**Chapter 12**

**LEADING WITH INFLUENCE**

Chapter Outline

1. LEADERSHIP AND TRAIT THEORY
2. Leadership and Trust
3. Leaders Versus Managers
4. An Overview of Four Major Classes of Leadership Theories
5. Leadership Trait Theory
6. BEHAVIORAL LEADERSHIP THEORIES
7. Basic Leadership Styles
8. Two-Dimensional Leadership Styles
9. The Leadership Grid®
10. SITUATIONAL LEADERSHIP THEORIES
11. Contingency Leadership Model
12. Leadership Continuum Model
13. Path-Goal Model
14. Normative Leadership Model
15. Situational Leadership® Model
16. Comparing Leadership Models
17. Leadership Substitutes Theory
18. CONTEMPORARY LEADERSHIP THEORIES
19. Visionary Leaders
20. Charismatic Leaders
21. Transformational Leaders
22. HANDLING COMPLAINTS
23. Handling Employee Complaints
24. Handling Customer Complaints

Changes from 5e to 6e Chapter 12

* Chapter 12 was Chapter 9 in the 5e, with the same chapter title.
* The chapter has been reorganized to better follow the historic progression of leadership theories. The prior subsection Contemporary Perspective, in the Behavioral Leadership Theories section, has been moved as a major section to present the theories after the Situational Leadership Theories section.
* The first Learning Outcome has been changed to include contemporary theories, and the less important LO 3, 7, and 8 have been deleted.
* While retaining the classical leadership theory references, new ones are added for a total of 80 percent new references to this edition.
* The first section title is the same, but its subsection title Leadership now includes Trust and has been rewritten. There is also a new subsection An Overview of the Leadership Theories and an new Exhibit 12–1 listing the four leadership classes and their leadership theories.
* The new section Contemporary Leadership Theories has been revised, adding visionary leaders and dropping symbolic and servant leadership. The subsections Charismatic and Transformational Leaders have been heavily revised.

**Lecture Outline**

**Note:** The textbook supplements include a PowerPoint presentation for each chapter, which can be used rather than or in addition to this lecture outline.

1. LEADERSHIP AND TRAIT THEORY

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| Learning Outcome (LO) 12–1. Compare the trait, behavioral, situational, and contemporary leadership theories.  All four theories have the same goal of determining what it takes to be an effective leader; however, their focus is different. Trait theorists try to find a list of distinctive characteristics that account for leadership effectiveness. Behavioral theorists try to determine distinctive styles used by effective leaders and the one leadership style that is best in all situations. Situational theorists try to find the appropriate leadership style for various situations and believe that the best leadership style varies from situation to situation. Contemporary theorists try to determine how effective leaders interact with, inspire, and support followers. |

1. **Leadership and Trust**
2. **What Is Leadership and Why Is Trust Important?**

As defined in Chapter 1, *leadership* is the process of influencing employees to work toward achieving objectives. Leadership includes a leader–follower relationship (Leader–Member eXchange—*LMX theory*), which needs to be based on trust, because without trust you can’t have a good management–employee relationship and truly influence employees.

1. **The Importance of Leadership**

Leadership matters a great deal because it has a direct effect on performance.

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| **Review Question (RQ) 12–1. What is leadership, and why is it important?**  Leadership is the process of influencing employees to work toward achieving objectives. Leadership matters a great deal because it has a direct effect on performance. |

1. **Leadership Development**

It is generally agreed that everyone has leadership potential and that leadership skills can be developed.

1. **Leaders Versus Managers**

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| LO 12–2. Explain why the terms *manager* and *leader* are not interchangeable.  Management is broader in scope than leadership. Leadership is the process of influencing employees to work toward achieving objectives. A person who is a manager can be a poor leader, and a person who is not a manager can be a good leader. |

People tend to use the terms *manager* and *leader* interchangeably. However, managers and leaders differ. Leading is one of the four management functions (planning, organizing, leading, and controlling). Thus, management is broader in scope than leadership. A manager can have this position without being a true leader. There are managers who are not leaders because they do not have the ability to influence others. There are also good leaders who are not managers.

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| **Communication Skills Question (CSQ) 12–1. Peter Drucker said it’s not worth pointing out the differences between a leader and a manager. Do you agree? Why or why not?**  Answers will vary. |

1. **An Overview of Four Major Classes of Leadership Theories**

See Exhibit 12–1 for an overview of the leadership theories discussed in this chapter.

1. **Leadership Trait Theory**

Early leadership studies were based on the assumption that leaders are born, not made. (Today, research supports the opposite: Leaders are made, not born.) Researchers wanted to identify a set of characteristics or traits that distinguished leaders from followers or effective leaders from ineffective ones. **Leadership trait theorists** attempt to determine a list of distinctive characteristics that account for leadership effectiveness. Researchers analyzed physical and psychological traits, such as appearance, aggressiveness, self-reliance, persuasiveness, and dominance, in an effort to identify a set of traits that all successful leaders possessed.

1. **Inconclusive Findings**

In 70 years, more than 300 trait studies were conducted. However, no one was able to compile a universal list of traits that all successful leaders possess. Even though it is generally agreed that no universal set of leadership traits or qualities exists, people continue to study and write about leadership traits.

1. **The Ghiselli Study**

Edwin Ghiselli conducted probably the most widely publicized trait study. He studied more than 300 managers from 90 different businesses in the United States and published his results in 1971. He concluded that certain traits are important to effective leadership, though not all of them are necessary for success. Ghiselli identified the following six traits, in order of importance, as being significant traits for effective leadership:

1. *Supervisory ability*—getting the job done through others
2. *Need for occupational achievement*—seeking responsibility and having the motivation to work hard to succeed
3. *Intelligence*—the ability to use good judgment and clear reasoning
4. *Decisiveness*—the ability to solve problems and make decisions competently
5. *Self-assurance*—viewing oneself as capable of coping with problems and behaving in a manner that shows others that you have self-esteem
6. *Initiative*—self-starting, or being able to get the job done with a minimum of supervision from one’s boss

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| WORK APPLICATION Example student answer  **12–1. Of Ghiselli’s six traits, which does your boss possess? Are there any that she or he does not possess?**  My boss had pretty good supervisory ability. His need for achievement was only average. I don’t think he was very intelligent. His decision-making skills were good when you went to him with a problem. He had self-assurance. Initiative is hard to say, but I didn’t see his boss around, so I guess he didn’t need supervision. |

1. **Personality Traits**

Your personality is made up of traits, and thus, personality is an important part of trait theory. Organizations continue to select managers who have particular personality traits, as these affect leadership style. To be an effective leader, you must first be yourself and be aware of who you are as a leader.

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| **CSQ 12–2. What traits do you think are most important in a leader?**  Answers will vary. |

1. **Ethics and Spirituality in the Workplace**

Research studies have reported a positive relationship between ethical behavior and leadership effectiveness. A leader’s ethical behavior is strongly based on personal values, which are also part of one’s personality. Related to ethics and values is spirituality. People are looking for meaning in life and at work. Organizations are offering programs to help employees and managers find this meaning.

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| **CSQ 12–3. Should spirituality be allowed in the workplace? Should spirituality be encouraged in the workplace? Why or why not?**  Answers will vary. |

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| JOIN THE DISCUSSION: ETHICS & SOCIAL RESPONSIBILITY – 12–1  Dilbert  Answers will vary based on opinion. |

1. BEHAVIORAL LEADERSHIP THEORIES

By the late 1940s, most leadership research focused on the behavior of leaders rather than on analyzing their traits. In the continuing quest to find the best leadership style for all situations, researchers attempted to identify the differences in the behavior of effective leaders versus that of ineffective leaders. The focus on what leaders do also provided insight into the relationship between leaders and their followers. **Behavioral leadership theorists** attempt to determine distinctive styles used by effective leaders.Recall that Douglas McGregor, a behavioral theorist, developed Theory X and Theory Y (Chapter 1).

