‘what the leaders do’. In this section, four different behavioural pattern of leadership has been dealt with, which are as follows:

(1) **Ohio State Studies**

One of the foremost studies that emanated on behavioural theories was the study made by Ohio State University in 1945 by E.A. Fleishman, E.F. Harris and H.E. Burtt. The study narrowed the leadership behaviours into two categories, viz. initiating structure and consideration, under which the various leadership behaviours were clubbed.

(i) **Initiating Structure:** Initiating structure refers to the extent to which a leader is likely to define and structure his or her role and those of employees in the search for goal attainment. It includes behaviour that attempts to organize work, work relationships, and goals. A leader with initiating structure is generally task oriented, with focus on performance of employees and meeting of deadlines.

(ii) **Consideration:** As per ‘consideration’ category, a leader pays more attention to the employee of the organization rather than the task and shows concern for the
well-being, comfort and satisfaction of employees. That is, a leader focuses on the relationships that are characterised by mutual trust, respect for employees’ ideas, and regard for their feelings.

The two-factor conceptualization of Ohio Studies has been gaining wide recognition in recent times.

(2) University of Michigan Studies
Similar to the Ohio State University studies, research on leadership studies was also carried out by the University of Michigan’s Research centres, in 1946 by Rensis Likert and his associates. The study made an analysis of the relationship between leadership behaviours and organizational performances. Michigan Studies also identified a two-factor component, viz. ‘employee-oriented leader’ and ‘production-oriented leader’.

(i) Employee-Oriented Leader: The concern of the employee-oriented leaders were more on the interpersonal relations with the employees and such leaders paid more attention on the needs of the employees and accepted the individual differences among members.

(ii) Production-Oriented Leader: The production oriented-leaders paid attention to the technical aspects of the job or the tasks assigned to the employees, rather than on employees. Such leaders gave least importance to the group members, and regarded the employees as only a means to achieve the ends, that is, the goals of an organization.

It can be found that the two-factor conceptualization of the Ohio study is similar to the two way dimension of the Michigan studies. While the employee-oriented leadership can be compared with the ‘consideration’ component of Ohio studies, production-oriented leadership can be compared with ‘initiating structure’. While the Ohio studies considered both its components to be important for effective leadership, the Michigan studies gave supremacy to the component of ‘employee-orientation’ over ‘production-orientation’.

(3) The Managerial Grid
Like the Ohio State studies and Michigan studies, the Managerial Grid theory of leadership was also based on the styles of ‘concern for people’ and ‘concern for
production’. The Managerial Grid theory of leadership was proposed by Robert Blake and Jane Mouton in 1964. This theory which is depicted in a graphical form is also known as the ‘Leadership Grid Theory’.

The grid is a nine-by-nine matrix which outlines 81 different styles of leadership. The grid has 9 possible positions along each axis creating 81 different positions in which the leader’s style may fall.

![Managerial Grid](image)

Through the Managerial Grid, 5 kinds of Leadership Style was identified, which include the following:

(i) **Impoverished**, in which there is low concern for people and production (1 by 1)

(ii) **Country Club**, wherein the concern for production is low, but for people is high (1 by 9)

(iii) **Task**, in which there is high concern for production and low concern for people (9 by 1)

(iv) **Middle of the Road**, where there is moderate concern for both the production and the people (5 by 5)

(v) **Team**, wherein there is high concern for both the people and production (9 by 9).
This theory, thus offers a useful framework for conceptualizing and understanding the leadership styles. Though behavioural theories make its contribution in understanding leadership effectiveness, it cannot be considered as the utmost option, to determine the success of leadership. In other words, it cannot be said with utmost clarity that a leader depicting a certain kind of leadership traits and behaviours are always successful. At times, the situational contexts play a strong role in determining the effectiveness of leaders.

5.5.2 Contingency/Situational Theories

Sometimes the success of a leader does not depend upon the qualities, traits and behaviour of a leader alone. The context in which a leader exhibits her/his skills, traits and behaviour matters, because same style of functioning may not be suitable for different situations. Thus the effectiveness of leadership also depends upon situations. Several research studies, when analyzing the reason for inconsistent results in differing conditions with the same leadership style, laid their focus on situational variables. This theory views leadership in terms of a dynamic interaction between a number of situational variables like the leader, the followers, the task situation, the environment, etc. Some of the noteworthy studies on situational contexts that gained wide recognition include Fiedler’s model, Hersey and Blanchard’s Situational theory, Leader-Member Exchange theory, Path-Goal theory and Leader-Participation model, which has been discussed over here.

(1) Fiedler Model

Fred Fiedler was the first person to develop a comprehensive model for the contingency theory of leadership in 1967. The basic premise behind this theory is that, effective performance of an organization or a group of people in an organization highly depend upon the style adopted by a leader and the degree to which a situation gives control to the leader.

In order to assess the style followed by a leader, Fiedler developed ‘Least-Preferred Coworker’ (LPC) scale, in which the leaders were asked to give their preference on the employee with whom they have least preference to work with. If the least preferred co-
worker was described in favourable terms, such response was rated as ‘relationship-oriented’ and if rated in unfavourable terms, a leader was regarded as ‘production-oriented’. However, in contrast, the response derived from such study did not show a clear cut picture, as some of the responses had a score in the mid range. Through such responses, it was difficult to classify a leader either as a relationship-oriented or a production oriented leader, as the scoring was neither high nor low. Fiedler’s model thus illuminated attention on a new dimension of leadership studies. Thus through this study, it was suggested that, if a situation requires a task-oriented leader and the person in that leadership position is relationship-oriented, either the situation has to be modified or the leader replaced, if optimal effectiveness is to be achieved (Robbins, Judge, & Sanghi, 2007).

Based on the results derived, Fiedler has identified three situational factors, viz. leader-member relations, task structure and position power, which determine leadership effectiveness. A brief discussion on such situational factors is as follows:

(i) **Leader-Member Relations**: The degree of confidence, trust and respect that members have on their leader;

(ii) **Task Structure**: The degree to which the job assignments are structured or unstructured;

(iii) **Position Power**: The degree of influence a leader has over power variables such as hiring, firing, discipline, promotions, and salary increases.

Fiedler’s model evaluates the effectiveness of leadership, based on the degree of existence of the above mentioned situational factors. The degree varies from good to poor in leader-member relations, high to low in task structure and strong to weak in position power. According to Fiedler, a leadership is said to have more control of organizational situations, if the leader-member relations are good, task assignments are highly structured along with a stronger power positions. Similarly, the situations in an organization would be unfavourable, if the respect that members have for leaders is poor, with unstructured task assignments and weak position power.

As depicted in the figure 5.2, based on the situational factors, Fiedler model identifies 8 different kinds of situations or categories in which a leader can identify her/his position.
Figure 5.2: Fiedler’s Model of Leadership

<table>
<thead>
<tr>
<th>Category</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader-Member Relations</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
<td>Poor</td>
<td>Poor</td>
<td>Poor</td>
<td>Poor</td>
</tr>
<tr>
<td>Task Structure</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Position Power</td>
<td>Strong</td>
<td>Weak</td>
<td>Strong</td>
<td>Weak</td>
<td>Strong</td>
<td>Weak</td>
<td>Strong</td>
<td>Weak</td>
</tr>
</tbody>
</table>

Fiedler states that a task oriented leader performs better in situations that are very favourable to her/him and in situations that are very unfavourable. That is, when faced with a Category I, II, III, VII or VIII situation, task-oriented leaders perform better. Relationship-oriented leaders perform better in moderately favourable situations – categories IV through VII. In recent years, Fiedler has condensed these 8 situations down to 3. He states that task-oriented leaders perform better in situations of high and low control, while relationship-oriented leaders perform best in moderate control situations.

However, one of the major drawbacks in Fiedler model is that the style adopted by a particular leader is fixed. It is assumed that a leader can follow only a particular style in any given situation and the theory suggests change of a leader to fit a situation. For instance, the assumption is that, if a situation in an organization is highly unfavourable, and the organization is led by a relationship oriented leader, the organization’s performance could be improved by replacing the leader with one who is task-oriented. The other alternative suggested is to change the situation to suit the leader. That is by restructuring tasks or increasing or decreasing the power positions, the leader is expected to bring the situation under control.