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| **CSQ 12–4. Based on the Self-Assessment, is your behavior more Theory X or Y? How do you feel about your score? Will you make any changes?**  Answers will vary. |

1. **Basic Leadership Styles**

**Leadership style** is the combination of traits, skills, and behaviors managers use in interacting with employees. Note that behavioral theorists focus on the leaders’ behaviors. However, behaviors are based on traits and skills.

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| **RQ 12–2. What are the three parts of leadership style?**  The three parts of leadership style are traits, skills, and behaviors. |

In the 1930s, before behavioral theory became popular, research was conducted on the managerial leadership style. The studies identified three basic leadership styles:

1. *Autocratic*—the leader makes decisions, tells employees what to do, and closely supervises employees (similar to Theory X behavior).
2. *Democratic*—the leader encourages employee participation in decisions, works with employees to determine what to do, and does not closely supervise employees (similar to Theory Y behavior).
3. *Laissez*-*faire*—the leader takes a leave-employees-alone approach, allowing them to make the decisions and decide what to do, and does not follow up.
4. **Two-Dimensional Leadership Styles**

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| LO 12–3. Discuss the major similarity and difference between two-dimensional leadership styles and the Leadership Grid®.  Both theories use basically the same two dimensions of leadership, although they give them different names. The major difference is that two-dimensional leadership theory has four major leadership styles (high structure/low consideration, high structure/high consideration, low structure/high consideration, low structure/low consideration), whereas the Leadership Grid® identifies five major leadership styles (impoverished, authority-compliance, country club, middle-of-the-road, and team). |

**Two-dimensional leadership styles** are four possible leadership styles that are based on the dimensions of job structure and employee consideration.

1. **Structuring and Consideration Styles**

In 1945, the Personnel Research Board of the Ohio State University began a study to determine effective leadership styles. In the process, researchers developed an instrument known as the Leader Behavior Description Questionnaire (LBDQ). Respondents to the questionnaire perceived leaders’ behavior on two distinct dimensions:

1. *Structuring*—the extent to which the leader takes charge to plan, organize, lead, and control as the employee performs the task. This dimension focuses on getting the job done.
2. *Consideration*—the extent to which the leader communicates to develop trust, friendship, support, and respect. This dimension focuses on developing relationships with employees.
3. **Job-Centered and Employee-Centered Styles**

At approximately the same time as the Ohio State University studies began, the University of Michigan’s Survey Research Center initiated its own leadership studies. This research identified the same two dimensions, or styles, of leadership behavior as the Ohio research. However, the Michigan researchers called the two styles *job-centered* (analogous to structuring) and *employee-centered* (analogous to consideration).

1. **Using Two-Dimensional Leadership Styles**

When interacting with employees, the manager can focus on getting the job done through directing (structuring, or job-centered behavior) and/or through developing supportive relationships (consideration, or employee-centered behavior). Combinations of the two dimensions of leadership result in the four leadership styles illustrated in Exhibit 12–2.

The Ohio State and University of Michigan leadership models are different in that the University of Michigan places the two leadership behaviors at opposite ends of the same continuum, making it one dimensional. The Ohio State University model considers the two behaviors independent of one another, making it two dimensional.

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| **RQ 12–3. What are the two determinants of leadership and the four possible leadership styles according to the Ohio State University and University of Michigan studies?**  The two determinants are structuring (job-centered) and consideration (employee-centered). The four possible leadership styles are “low structure/high consideration,” “high structure/high consideration,” “low structure/low consideration,” and “high structure/low consideration.” |

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| **CSQ 12–5. The Ohio State University and University of Michigan two-dimensional leadership styles identified in the 1940s haven’t changed much over the years, as they are still being taught and used today. However, the way we conduct business today is very different from the way it was conducted in the 1940s. Do you think it is time for a revolutionary approach to leadership styles? If so, please provide some suggestions/ideas.**  Answers will vary. |

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| WORK APPLICATION Example student answer  **12–2. Recall a present or past boss. Which of the four leadership styles created by Ohio State’s version of the two-dimensional leadership model did your boss use most often? Describe your boss’s behavior.**  My boss at McDonald’s was high structure/low consideration. He didn’t care about the employees, only about getting the job done. If you were scheduled to get off work at 8:00 p.m. and you had people picking you up, he’d just make you do extra work for about another half hour rather than letting you out on time. |

1. **The Leadership Grid®**

Robert Blake and Jane Mouton developed the Managerial Grid, which Blake and Anne Adams McCanse later transformed into the Leadership Grid. The Leadership Grid® builds on the Ohio State and Michigan studies. It is based on the same two leadership dimensions—structuring and consideration—which Blake and McCanse called “concern for production” and “concern for people.” The **Leadership Grid®** identifies the ideal leadership style as incorporating a high concern for both production and people. A questionnaire is used to measure a manager’s concern for people and production on a scale from 1 to 9, 1 being low concern and 9 being high concern. Five major leadership styles are highlighted on the grid:

* (1, 1) The leader with an *impoverished management style* has low concern for both production and people. The leader does the minimum required to remain employed in the position.
* (9, 1) The leader with an *authority-compliance management style* has a high concern for production and a low concern for people. The leader focuses on getting the job done; people are treated like machines.
* (1, 9) The leader with a *country club management style* has a high concern for people and a low concern for production. The leader strives to maintain a friendly atmosphere without regard for production.
* (5, 5) The leader with a *middle-of-the-road management style* has balanced, medium concern for both production and people. The leader strives to maintain minimal satisfactory performance and morale.
* (9, 9) The leader with a *team management style* has a high concern for both production and people. This leader strives for maximum performance and employee satisfaction.

According to Blake, the team leadership style is the most appropriate style to use in all situations. However, most current researchers say there is no best style of leadership that should be used in all situations.

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| **RQ 12–4. What are the five major leadership styles identified on the Leadership Grid®?**  The five major leadership styles identified on the Leadership Grid® are: (1, 1) impoverished; (9, 1) authority-compliance; (1, 9) country club; (5, 5) middle-of-the-road; and (9, 9) team. |

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| **CSQ 12–6. Today, the Leadership Grid® is still being taught in colleges and by consultants to be used by managers. Do you agree that the team leadership style is the best leadership style for use in all situations? Why or why not?**  Answers will vary. |

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| WORK APPLICATION Example student answer  **12–3. Recall a present or past boss. Which of the five major leadership styles did your boss use most often? Describe your boss’s behavior.**  My boss used a middle-of-the-road management style. For example, if you finished the work quota for the day, he’d let you just sit around and do non–work-related things, such as read books, until quitting time. |

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| APPLYING THE CONCEPT Answers  AC 12–1—The Leadership Grid®  d 1. Middle-of-the-road. The leader with a middle-of-the-road management style has balanced, medium concern for both production and people.  b 2. Authority-compliance. The leader with an authority-compliance management style has a high concern for production and a low concern for people.  a 3. Impoverished. The leader with an impoverished management style has low concern for both production and people.  e 4. Team. The leader with a team management style has a high concern for both production and people.  c 5. Country club. The leader with a country club management style has a high concern for people and a low concern for production. |

1. SITUATIONAL LEADERSHIP THEORIES

Both trait and behavioral leadership theories were attempts to find the best leadership style in all situations. In the 1960s, it became apparent that no single leadership style is appropriate in all situations. Managers need to adopt different leadership styles, as leadership success requires adapting leadership styles to meet the situation. Thus, **situational approaches to leadership** attempt to determine the appropriate leadership styles for particular situations.

1. **Contingency Leadership Model**

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| LO 12–4. State the primary difference between the contingency leadership model and other situational approaches to leadership.  The contingency leadership model recommends changing the situation, not the leadership style. The other situational leadership approaches recommend changing the leadership style, not the situation. |

In 1951, Fred E. Fiedler began to develop the first situational approach to leadership—the contingency theory of leader effectiveness. Fiedler believed that one’s leadership style reflects one’s personality and remains basically constant. That is, leaders do not change styles. The **contingency leadership model** is used to determine if leadership style is task or relationship oriented and if the situation matches the style.

1. **Leadership Style**

The first step is to determine whether the leadership style is task or relationship oriented. To do so, the manager fills in what Fiedler called the Least Preferred Coworker (LPC) scale. The LPC essentially answers this question: Are you more task oriented or relationship oriented in working with others? Note that unlike the model developed at Ohio State, Fiedler’s model proposes two, not four, leadership styles: task-oriented leadership and relationship-oriented leadership.

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| **RQ 12–5. What are the two leadership styles identified by the contingency leadership model?**  The two leadership styles identified by the contingency leadership model are task-oriented leadership and relationship-oriented leadership. |

1. **Situational Favorableness Decision Tree**

*Situational favorableness* refers to the degree to which a situation enables a leader to exert influence over followers. The more control the leader has over followers, the more favorable the situation is for the leader. The three variables that determine situational favorableness are as follows:

1. *Leader–follower relations.* Is the relationship between leader and followers good or poor? The better the relations, the more favorable the situation.
2. *Task structure.* Is the task structured or unstructured? Do employees perform repetitive, routine, standard tasks that are easily understood? The more repetitive the jobs, the more favorable the situation.
3. *Position power.* Does the leader have position power—the power to assign work, reward and punish, hire and fire, and give raises and promotions? The more position power the leader has, the more favorable the situation.
4. **Matching the Situation to the Leadership Style**

If your preferred leadership style is the one indicated by the decision tree, you match and do nothing. If, however, your preferred leadership style is not ideal for the given situation, then the situation must be changed to match your leadership style. You can change your relationship, repetitiveness of the task, or your power.

One of the major criticisms of contingency theory is that it’s often difficult to change a situation. Critics say that when a manager’s leadership style does not match the situation, the style should be changed. All the other situational leadership theories disagree with changing the situation to match your leadership style; they advocate changing your leadership style to match the situation.

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| WORK APPLICATION Example student answer  **12–4. Classify your present or past boss’s preferred style as task or relationship oriented. Think of a specific situation at work and use the contingency model to determine the appropriate style to use for this situation. Did the boss use the appropriate style?**  My boss is definitely task oriented; he cares little about people. Using Fiedler’s model, (1) his relations are poor, (2) the job is repetitive, and (3) he has strong position power. Thus, Fiedler’s model says my boss’s situation is “5—relationship.” However, he is task oriented, so he does not use the appropriate style. |

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| APPLYING THE CONCEPT Answers  AC 12–2—Contingency Leadership Theory  b 6. Relationship-oriented. Relations are good, the task is nonrepetitive, and power is weak. The appropriate style for the situation is 4.  b 7. Relationship-oriented. Relations are poor, the task is repetitive, and power is strong. The appropriate style for the situation is 5.  a 8. Task-oriented. Relations are poor, the task is nonrepetitive, and power is weak. The appropriate style for the situation is 8.  a 9. Task-oriented. Relations are good, the task is repetitive, and power is weak. The appropriate style for the situation is 2.  b 10. Relationship-oriented. Relations are poor, the task is nonrepetitive, and power is strong. The appropriate style for the situation is 7. |

1. **Leadership Continuum Model**

Robert Tannenbaum and Warren Schmidt developed a model of leadership that focuses on who makes the decisions. They viewed leadership behavior on a continuum from autocratic (boss centered) to participative (employee centered)*.* The continuum includes seven major styles from which a leader can choose. Exhibit 12–4 lists the seven styles. The **leadership continuum model** is used to determine which of seven styles of leadership, on a continuum from autocratic (boss centered) to participative (employee centered), is best for a given situation.

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| **RQ 12–6. What are the two styles of leadership at either end of the leadership continuum model?**  The two styles of leadership at the ends of the leadership continuum model are autocratic (boss centered) and participative (employee centered). |

Before selecting one of the seven leadership styles, the leader must consider the following three variables:

1. *The leader’s preferred style*
2. *The followers’ preferred style for the leader.* Generally, the more willing and able followers are, the more freedom of participation should be used, and vice versa.
3. *The situation.* Environmental considerations, such as the organization’s size, structure, climate, goals, and technology and higher-level managers’ leadership style and the time available, are also considered in selecting a leadership style.

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| WORK APPLICATION Example student answer  **12–5. Using the leadership continuum model, identify your boss’s most commonly used leadership style. Now recall a specific situation in which the leadership style was used. Would you say this was the most appropriate leadership style in that situation? Explain.**  At my job at the book warehouse last summer, my boss’s most commonly used leadership style was “5. Leader presents the problem, gets suggested solutions, and makes a decision.” One instance in which this leadership style was used was when the boss needed ten workers to come in on Saturdays and work during the month of July. Instead of making the decision himself, he called a meeting and asked what the best way to go about this would be—whether to have volunteers, whether to assign specific workers himself, whether to draw numbers, etc. I would say this was the most appropriate style in this situation because he implemented our solution of having volunteers, and the ones who volunteered to come in and work on Saturday would most likely work harder than someone who didn’t want to but was assigned to come in. |

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| APPLYING THE CONCEPT Answers  AC 12–3—Leadership Continuum  c 11. 3. The leader presented ideas and invited questions.  f 12. 6. The leader is allowing the employees to make a decision within defined limits.  e 13. 5. The leader is getting input but has the final say.  d 14. 4. The leader has presented a tentative decision subject to change.  a 15. 1. The leader made the decision and announced it. |

1. **Path-Goal Model**

Robert House developed the path-goal leadership model. The **path-goal model** is used to determine employee objectives and to clarify how to achieve them using one of four leadership styles. The model focuses on how leaders influence employees’ perceptions of their goals and the paths they follow toward goal attainment. As summarized in Exhibit 12–5, the path-goal model uses situational factors to determine the leadership style that affects goal achievement through performance and satisfaction.

1. **Situational Factors**

*Subordinate* situational factors are (1) authoritarianism, or the degree to which employees defer to leaders and want to be told what to do and how to do the job; (2) locus of control, or whether employees believe they control goal achievement (internal locus) or goal achievement is controlled by others (external locus); and (3) ability, or the extent of employees’ ability to perform tasks to achieve goals. *Environmental* situational factors are (1) task structure, or the extent of repetitiveness in the job; (2) formal authority, or the extent of the leader’s power; and (3) work group, or the extent to which coworkers contribute to job satisfaction.

1. **Leadership Styles**

Based on the situational factors, a leader can select the most appropriate of the following leadership styles:

1. *Directive.* The leader provides high structure. Directive leadership is appropriate when subordinates want authoritarian leadership, have an external locus of control, and have low ability. Directive leadership is also appropriate when the task is complex or ambiguous, formal authority is strong, and the work group provides job satisfaction.
2. *Supportive.* The leader provides high consideration. Supportive leadership is appropriate when subordinates do not want authoritarian leadership, have an internal locus of control, and have high ability. Supportive leadership is also appropriate when the task is simple, formal authority is weak, and the work group does not provide job satisfaction.
3. *Participative.* The leader considers employee input when making decisions. Participative leadership is appropriate when subordinates want to be involved, have an internal locus of control, and have high ability. Participative leadership is also appropriate when the task is complex, authority is either strong or weak, and job satisfaction from coworkers is either high or low.
4. *Achievement-oriented.* The leader sets difficult but achievable goals, expects subordinates to perform at their highest level, and rewards them for doing so. In essence, the leader provides both high structure and high consideration. Achievement-oriented leadership is appropriate when subordinates are open to authoritarian leadership, have an external locus of control, and have high ability. Achievement-oriented leadership is also appropriate when the environmental task is simple, authority is strong, and job satisfaction from coworkers is either high or low.

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| **RQ 12–7. What are the four leadership styles identified by the path-goal leadership model?**  The four leadership styles identified by the path-goal leadership model are directive, supportive, participative, and achievement-oriented. |

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| WORK APPLICATION Example student answer  **12–6. Identify your boss’s most commonly used leadership style. Now recall a specific situation in which this style was used. From the perspective of the path-goal model, was this the most appropriate leadership style based on the situational factors? Explain.**  During my internship at the marketing firm, my boss used achievement-oriented leadership most often. I’d say it was appropriate and very effective because I performed a series of nonstructured projects. She would start me out with high directives to be sure I could do the job, then she would check my progress, being very supportive by asking me if I had questions and how the job was going. By the end of the quarter, I had won a special recognition award for “Most Projects Completed in a Three-Month Period.” |

Although the path-goal model is more complex and specific than the leadership continuum model, it has been criticized for the same weakness found in that model: It is difficult to know which style to use in a given situation.