Though Fiedler’s model offers useful propositions, the practical application of the theory is highly questionable. In practice, it is generally difficult to assess how good the leader-member relations are, how structured the task is, and how much position-power a leader has (Robbins, Judge, & Sanghi, 2007).
Cognitive Resource Theory
In the early 1990s, the original model of Fiedler was reconceptualised by Fiedler and his associate Joe Garcia, as *Cognitive Resource Theory*. In this model, the focus has been laid on the role of stress as a form of situational unfavourableness and how a leader’s intelligence and experience influence her/his reaction to stress. The assumption behind this theory is that stress is the enemy of rationality and a leader cannot think in a logical and analytical manner, if she/he is under high level of stress. According to this proposition, the importance of a leader’s intelligence and experience to effectiveness differs under low and high stress situations. Fiedler and Gracia state that a leader’s intellectual ability correlates positively with performance under low stress but negatively under high stress. And conversely, a leader’s experience correlates negatively with performance under low stress but positively under high stress. Thus, according to Fiedler and Gracia, the level of stress in a situation, determines whether an individual’s intelligence or experience will contribute to leadership performance.

(2) Hersey and Blanchard’s Situational Theory
One of the path-breaking models that were developed in the leadership studies is that of the *Situational Leadership Theory (SLT)*, that was put forward by Paul Hersey and Ken Blanchard. The focus of this theory is laid on the followers and the readiness that followers show in accepting a leadership. The basic assumption behind this theory is that, it is the followers who accept or reject a leader and thus, effectiveness of a leader also depends on their followers. Thus, regardless of what a leader does, effectiveness of leadership depends upon the actions of the followers. By readiness, Hersey and Blanchard mean to say the extent to which people have the ability and willingness to accomplish a specific task set by the leader. In analysing the leader-follower relationship, the Situational Leadership Theory, equates the relationship with that of a parent and a child.

According to Hersey and Blanchard there are four types of leadership behaviour that varies from highly directive to highly *laissez-faire*, which again depends upon the ability and willingness of followers to perform a given task. According to SLT, if a follower is
unable and unwilling to do a task, the leader needs to give clear and specific directions; if followers are unable and willing, the leader needs to display high task orientation to compensate for the followers’ lack of ability and high relationship orientation to get the followers to ‘buy into’ the leader’s desire; if followers are able and unwilling, the leader needs to use a supportive and participative style; and if the employee is both able and willing, the leader doesn’t need to do much.

This theory, thus gives a new dimension to the study of leadership, and the aspects that appeals in this theory is the importance given to the followers and the capacity of the leader to compensate for the ability and motivational limitations in their followers. However, in spite of the wide recognition and popularity that this theory has gained, it is said to have internal ambiguities and inconsistencies.

(3) Leader-Member Exchange Theory
Another new dimension to leadership theories was added with the proposition of the Leader-Member Exchange (LMX) Theory. The assumption behind this theory is that a leader cannot use a fairly homogenous style with all of the people in their work unit and a leader act differently with different people and tend to have her/his ‘in-group’. Thus, as per this theory, a leader maintains a special relationship with a small group of their
followers, due to time pressures. The people in the ‘in-group’ tend to get more attention, have the trust of the leader and also enjoy special privileges and even have an informal interaction with the leader. On the contrary, followers in the ‘out-group’ spend less time with the leaders, have limited access to rewards and privileges and the leader-follower relation is based on a formal authority interactions.