1. **Normative Leadership Model**

Recall that Chapter 4 introduced Victor Vroom’s normative participative decision-making model. The participative model is clearly a leadership model, although it focuses on making decisions.

The normative leadership model is popular in the academic community because it is based on research. However, the model is not as popular with managers, who find it cumbersome to have to decide which version (time-driven or development-driven) of the model to use and follow a seven-question decision tree every time they have to make a decision.

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| **RQ 12–8. What are the five leadership styles identified by the normative leadership model?**  The five leadership styles identified by the normative leadership model are decide, consult individuals, consult group, facilitate, and delegate. |

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| WORK APPLICATION Example student answer  **12–7. Identify your boss’s most commonly used normative leadership style. Now recall a specific situation in which this style was used. From the normative leadership perspective, was it the most appropriate leadership style? Explain.**  I’d have to say my boss used the Decide leadership style because I don’t remember any time he actually used a group to make a decision or even to ask for information. Based on the seven questions, I guess the style was OK because things seemed to get done on time. |

1. **Situational Leadership® Model**

Paul Hersey and Ken Blanchard developed the Situational Leadership® model based on the Ohio State University model in Exhibit 12–2. The **Situational Leadership® model** is used to select one of four leadership styles that match the employees’ maturity level in a given situation. Hersey and Blanchard went beyond behavioral theory by developing a model that identifies which style a leader should use in a given situation. To select a leadership style, the leader determines the followers’ maturity level. “Maturity level” does not mean how grown-up employees act; rather, it refers to the level of employee development (competence and commitment) or readiness to do the job (ability and willingness). If employee maturity is low, the leader uses a *telling style*, giving employees explicit directions about how to accomplish a task. If employee maturity is moderate to low, the leader uses a *selling style*, explaining decisions to gain understanding. If employee maturity is moderate to high, the leader uses the *participating style*, to facilitate decision making among subordinates. And if employee maturity is high, the leader uses a *delegating style*, giving employees responsibility for decisions and their implementation. Thus, the model identifies four leadership styles.

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| **RQ 12–9. What are the four leadership styles identified by the Situational Leadership® model?**  The four leadership styles identified by the Situational Leadership® model are telling, selling, participating, and delegating. |

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| WORK APPLICATION Example student answer  **12–8. Identify your boss’s most commonly used leadership style. Would you say this is the most appropriate leadership style based on the maturity level of the employees in your team or organization? Explain.**  My boss primarily used the selling style. When she had a task that needed to be performed, she would decide how to do it and delegate the task effectively by “selling” the reasons why it needed to be done and why it should be done in a specific way. It was the right style for the maturity of the employees, which was moderate to low because they were students who worked part time. |

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| APPLYING THE CONCEPT Answers  AC 12–4—Situational Leadership Styles  a 16. Low maturity of employee: The manager should use the telling style. Shinji needs to be given high structure and low consideration to do the job right.  b 17. Low to moderate maturity of employee: The manager should use the selling style. Milani needs both high structure and consideration to do the new job.  d 18. High maturity of employee: The manager should use the delegating style. Since Pete has done the task numerous times, he needs low structure and low consideration.  c 19. Moderate to high maturity of employee: The manager should use the participating style. Nina needs low structure since she knows how to do the job and high consideration to help her return to her usual level of performance.  c 20. Moderate to high maturity of employee: The manager should use the participating style. Mary Ann needs low structure and high consideration to do the report. |

1. **Comparing Leadership Models**

The behavioral and situational leadership models we’ve discussed are all based on two dimensions of leadership. However, as you’ve seen, different authors use different terms for what are basically the same dimensions. Exhibit 12–6 provides a comparison of the behavioral and situational leadership models and uses *direction* and *support* to describe these two dimensions of leadership. The columns in the exhibit are headed “high direction/low support,” “high direction/high support,” and so on. The terms that appear below these headings have basically the same meanings as the column headings.

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| **CSQ 12–7. Which situational approach to leadership do you prefer? Why?**  Answers will vary. |

1. **Leadership Substitutes Theory**

The leadership theories and models that have been discussed so far assume that some leadership style will be effective in each situation. Steven Kerr and John Jermier argued that certain situational variables prevent leaders from affecting subordinates’ attitudes and behaviors.**Substitutes for leadership** are characteristics of the task, of subordinates, or of the organization that replace the need for a leader. These characteristics can also neutralize the effect of leadership behavior. That is, the following may substitute for or neutralize leadership by providing direction and/or support:

1. *Characteristics of the task*—clarity, routineness, invariant methodology; provision of feedback concerning accomplishment and of intrinsic satisfaction
2. *Characteristics of subordinates*—ability, knowledge, experience, training; need for independence; professional orientation; indifference toward organizational rewards
3. *Characteristics of the organization*—formality (explicit plans, goals, and areas of responsibility); inflexibility (rigid, unbending rules and procedures); very specific advisory and staff functions; closely knit, cohesive work groups; rewards outside of the leader’s control; physical distance between superior and subordinates

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| **RQ 12–10. What are the three substitutes for leadership?**  The three substitutes for leadership are characteristics of the task, characteristics of subordinates, and characteristics of the organization. |

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| **CSQ 12–8. Do you believe that men and women lead differently?**  Answers will vary. |

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| WORK APPLICATION Example student answer  **12–9. Could the characteristics of the task, subordinates, or organization substitute for your present or a past boss? In other words, is your boss necessary? Explain.**  I’m a visiting nurse, so my boss does not see me working, except during evaluations when she comes with me twice a year. Therefore, I don’t really need a boss because I know what I’m doing. The visit system is repetitive for basics, treatment varies greatly based on illness, and the organizational spatial distance can substitute for leadership. |

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| WORK APPLICATION Example student answer  **12–10. Identify the one leadership theory or model you prefer. State why.**  I like the Situational Leadership® model because the model tells you which style to use for the given situation in a simple format that you can easily remember and use on the job. |

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| WORK APPLICATION Example student answer  **12–11. Describe the type of leader you want to be.**  I want to be an effective and respected leader. I plan to lead by example. I will work hard and challenge my employees to achieve at high levels of performance, yet I will be very considerate of their needs, treating employees as individuals. I will use a lot of positive reinforcement to motivate employees. |

1. CONTEMPORARY LEADERSHIP THEORIES

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| LO 12–5. Identify the management levels at which charismatic, transformational, transactional, symbolic, and servant leadership styles are most appropriate.  Charismatic and transformational leadership styles are most appropriate for top-level management. Transactional leadership is useful for middle and first-line management. Symbolic leadership starts with top management and should flow down to middle and first-line management. Servant leadership can be used at any level. |

**Contemporary leadership theories** attempt to determine how effective leaders interact with, inspire, and support followers*.* These leaders articulate a compelling vision, emphasizing collective identities, expressing confidence and optimism, and referencing core values and ideas. Contemporary leadership studies focus primarily on the behavior of top-level managers.

1. **Visionary Leaders**

**Visionary leaders** create an image of the organization in the future that provides direction for setting goals and developing strategic plans. They envision a desirable future and invent ways of bringing it about. Visionary leadership also includes *strategic leadership*, as the vision is implemented through strategy.

1. **Charismatic Leaders**

**Charismatic leaders** inspire loyalty, enthusiasm, and high levels of performance. Charismatic leaders have an idealized goal or vision, have a strong personal commitment to that goal, communicate the goal to others, and display self-confidence. Followers in turn trust the leader’s beliefs, adopt those beliefs themselves, feel affection for the leader, obey the leader, and develop an emotional involvement with the goal—all of which contribute to higher levels of performance.

1. **Transformational Leaders**

**Transformational leaders** bring about continuous learning, innovation, and change. Many charismatic leaders are also transformational leaders. These leaders are good at overcoming resistance to change. They also continue to bring about innovations in processes, products, and services by cultivating employee creativity. Transformational leaders are especially needed in firms with growth strategies in competitive dynamic environments.

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| WORK APPLICATION Example student answer  **12–12. Recall the top manager from an organization you work for or have worked for. Would you call this CEO a visionary, charismatic and/or transformational leader? Why or why not?**  I worked for a large company, so I really did not know the president. However, other employees used to talk about him negatively as though he was a dictator. Therefore, I’d say he was not charismatic or transformational. |

1. **Transactional Leaders**

*Transactional leadership* is a leadership style based on social exchange. The exchange involves the principle that “you do this work for me and I’ll give this reward to you, or punishment if you don’t.” Transactional leaders promote stability rather than change and are described as task and reward oriented, structured, and passive. Transactional leadership occurs mostly among middle and first-line managers, but some top-level managers are transactional.

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| **RQ 12–11. What is the difference between transformational and transactional leadership?**  Transformational leadership is a leadership style that brings about continuous learning, innovation, and change. Transactional leadership is a leadership style based on social exchange. |

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| **CSQ 12–9. What percentage of top leaders would you say are really charismatic, transformational, symbolic, and/or servant leaders? (Your answers can change for each of the four leadership behaviors.)**  Answers will vary. |

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| JOIN THE DISCUSSION: ETHICS & SOCIAL RESPONSIBILITY – 12–2  Leadership and Gender  Answers will vary based on opinion. |

1. HANDLING COMPLAINTS

A complaint is an expression of dissatisfaction with a situation, often coupled with a request for change. Handling complaints requires strong leadership skills. The manner in which complaints are handled has a profound effect on the organization.

1. **Handling Employee Complaints**

It is advisable to have an open-door policy that allows employees to feel free to come to you with a complaint. Not handling employee complaints can create resentment, low morale, low productivity, and increased turnover. When employees come to you with a complaint, try not to take it personally as a reflection on you or your leadership ability. Do not become defensive, dismiss the complaint as being not valid, or try to talk the employee out of the complaint. There are five steps you should take when an employee comes to you with a complaint:

**Step 1. Listen to the complaint and paraphrase it.** If you cannot accurately state the complaint, you cannot resolve it. Your paraphrasing helps to clarify the complaint for everyone. When listening to the complaint, distinguish facts from opinions. It is also helpful to identify the employee’s feelings about the situation and his or her motives for making the complaint.

**Step 2. Ask the complainer to recommend a solution.** The complainer may have a good solution that you haven’t thought of. However, asking about a solution does not mean that you must implement it. The recommended solution may not solve the problem, may be unfair to others, or may simply not be possible. In such cases, be sure to let the employee know why the suggestion will not be implemented.

**Step 3. Schedule time to get all the facts and make a decision.** Generally, the faster a complaint is resolved, the fewer the negative side effects. However, you may find it necessary to check records or talk to others about the complaint. It can also be helpful to talk to your own boss or to colleagues, who may have handled a similar complaint. Tell the employee that you will take a specific amount of time to consider the complaint.

**Step 4. Develop a plan for addressing the complaint.** You may decide to accept the employee’s recommendation for a solution, or you may be able to work with the employee in coming up with a different solution. If you decide to take no action to resolve the complaint, you should clearly explain to the employee why you are choosing not to act. Remind the employee of any mechanisms that are available for appealing your decision.

**Step 5. Implement the plan and follow up.** It is important to make sure that the plan for resolving the complaint is implemented; following up ensures that it is. Following up may involve meeting with the employee at some point after the solution is implemented. It is advisable to document the entire process in writing.

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| WORK APPLICATION Example student answer  12–**13. Identify a complaint you brought to a manager. State the complaint and identify which steps in the complaint-handling model the manager did or did not follow. If you have never complained, interview someone who has.**  When I worked part time at the local supermarket, I was always scheduled for both weekend nights. I went to my boss and complained that I would rather work during the week. The boss really didn’t use the complaint-handling model. He just said, “I need you for the weekends. If you don’t want to work weekend nights, get another job.” |

1. **Handling Customer Complaints**

Handling a customer complaint is somewhat different from handling an employee complaint. The steps for handling customer complaints are as follows:

**Step 1. Admit the mistake and apologize.** As when handling employees’ complaints, you should listen to the customer’s complaint and paraphrase it. Then admit that a mistake was made and apologize by acknowledging the hurt or damage done.

**Step 2. Agree on a solution.** You can tell the customer what you intend to do about the problem, but a better approach is to ask the customer to recommend a solution to the problem.

**Step 3. Implement the solution quickly.** Quick implementation has a direct effect on customer satisfaction. Up to 95 percent of complainers will return to your business if the problem is resolved quickly.

**Step 4. Prevent future complaints.** Taking quick corrective action will prevent the mistake from happening again and the possibility of future complaints.

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| **CSQ 12–10. What has been your experience with having your complaints handled as an employee and as a customer? How could management do a better job of handling complaints from both employees and customers?**  Answers will vary. |

LEARNING OUTCOMES AND ANSWERS

The chapter summary is organized to answer the learning objectives for Chapter 12. They are also found at the end of the chapter and can be used as short answer questions on exams.

*These learning objectives are included in the test bank in the concept section.*

12–1. **Compare the trait, behavioral, situational, and contemporary leadership theories.**

All four theories have the same goal of determining what it takes to be an effective leader; however, their focus is different. Trait theorists try to find a list of distinctive characteristics that account for leadership effectiveness. Behavioral theorists try to determine distinctive styles used by effective leaders and the one leadership style that is best in all situations. Situational theorists try to find the appropriate leadership style for various situations and believe that the best leadership style varies from situation to situation. Contemporary theorists try to determine how effective leaders interact with, inspire, and support followers**.**

12–2. **Explain why the terms *manager* and *leader* are not interchangeable.**

Management is broader in scope than leadership. Leadership is the process of influencing employees to work toward achieving objectives. A person who is a manager can be a poor leader, and a person who is not a manager can be a good leader. .

12–3. **Discuss the major similarity and difference between two-dimensional leadership styles and the Leadership Grid®.**

Both theories use basically the same two dimensions of leadership, although they give them different names. The major difference is that two-dimensional leadership theory has four major leadership styles (high structure/low consideration, high structure/high consideration, low structure/high consideration, low structure/low consideration), whereas the Leadership Grid® identifies five major leadership styles (impoverished, authority-compliance, country club, middle-of-the-road, and team).

12–4. State the primary difference between the contingency leadership model and other situational approaches to leadership.

The contingency leadership model recommends changing the situation, not the leadership style. The other situational leadership approaches recommend changing the leadership style, not the situation.

12–5. **Identify the management levels at which charismatic, transformational, transactional, symbolic, and servant leadership styles are most appropriate.**

Charismatic and transformational leadership styles are most appropriate for top-level management. Transactional leadership is useful for middle and first-line management. Symbolic leadership starts with top management and should flow down to middle and first-line management. Servant leadership can be used at any level.

WORK APPLICATION SAMPLE ANSWERS

(Most of the answers are actual student answers or based on student answers. You may give these answers as part of your lecture before, after, or in place of getting student answers.)

*These work applications are included in the test bank in the application section.*

12–1. **Of Ghiselli’s six traits, which does your boss possess? Are there any that she or he does not possess?**

My boss had pretty good supervisory ability. His need for achievement was only average. I don’t think he was very intelligent. His decision-making skills were good when you went to him with a problem. He had self-assurance. Initiative is hard to say, but I didn’t see his boss around, so I guess he didn’t need supervision.

12–2. **Recall a present or past boss. Which of the four leadership styles created by Ohio State’s version of the two-dimensional leadership model did your boss use most often? Describe your boss’s behavior.**

My boss at McDonald’s was high structure/low consideration. He didn’t care about the employees, only about getting the job done. If you were scheduled to get off work at 8:00 p.m. and you had people picking you up, he’d just make you do extra work for about another half hour rather than letting you out on time.

12–3. **Recall a present or past boss. Which of the five leadership styles did your boss use most often? Describe your boss’s behavior.**

My boss used a middle-of-the-road management style. For example, if you finished the work quota for the day, he’d let you just sit around and do non–work-related things, such as read books, until quitting time.