**Figure 5.4: Leader-Member Exchange Theory**

The people in the ‘in-group’ are chosen based on the personal compatibility with the leader, competence, attitude and personality exhibited by the followers. Though the ‘in-group’ is chosen by the leaders, it is the follower’s characteristics that drive the leader’s categorising decision. However, dangers are inherent in being a part of the inner circle. That is, sometimes, the fortune of the inner circle, tend to rise or fall along with the leader. In general, followers in the in-group status will have higher performance ratings, lower turnover intentions, greater satisfaction with their superior, and higher overall satisfaction than the out-group.
(4) Path-Goal Theory
Path-Goal Theory was developed by Martin Evans and Robert House in 1970-71, taking inputs from the concept of initiating structure and consideration of the Ohio State Studies and the Expectancy Theory of Motivation. The base behind Path-Goal theory is that effective leaders clarify the path to help their followers to move forward from their current position towards achieving the work goals. In this process, the leader reduces the roadblock that occurs in the path of the followers, and makes their journey easier. Thus, the essence of path goal theory is that, it is the leader's job to provide the followers with the information, support and other resources, necessary for them to achieve their goals (Robbins, Judge, & Sanghi, 2007).
This theory identifies four types of leadership behaviour, viz. directive leader, supportive leader, participative leader and achievement-oriented leader. Unlike Fiedler, who assumes the leader to follow a fixed leadership style, the theory put forward by House, assumes the leader to be a flexible person, who can display different kinds of behaviours based on a given situation. The four types of leadership behaviour, identified by Robert House are as follows:
(i) **Directive Leader**: A directive leader clarifies the followers of the role expected of them, schedules the work to be done and gives the needed direction or guidance as to how to accomplish tasks;
(ii) **Supportive Leader**: A supportive leader behaves in an friendly manner with the followers, and the main concern of the leader is placed on the needs of the followers, rather than on accomplishing the tasks;
(iii) **Participative Leader**: A participative leader involves the followers in the consultation process and also gets the suggestions or views of the followers, before making a decision;
(iv) **Achievement-Oriented Leader**: An achievement oriented leader set challenging goals for the followers and expects them to perform at their highest level.
The above mentioned leadership styles under the path-goal theory is contingent upon two factors such as, characteristics of employees and environmental factors. While environmental factors include aspects such as task structure, formal authority system,
work group, etc. Employee characteristics include aspects like locus of control, experience, perceived ability, etc.

(5) **Leader-Participation Model**

The Leader-Participation Model was developed by Victor Vroom and Phillip Yetton in 1973 and this theory is called by different names as, Decision-Participation Model and Normative Model. This model was called normative, as it provided a sequential set of rules that should be followed in determining the form and amount of participation in decision making, as determined by different types of situations.

According to this model, three set of variables affect the performance of the leader in terms of his capacity as a decision maker, which include:

(i) Quality of the decision;
(ii) Degree of acceptance of the decision by subordinates; and
(iii) Time required in making the decision.

Thus, based on the variables identified, Vroom and Yetton defined 5 different kinds of decision making procedures. That is, it represents a continuum from authoritarian approaches (AI, AII), Consultative approaches (CI, CII) and a group based approach (G2) which is as follows:

- **A1**: Leader takes known information and then decides alone.
- **A2**: Leader gets information from followers, and then decides alone.
- **C1**: Leader shares problem with followers individually, listens to ideas and then decides alone.
- **C2**: Leader shares problems with followers as a group, listens to ideas and then decides alone.
- **G2**: Leader shares problems with followers as a group and then seeks and accepts consensus agreement.

The contingency theories that make an analysis of situational context, thus brings to light the challenging role that a leader has to play. Especially women leaders, whose life is a mix of a complex fabric of personal, professional and community involvements and
responsibilities, becomes all the more complex in a contingent situation. Since women leaders function in more than one context (family, work place, community), managing different contexts simultaneously remains a major challenge for women leaders (Klenke, 2011).

While the theories that have been discussed above are conventional theories, which have unique inputs to offer even to this day, it has also given way to new set of leadership theories viz. Transactional and Transformative theories of leadership, Visionary Leadership theory, etc. While the conventional theories laid their focus on the traits, qualities, behaviour exhibited by a leader, the modern theories makes a shift in the way leaders were perceived. From the position of an omnipotent hero and saviours of organizations, the leaders are now looked at as normal people, whose decisions can lead both to success or failure of an organization. Thus the modern theories, gives more importance to the leader-follower equation. While the traditional theories are leader-centric, the new theories have follower-centric perspective.

5.5.3 Transactional Theory of Leadership

The transactional theory of leadership was first discussed by Max Weber in 1947 and was later developed by Bernard M Bass in 1981. There are several assumptions that underlie the transactional theory, which are as follows:

- People perform their best when the chain of command is definite and clear.
- Workers are motivated by rewards and punishments.
- Obeying the instructions and commands of the leader is the primary goal of the followers.
- Subordinates need to be carefully monitored to ensure that expectations are met.