12–4. **Classify your present or past boss’s preferred style as task or relationship oriented. Think of a specific situation at work and use the contingency model to determine the appropriate style to use for this situation. Did the boss use the appropriate style?**

My boss is definitely task oriented; he cares little about people. Using Fiedler’s model, (1) his relations are poor, (2) the job is repetitive, and (3) he has strong position power. Thus, Fiedler’s model says my boss’s situation is “5—relationship.” However, he is task oriented, so he does not use the appropriate style.

12–5. **Using the leadership continuum model, identify your boss’s most commonly used leadership style. Now recall a specific situation in which the leadership style was used. Would you say this was the most appropriate leadership style in that situation? Explain.**

At my job at the book warehouse last summer, my boss’s most commonly used leadership style was “5. Leader presents the problem, gets suggested solutions, and makes a decision.” One instance in which this leadership style was used was when the boss needed ten workers to come in on Saturdays and work during the month of July. Instead of making the decision by himself, he called a meeting and asked what the best way to go about this would be—whether to have volunteers, whether to assign specific workers himself, whether to draw numbers, etc. I would say this was the most appropriate style in this situation because he implemented our solution of having volunteers, and the ones who volunteered to come in and work on Saturday would most likely work harder than someone who didn’t want to but was assigned to come in.

12–6. **Identify your boss’s most commonly used leadership style. Now recall a specific situation in which this style was used. From the perspective of the path-goal model, was this the most appropriate leadership style based on the situational factors? Explain.**

During my internship at the marketing firm, my boss used achievement-oriented leadership most often. I’d say it was appropriate and very effective because I performed a series of nonstructured projects. She would start me out with high directives to be sure I could do the job, then she would check my progress, being very supportive by asking me if I had questions and how the job was going. By the end of the quarter, I had won a special recognition award for “Most Projects Completed in a Three-Month Period.”

12–7. **Identify your boss’s most commonly used normative leadership style. Now recall a specific situation in which this style was used. From the normative leadership perspective, was it the most appropriate leadership style? Explain.**

I’d have to say my boss used the Decide leadership style because I don’t remember any time he actually used a group to make a decision or even to ask for information. Based on the seven questions, I guess the style was OK because things seemed to get done on time.

12–8. **Identify your boss’s most commonly used leadership style. Would you say this is the most appropriate leadership style based on the maturity level of the employees in your team or organization? Explain.**

My boss primarily used the selling style. When she had a task that needed to be performed, she would decide how to do it and delegate the task effectively by “selling” the reasons why it needed to be done and why it should be done in a specific way. It was the right style for the maturity of the employees, which was moderate to low because they were students who worked part time.

12–9. **Could the characteristics of the task, subordinates, or organization substitute for your present or a past boss? In other words, is your boss necessary? Explain.**

I’m a visiting nurse, so my boss does not see me working, except during evaluations when she comes with me twice a year. Therefore, I don’t really need a boss because I know what I’m doing. The visit system is repetitive for basics, treatment varies greatly based on illness, and the organizational spatial distance can substitute for leadership.

12–10. **Identify the one leadership theory or model you prefer. State why.**

I like the Situational Leadership® model because the model tells you which style to use for the given situation in a simple format that you can easily remember and use on the job.

12–11. **Describe the type of leader you want to be.**

I want to be an effective and respected leader. I plan to lead by example. I will work hard and challenge my employees to achieve at high levels of performance, yet I will be very considerate of their needs, treating employees as individuals. I will use a lot of positive reinforcement to motivate employees.

12–12. **Recall the top manager from an organization you work for or have worked for. Would you call this CEO a visionary, charismatic and/or transformational leader? Why or why not?**

I worked for a large company, so I really did not know the president. However, other employees used to talk about him negatively as though he was a dictator. Therefore, I’d say he was not charismatic or transformational.

12–13. **Identify a complaint you brought to a manager. State the complaint and identify which steps in the complaint-handling model the manager did or did not follow. If you have never complained, interview someone who has.**

When I worked part time at the local supermarket, I was always scheduled for both weekend nights. I went to my boss and complained that I would rather work during the week. The boss really didn’t use the complaint-handling model. He just said, “I need you for the weekends. If you don’t want to work weekend nights, get another job.”

REVIEW QUESTION ANSWERS

*These review questions are included in the test bank in the concept section.*

12–1. **What is leadership, and why is it important?**

Leadership is the process of influencing employees to work toward achieving objectives. Leadership matters a great deal because it has a direct effect on performance.

12–2. **What are the three parts of leadership style?**

The three parts of leadership style are traits, skills, and behaviors.

12–3. **What are the two determinants of leadership and the four possible leadership styles according to the Ohio State University and University of Michigan studies?**

The two determinants are structuring (job-centered) and consideration (employee-centered). The four possible leadership styles are “Low structure/High consideration,” “High structure/High consideration,” “Low structure/Low consideration,” and “High structure/Low consideration.”

12–4. **What are the five major leadership styles identified on the Leadership Grid®?**

The five major leadership styles identified on the Leadership Grid® are: (1, 1) impoverished; (9, 1) authority-compliance; (1, 9) country club; (5, 5) middle-of-the-road; and (9, 9) team.

12–5. **What are the two leadership styles identified by the contingency leadership model?**

The two leadership styles identified by the contingency leadership model are task-oriented leadership and relationship-oriented leadership.

12–6. **What are the two styles of leadership at either end of the leadership continuum model?**

The two styles of leadership at the ends of the leadership continuum model are autocratic (boss centered) and participative (employee centered).

12–7. **What are the four leadership styles identified by the path-goal leadership model?**

The four leadership styles identified by the path-goal leadership model are directive, supportive, participative, and achievement-oriented.

12–8. **What are the five leadership styles identified by the normative leadership model?**

The five leadership styles identified by the normative leadership model are decide, consult individuals, consult group, facilitate, and delegate.

12–9. **What are the four leadership styles identified by the Situational Leadership® model?**

The four leadership styles identified by the Situational Leadership® model are telling, selling, participating, and delegating.

12–10. **What are the three substitutes for leadership?**

The three substitutes for leadership are characteristics of the task, characteristics of subordinates, and characteristics of the organization.

12–11. **What is the difference between transformational and transactional leadership?**

Transformational leadership is a leadership style that brings about continuous learning, innovation, and change. Transactional leadership is a leadership style based on social exchange.

COMMUNICATION SKILLS ANSWERS

Applications may also be used as class discussion questions or written assignments to develop communication skills.

*These communication skills questions are included in the test bank in the skills section.*

12–1. **Peter Drucker said it’s not worth pointing out the differences between a leader and a manager. Do you agree? Why or why not?**

Answers will vary.

12–2. **What traits do you think are most important in a leader?**

Answers will vary.

12–3. **Should spirituality be allowed in the workplace? Should spirituality be encouraged in the workplace? Why or why not?**

Answers will vary.

12–4. **Based on the Self-Assessment, is your behavior more Theory X or Y? How do you feel about your score? Will you make any changes?**

Answers will vary.

12–5. **The Ohio State University and University of Michigan two-dimensional leadership styles identified in the 1940s haven’t changed much over the years, as they are still being taught and used today. However, the way we conduct business today is very different from the way it was conducted in the 1940s. Do you think it is time for a revolutionary approach to leadership styles? If so, please provide some suggestions/ideas.**

Answers will vary.

12–6. **Today, the Leadership Grid® is still being taught in colleges and by consultants to be used by managers. Do you agree that the team leadership style is the best leadership style for use in all situations? Why or why not?**

Answers will vary.

12–7. **Which situational approach to leadership do you prefer? Why?**

Answers will vary.

12–8. **Do you believe that men and women lead differently?**

Answers will vary.

12–9. **What percentage of top leaders would you say are really charismatic, transformational, symbolic, and/or servant leaders? (Your answers can change for each of the four leadership behaviors.)**

Answers will vary.

12–10. **What has been your experience with having your complaints handled as an employee and as a customer? How could management do a better job of handling complaints from both employees and customers?**

Answers will vary.

APPLYING THE CONCEPT ANSWERS

*There are similar questions in the test bank in the application section.*

AC 12–1—The Leadership Grid®

d 1. Middle-of-the-road. The leader with a middle-of-the-road management style has balanced, medium concern for both production and people.

b 2. Authority-compliance. The leader with an authority-compliance management style has a high concern for production and a low concern for people.

a 3. Impoverished. The leader with an impoverished management style has low concern for both production and people.

e 4. Team. The leader with a team management style has a high concern for both production and people.

c 5. Country club. The leader with a country club management style has a high concern for people and a low concern for production.

AC 12–2—Contingency Leadership Theory

b 6. Relationship-oriented. Relations are good, the task is nonrepetitive, and power is weak. The appropriate style for the situation is 4.

b 7. Relationship-oriented. Relations are poor, the task is repetitive, and power is strong. The appropriate style for the situation is 5.

a 8. Task-oriented. Relations are poor, the task is nonrepetitive, and power is weak. The appropriate style for the situation is 8.

a 9. Task-oriented. Relations are good, the task is repetitive, and power is weak. The appropriate style for the situation is 2.

b 10. Relationship-oriented. Relations are poor, the task is nonrepetitive, and power is strong. The appropriate style for the situation is 7.

AC 12–3—Leadership Continuum

c 11. 3. The leader presented ideas and invited questions.

f 12. 6. The leader is allowing the employees to make a decision within defined limits.

e 13. 5. The leader is getting input but has the final say.

d 14. 4. The leader has presented a tentative decision subject to change.

a 15. 1. The leader made the decision and announced it.

AC 12–4—Situational Leadership Styles

a 16. Low maturity of employee: The manager should use the telling style. Shinji needs to be given high structure and low consideration to do the job right.

b 17. Low to moderate maturity of employee: The manager should use the selling style. Milani needs both high structure and consideration to do the new job.

d 18. High maturity of employee: The manager should use the delegating style. Since Pete has done the task numerous times, he needs low structure and low consideration.

c 19. Moderate to high maturity of employee: The manager should use the participating style. Nina needs low structure since she knows how to do the job and high consideration to help her return to her usual level of performance.

c 20. Moderate to high maturity of employee: The manager should use the participating style. Mary Ann needs low structure and high consideration to do the report.

CASE ANSWERS

Apple

12–1. Would you consider Steve Jobs a leader, a manager, or both? Jobs was more a leader then a manager. His leadership was inspiring. However, he also acted like a manager and enjoyed being part of the day-to-day activity of building new computers.

12–2. Would you consider Tim Cook a leader, a manager, or both? Tim Cook appears to be more of a manager then a leader. His leadership is certainly not as inspiring as Jobs’s was, but that would be true of anybody that followed such creative genius.

12–3. Would Ghiselli say that Steve Jobs or Tim Cook have the traits of a successful leader? He would say that Jobs was a successful leader. But it is interesting, since Ghiselli would wonder how Jobs was not very strong in supervisory ability. At times, Jobs was quite tough on his employees to be more creative. Ghiselli identified the following six traits, in order of importance, as being significant traits for effective leadership: (1) supervisory ability—getting the job done through others (basically, the ability to perform the four functions of management you are studying in this course), (2) need for occupational achievement, (3) intelligence, (4) decisiveness, (5) self-assurance, (6) initiative.

Ghiselli would say that Cook is more of a manager then a leader. He needs to show his intelligence, initiative, self-assurance as the CEO of Apple, and the decisiveness to make a product that can change an industry like his predecessor was able to do quite well.

12–4. Which basic leadership style—autocratic, democratic, or laissez-faire—would Jobs’s critics say he used? What style is Cook? Jobs was often autocratic. Although he built computers as a team, he was the vocal leader and everyone knew to listen to him, so Jobs was normally an autocratic leader. Cook is more democratic. He doesn’t impose his will on the company as much as Jobs did. However, he is known to be sharp tongued and can critique employees quickly.

12–5. Could you make a case for the Ohio State leadership style of high structure/low consideration or low structure/high consideration in analyzing Jobs’s versus Cook’s leadership style? Jobs was more high structure and low consideration. He liked to have control and he wasn’t normally worried about the feelings of the other employee. Cook appears to be a little less structured and a little higher consideration (people oriented). Both expected results!

12–6. Using the University of Michigan leadership style model, was Jobs or Cook job centered or employee centered? Jobs was job centered since he was totally focused on computers that were sleek and modern and yet easy to use at work. Cook appears to be more employee centered—but he still expects results. When Apple Maps was released before it was ready, he fired the executive responsible.

12–7. Which Leadership Grid® style—(1, 1) impoverished, (9, 1) authority-compliance, (1, 9) country club. (5, 5) middle-of-the-road , or (9, 9) team—would Jobs’s and Cook’s critics say they used? Although it would be nice to say he was (9, 9), it would be fair to say (9, 1) was more likely…authority-compliance. But, as Jobs matured, it would be likely that he was (9, 5)…high authority and yet he tried to help new employees to learn the Apple culture.

Cook appears to be about (7, 7). He has the potential to lead Apple to great success with new products and be well liked by his employees. Once that happens, he would be closer to (8, 8) or (9, 9).

12–8. Was Steve Jobs a charismatic leader? Yes. Many people consider Jobs a great speaker and very enthusiastic.

12–9. Was Jobs considered a transformational or transactional leader? Transformational. Jobs literally changed the world with his innovative computers and smartphones.

12–10. Is Tim Cook considered a transformational or transactional leader? So far he is a transactional leader. However, he appears to have the skills to develop into a transformational leader.

12–11. Which contingency leadership style, task oriented or relationship oriented, would Jobs’s and Cook’s critics say they use? Job’s was task oriented, while Cook is more of a balance between task and relationship oriented.

12–12. Did leadership play a role in the change in performance at Apple with and without Steve Jobs as CEO? Yes. Apple should have used Jobs’s leadership skills and never fired him from his own company.

12–13. Would you liked to have work for Steve Jobs? Why or why not? Although Jobs was a tough leader, it would have been exciting to be part of a business revolution.

12–14. Would you like to work for Tim Cook? Why or why not? Although not as inspiring as Jobs, Tim Cook is still the CEO of one of the most exciting companies on the planet and he is doing a good job following a legend.

Cumulative Case Questions

12–15. Was Steve Jobs or Cook an entrepreneur? Why or why not? (Chapter 1) Jobs is a classic self-made success story of an American entrepreneur. That is why it was sad to see Jobs pass away at a young age. Cook is less of an entrepreneur since it his job to make the mature Apple Company profitable now that it is such a large corporation.

12–16. What external environment factor did Apple change for the business and general economy? (Chapter 2) Technology.

12–17. What decision-making model is used at Apple when selecting new products and transitions? (Chapter 3) Creative decision making. Apple’s goal is to be creative enough to change entire industries.

12–18. What is the strategic level of planning of this case, and what strategy is Apple using? (Chapter 4) Corporate level. Apple has diversified into products related to their original computers. Although some might think it is unrelated diversification, their products are still related to the use of technologies.

12–19. How did power change at Apple, and what role did conflict play? (Chapter 8) Once John Sculley became the CEO, the power at Apple shifted toward him and created great conflict with Jobs and his supporters. Today, Tim Cook is clearly in power and any conflict seems to be directed against their competitors.

SKILL BUILDER 12–1 IDEAS

**The Situational Leadership® Model**

*Total Time* (15–50 minutes)

The amount of time spent on this exercise depends on if students come to class with the preparation—situations to share with the class. If you don’t think students will come to class with examples, you may give them time in class to do the preparation.

**Doing Skill Builder 12–1 in Class**

**Objective**

To better understand situational leadership.

**Preparation**

Students should have a written leadership situation for others to analyze.

**Experience**

Students may present their leadership situation to others for them to determine the maturity level of the follower(s) and select the appropriate situational leadership style, and they will hear others’ leadership situations for them to determine the maturity level of the follower(s) and select the appropriate situational leadership style.