Under the transactional theory of leadership, the leaders guide or motivate their followers in the direction of established goals by clarifying role and task requirements. The characteristic features exhibited by transactional leaders are as follows:
(i) **Contingent Reward:** The leader links the goals of the organization to rewards and clearly specifies and expectations, provides the needed resources and set SMART (specific, measurable, attainable, realistic, and timely) goals for the subordinates;

(ii) **Management by Exception (Active):** The leader actively monitors the performance of the subordinates, watches and searches for deviations from rules and standards, and take corrective actions to prevent mistakes;

(iii) **Management by Exception (Passive):** In terms of passive management, a leader intervenes only if standards are not met and even use punishments for poor performances; and

(iv) **Laissez-Faire:** In this for, the leader gives an environment to subordinates, where they can take decisions. In this form, the leader himself abdicates from responsibilities and avoids making decisions, due to which the followers lack the direction.

This kind of leadership may not be suitable for all occasions and be suitable, where organizational problems are quite simple and clearly defined. The transactional leaders tend to be highly directive and action oriented and their relationship with the followers tends to be transitory and not based on emotional bonds. In taking this style of leadership, gender differences exist. Several studies found that, in using transactional leadership style, women were more likely to focus on the ‘rewards’ component, while the men laid their focus on ‘punishment’ component.

**5.5.4 Transformational Theory of Leadership**

Transformational leadership is also equated to an extent with the charismatic leadership. In order to bring transformation in the followers’ or employees’ interest and reshape their capacity, one critical component that has been considered essential is the charisma of the leader. In this form of leadership, a leader inspires her/his followers to transcend their own self-interests for the betterment of the organization. Transformational leaders pay attention to the developmental needs and concerns of the followers, and inspire followers to give a new outlook for the old problems and thus motivate the followers towards achievement of the goals of the organization, by giving them new perspective. According
to Bass and Riggio, there are four dimensions to the transformational theory of leadership, viz. Idealized Influence (II), Inspirational Motivation (IM), Intellectual Stimulation (IS) and Individualized Consideration (IC), which are as follows:

(i) **Idealized Influence (II):** In this form of leadership, the leaders act as role models for their subordinates and they exhibit high morals and ethical standards. They further provide the vision and sense of mission, instill pride amidst the followers and gain respect and trust;

(ii) **Inspirational Motivation (IM):** In this dimension of leadership, leaders inspire their subordinates in various ways and give meaning to their work and bring new challenges and enthusiasm. The leader expresses the organizational purposes in simple terms to the followers and has high expectations on the followers;

(iii) **Intellectual Stimulation (IS):** In this form, the leaders stimulate the intellectual ability of their followers. That is, through new approaches, the leaders try to stimulate the way of thinking of their subordinates and thus, raise the creativity in them and promote intelligence, rationality and problem solving skills; and

(iv) **Individualized Consideration (IC):** The leaders, under this dimension, pay more attention to the individual needs of development of the subordinates so as to achieve success (Kuchynkova, 2013).

Research was also made on the gender differences in transformational leadership and it was found that, women were rated higher than men on most dimensions of transformational leadership and higher outputs were achieved by women, by following this style of leadership.

Apart from the above mentioned modern theories of leadership, there have been wide array of studies that have been taking place on leadership in recent times, which is based on the concepts of spirituality, authenticity, chaos and complexity, relationality, ethical leadership, visionary leadership, transcendence, etc. All such analysis on leadership brings in new dimension to the study of leadership, and is still in the process of evolving a solid theoretical construct. The emerging theories thus, attempt to accommodate new organizational structures characterized by more fluid, temporal arrangements, rapidly
changing technologies, increased globalization, and changing workplace demography (Klenke, 2011). Some of the substitute theories of leadership are of the view that in such new forms of organization, the need for a single leadership is diminished. However, some of the studies also suggest that in new forms of organizational structure, the need for a leader is felt more, because of the newness of the organizational structure and the followers tend to look at their leaders to make sense of the unfamiliar organizational forms (Klenke, 2011).

Check Your Progress Exercise 1

Note: i) Use this space given below to answer the question.

   ii) Compare your answer with the one given at the end of this Unit.

1. Explain the Transactional Theory of Leadership

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

5.6 LEADERSHIP THEORIES IN THE CONTEXT OF GENDER

Basically, there are two theoretical lenses through which leadership in the context of gender is looked at, viz. Women-in-Management approach and Doing Gender approach.

(i) Women-in-Management Approach: The basic argument of Women-in-Management approach is that ‘individual women make a difference’ and thus focuses on tracking the challenges faced by individual women leaders (Alvesson & Billing, 1997).

(ii) Doing Gender: The other approach that emerged during the early 1990s is the perspective, popularly known as ‘doing gender’, which is conceptualized as a social dynamic rather than a role. This approach of ‘doing gender’, emerged as a result of the analysis of the underrepresentation of women on corporate boards, wherein men continued to dominate the top management positions and held the decision making powers within themselves. Thus the notion behind doing gender
was to engage in actions in the social processes. Such actions included practices of power that challenges the domination of men and subordination of women (Klenke, 2011).

Some of the contemporary approaches in gender and leadership are of the view that feminine characteristics afford women an advantage in today’s work place, where more democratic and participatory styles of leaderships are preferred. Some of the scholars believe that women leaders are participative and empowering consensus builders. Some scholars of recent times believe that, women’s approach to leadership is ‘interactive’ and they motivate followers to transform their self-interests into those of the group.

5.7 SUMMING UP

Leadership plays a key role in showing the right direction to his/her employees in achieving the goals of an organization. The various theories of leadership viz. traits theory, behavioural and situational theories offer useful insights in understanding the different dimensions of leadership styles. With such theoretical underpinnings, the study of leadership gets a new horizon, as with such theories, the focus has been shifting from ‘what leaders are’, and ‘what leaders do’ to the extent of ‘how a leader behave in different situations’. In the same manner, theories of leadership were also looked at through the lens of gender. Some useful insights were derived on the gendered context of leadership and the different styles and theories of leadership. However there seems to be confrontations between theory and practice, especially when taking women leadership into considerations. Though leadership theories based on gender concerns find place in recent years, it still has to protrude the mainstream leadership literature.

5.8 GLOSSARY

Glass Escalator: The glass escalator refers to how men in female-dominated careers, such as teaching and nursing, often rise higher and faster than women in male-dominated fields. There are several explanations to this phenomenon, one which is that women are more likely to experience “career interruptions,” such as leaving work to care for children.
Another explanation for the glass escalator effect is that, according to Assistant Professor of Management, Caren Goldberg, “stereotypes about what a prototypical man is match with stereotypes about what a prototypical manager is.” When in a female-dominated career field, there are few people who fit these stereotypes except for the men, causing them to be promoted faster and noticed more than the women in these occupations. The fact that men in fields typically occupied by women make them a rarity, also, brings awareness to them and their potential for promotions. One would think that if a man surrounded by women in the workplace draws attention that a woman in a male-dominated workplace would draw as much attention; however, for the same reason stated previously, women typically do not conform to the stereotypes of what a manager should be. While women can rise in the ranks, they tend not to fit in as well.

However detrimental the glass escalator is to women’s career success, male-dominated careers tend to make more money than those female-dominated, and therefore, the salaries for the women in those fields should increase as more men pursue typically female-occupied professions. Based on the explanations for this effect, the best probable way to change this phenomenon is to either show employers that women can fit the stereotypes of the archetypal manager or change the stereotype altogether.

By Social Media Intern, M. Alex Bellenger

5.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISE

Check Your Progress Exercise 1

- The transactional theory of leadership was first discussed by Max Weber in 1947 and was later developed by Bernard M Bass in 1981. There are several assumptions that underlie the transactional theory, which are as follows:
  - People perform their best when the chain of command is definite and clear.
  - Workers are motivated by rewards and punishments.
  - Obeying the instructions and commands of the leader is the primary goal of the followers.
  - Subordinates need to be carefully monitored to ensure that expectations are met.

5.10 REFERENCES & SUGGESTED READINGS
5.10 QUESTIONS FOR REFLECTION AND PRACTICE

1. Write an Essay on Theories of Leadership.