*Procedure* (10–50 minutes)

*Option 1.* One at a time, have volunteers (or students you select) come to the front of the class and present their situations. After each description, the class may ask questions to clarify the situation. The class members should then take a minute to determine the appropriate situational leadership style (telling, selling, participating, or delegating) for the situation. You or the student will ask the class how many selected each of the four styles. The student may or may not tell the class the style he or she selected. Lead a class discussion of the most appropriate situational leadership style for the situation.

*Option 2.* Break the class into groups of 5 to 6. One at a time, have students present their situation to the group. Each group member should determine the situational leadership style he or she would use. Then the group members should share styles and discuss the most appropriate. It is not necessary to reach a consensus.

*Option 3.* Same as option 2, but the group selects one example to be presented to the entire class. The group should reach a consensus on the appropriate situational leadership style to use for the example situation. After each group shares, lead a brief class discussion of the most appropriate situational leadership style for the situation.

**Conclusion**

Lead a class discussion and/or make concluding remarks.

**Sharing**

Volunteers give their answers to the Apply It section.

BEHAVIOR MODELING IDEAS

In the video, Cassandra handles a complaint from Andrew about being passed over for a promotion, following the steps in Model 12–1.

This video may be shown as an independent activity, or it may serve as a behavior model as part of Skill Builder 12–2.

Showing the video takes around 7 minutes. After viewing the video, you may ask the class questions such as:

1. What did you like about the way the manager handled the complaint?
2. What didn’t you like about the way the manager handled the complaint?
3. What would you do differently if you were the manager in this situation?

SKILL BUILDER 12–2 IDEAS AND ANSWERS

**Handling Complaints**

*Total Time* (35–50 minutes)

To keep this exercise to 35 minutes, do not show the Behavior Modeling video.

*Recommended approximate time for a 45-minute period:*

8:00 Show and discuss the Behavior Modeling Video 10 minutes

8:10 Procedure 1 3 minutes

8:13 Procedure 2 8 minutes

8:21 Procedure 3 8 minutes

8:29 Procedure 4 8 minutes

8:37 Conclusion 5 minutes

8:42 Apply It 3 minutes

8:45

Doing Skill Builder 12–2 in Class

Objective

To develop experience and skills in resolving complaints.

Preparation

Students may be assigned to think of a complaint for the exercise before class rather than during class.

Experience

Students will role play handling a complaint.

*Procedure 1* (3 minutes)

Divide the class into groups of three.

*Procedure 2* (8 minutes)

One person in each group plays the role of the manager who must handle the complaint. This person gives his or her written complaint description to the person who is to present the complaint. The two ad lib the situation. A third person observes the role play and evaluates how the complaint is handled, writing comments on the observer form (given in the text). After each role play, group members should discuss how effectively the complaint was handled, based on the observer’s comments.

*Procedure 3* (8 minutes)

Same as procedure 2, except group members switch roles.

*Procedure 4* (8 minutes)

Same as procedure 2, except group members switch roles.

Conclusion

Lead a class discussion and/or make concluding remarks.

Sharing

Volunteers give their answers to the Apply It section.

Testing on Skill Builder 12–2

It is difficult to have students do all five steps of the employee complaint-handling model on a paper-and-pencil test. However, they can be given a complaint and asked to list the five steps and what they would say for steps 1 through 3. Steps 4 and 5 may be based on the complainer’s recommended solution and take place at a separate meeting. Therefore, the test complaint is based on the first meeting only. With that approach, you can grade if they listed all five steps correctly and how well they responded in each of the first three steps.

You need to make it very clear exactly what students are to do for the exam. Reading the exam instructions following the situation is very helpful. I tell students that on the exam, they will be given a complaint. (Use an example from the class to illustrate what they should expect on the exam.) Students should write step 1 of the employee complaint-handling model (Listen to the complaint and paraphrase it) and then their paraphrase of the complaint. Students should not write out the employee’s response and theirs to the employee for any step because they don’t know what the employee will say. Next, students should write step 2 (Ask the complainer to recommend a solution) and then their statement to get the recommendation. After completing step 2, students will write step 3 (Schedule time to get all the facts and make a decision) and then their statement of the follow-up meeting. Next, students should write steps 4 (Develop a plan for addressing the complaint) and 5 (Implement the plan and follow up), but write nothing after the steps because the discussion would take place at a later meeting. (See example test questions below to better understand the testing procedure.)

Test Questions and Answers (Also found in Test Bank)

Instructions

Write step 1 of the employee complaint-handling model, followed by what you would say to Chris during step 1. Do not write Chris’s response and yours to Chris for any step. Write step 2 of the model, followed by what you would say to Chris during step 2. Write step 3 of the model, followed by what you would say to Chris during step 3. Write step 4 of the model, but do not write anything because the discussion would take place at a later meeting. Write step 5 of the model; again, do not write anything following the step. Be sure to clearly number and list each step of the model.

1. **Using the employee complaint-handling model.** You are a manager in a supermarket frozen foods department. Every two weeks, the frozen foods cases must be cleaned. This requires taking all the food out and washing the cases. You have three employees. However, since Chris does the best job, you usually select Chris to clean the cases.

Chris has come to you and said, “Why do I get stuck doing the dirty work of cleaning the cases almost every two weeks? It’s not fair for me to have to clean the cases more often then the other two employees. This is not an equitable situation, so I’m complaining of unfair treatment.”

Solution

1. **Listen to the complaint and paraphrase it.**

You don’t want to clean the cases every two weeks. Is that your complaint?

1. **Ask the complainer to recommend a solution.**

What would you suggest I do?

1. **Schedule time to get all the facts and/or make a decision.**

Let me think about it. Why don’t you see me for an answer first thing in the morning?

1. **Develop a plan for addressing the complaint.**

**Implement the plan and follow up.**

1. **Using the employee complaint-handling model.** You are a manager in a retail store. The company policy is that employees should not work for longer than three hours without a 10-minute break or a 30-minute meal period. Employees are not to take breaks until told to do so by you as their boss. Lately, it’s been very busy and you have not been giving employees their breaks. Chris has come to you and said, “Why do I get stuck working for such long hours without a break? It’s not fair. Yesterday, I worked for five hours without a break. This is not an equitable situation, so I’m complaining of unfair treatment.”

Solution

1. **Listen to the complaint and paraphrase it.**

You don’t want to work longer than three hours without a break. Is that your complaint?

1. **Ask the complainer to recommend a solution.**

What would you suggest I do?

1. **Schedule time to get all the facts and/or make a decision.**

Let me think about it. Why don’t you see me for an answer first thing in the morning?

1. **Develop a plan for addressing the complaint.**

**Implement the plan and follow up.**

1. **Using the employee complaint-handling model.** You are a clergy person (manager) for a religious organization. You have four part-time employees who answer the door and phone and do odd jobs in between for many of the hours every day. Employees are paid minimum wage. The minimum wage has increased. The increase cost is not in the budget, so you decided that you would cut back the number of hours employees work. You will actually save a little money this way. Chris has come to you and said, “Why do I get stuck losing more hours than the other three workers? I’m as good or better than any of the other workers, so why did I lose the most hours? It’s not fair. This is not an equitable situation, so I’m complaining of unfair treatment.”

Solution

1. **Listen to the complaint and paraphrase it.**

You don’t want to lose more hours than the other workers. Is that your complaint?

1. **Ask the complainer to recommend a solution.**

What would you suggest I do?

1. **Schedule time to get all the facts and/or make a decision.**

Let me think about it. Why don’t you see me for an answer first thing in the morning?

1. **Develop a plan for addressing the complaint.**

**Implement the plan and follow up.**

Grading

You can assign any number of points to an employee complaint-handling model question. I give half credit for writing the five steps correctly and half for the three statements for steps 1 through 3. The student responses will not be exactly the same as the Test Bank answers. Be flexible with points for subjective judgment on how well they respond.

Do feel free to make up your own complaint examples and/or to get ideas from present classes to use for future classes.

SKILL BUILDER 12–3 IDEAS AND ANSWERS

**Management Styles**

Refer to Chapter 1, Skill Builder 1–4, to complete this exercise.

SKILL BUILDER 12–4 IDEAS AND ANSWERS

**Using the Vroom Model**

Refer to Chapter 4, Skill Builder 4–2, to complete this exercise.