Human Relations in Organizations

- **<u>Leadership and Trust</u>**

Leadership

- <u>Leadership</u> is the process of influencing others toward the achievement of common objectives
- You don't have to be the "boss" to be a leader.

Leadership vs. Management

- ## <u>Leadership and Management are Not the Same</u>
  - ○ Leadership is one of the five management functions

    1. Planning
    2. Organizing
    3. Staffing
    4. Leading
    5. Controlling

  - ○ Someone can be a manager without being a true leader, because they do not have the ability to influence others
  - ○ There are also good leaders who are not managers

Leadership Trait Theory

- <u>The "Great Man" theory:</u> **The assumption that leaders were born. Education and life experiences only enhance the leader's effectiveness.**

- <u>Leadership Trait Theory:</u> Assumes that there are distinctive physical and psychological characteristics accounting for leadership effectiveness.
  - If someone lacks specific characteristics they cannot be leaders.

The Ghiselli Study

- <u>Ghiselli</u> identified the following six traits, in order of importance, as being significant traits for effective leadership:

1. Supervisory Ability
2. Need for Occupational Achievement
3. Intelligence
4. Decisiveness
5. Self-Assurance
6. Initiative

Effective Leaders
lead by example …
with honesty…
confidence
and compassion …
intelligence
and humor !

Ineffective leaders
merely mislead themselves … :)

SRF

Current Leadership Studies

- <u>Current research supports the hypothesis that traits do play a role in predicting leadership qualities.</u>

  - One study found that the Big Five personality does have a preferred leadership profile, with:

    - High Surgency and Conscientiousness being positively related to successful leadership
    - High Agreeableness and low Adjustment being negatively related to leadership success

Current Leadership Studies

- <u>Answers to The Wall Street Journal-Gallup survey revealed the following as the three most important traits for success</u>:

  1. Integrity
  2. Industriousness
  3. Ability to get along with others

Leadership Styles

- **<u>Five Major Leadership Styles</u>**:

  - <u>The Impoverished Manager</u>
    - This leader has low concern for both production & people
  - <u>The Sweatshop Manager</u>
    - This leader has a high concern for production - a low concern for people
  - <u>The Country-Club Manager</u>
    - This leader has a high concern for people - a low concern for production
  - <u>The Organized-Person Manager</u>
    - This leader has balance - medium concern for both production & people
  - <u>The Team Manager</u>
    - This leader has a high concern for both production & people
      - This is the ideal leadership style

Transformational Leadership

- <u>**Transformational Leadership is about**</u>:

  - Change
  - Innovation
  - Entrepreneurship

Charismatic Leadership

- <u>Charismatic Leadership characterizes extraordinary forms of influence, and is frequently associated with leaders who are perceived as exceptional, gifted, and even heroic</u>

According to Oxford, **Influence** has a number of definitions:

1. The power or ability to affect someone's beliefs or actions.
2. A person or thing with such ability or power.
3. The power arising out of status, contacts, or wealth.
4. The power to produce a physical change.

Transactional Leadership

- <u>Transactional leadership has been contrasted with Transformative Leadership</u>

  - The transaction is based on the principle of "you do this work for me, and I'll give you this reward"

Servants and Stewardship

- <u>**Stewardship Theory states that leaders should be servants of the organization**</u>

  - Leaders' primary motivations are to serve the organization's best interests and mission, as opposed to more self-serving, opportunistic ends

Contingency Leadership Theories

- There is no one best leadership style in all situations

- Contingency Leadership Theory assumes that the appropriate leadership style varies from situation to situation

Situational Favorableness

- <u>Situational Favorableness</u> is the degree to which a situation enables the leader to exert influence over the followers –
  - The more favorable the situation, the more power the leader will have.

1. <u>Leader-Member Relations</u>
   - The better the relations, the more favorable the situation
2. <u>Task Structure</u>
   - The more structured the jobs, the more favorable the situation
3. <u>Position Power</u>
   - The more power, the more favorable the situation

Defining the Situation

- The effective supervisor adapts his or her style to meet the capabilities of the individual or group

    - Directive Behavior
        - The supervisor focuses on directing and controlling behavior to ensure that the task gets done
    - Supportive Behavior
        - The supervisor focuses on encouraging and motivating behavior
        - He or she explains things and listens to employees views, helping employees make their own decisions

- When a supervisor interacts with employees, the focus can be on directing (getting the task done), supporting (developing relationships), or both

Supervisory Style

- **<u>Four supervisory styles</u>**:
  - The "correct" supervisory style depends on the situation

    - Autocratic Style
    - Consultative Style
    - Participative Style
    - Laissez-Faire

- The better a supervisor is at matching his or her supervisory style to employee's capabilities, the greater the chances of being a successful supervisor

Supervisory Styles

- ## Autocratic
  - *Employees are like "Babies"*
    - Involves high directive and low supportive behavior and is appropriate when interacting with low capability employees

- ## Consultative
  - *Employees are like "Teenagers"*
    - Involves high directive and high supportive behavior and is appropriate when interacting with moderate capability employees

- ## Participative
  - *Employees are like "New Graduates"*
    - This style is characterized by low directive and high supportive behavior and is appropriate when interacting with employees with high capability

- ## Laissez-Faire
  - *Employees are "Star Performers"*
    - Entails low directive and low supportive behavior and is appropriate when interacting with outstanding employees

Substitutes for Leadership?

- **The leadership theories presented assume that some leadership style will be effective in each situation**

  - Leadership is a shared process between the group members, and there is not substitute for leadership

    - However, there are substitutes for managers

Management

- The following characteristics may substitute for management by providing direction and/or support:

  - Characteristics of Subordinates
    - Ability, knowledge, experience, training; need for independence; professional orientation; indifference toward org. goals
  - Characteristics of Task
    - Clarity and routine; invariant methodology; provision of own feedback concerning accomplishment; intrinsic satisfaction
  - Characteristics of the Organization
    - Formalization (explicit plans, goals, and areas of responsibility); inflexibility (rigid, unbending rules and procedures), highly specified and active advisory and staff functions; closely knit, cohesive work groups; organizational rewards not within the leader's control; spatial distance between superior and subordinates

Diversity and Global Leadership

- Thinking globally and having global leadership skills are essential to effective organizations

- Most leadership theories were developed in the U.S., so they do have an American bias

- <u>Theories assume</u>:

  - Employee responsibility, rather than employee rights
  - Self-gratification, rather than employee commitment to duty or altruistic motivation
  - Democratic values, rather than autocratic values
  - Rationality, rather than spirituality, religion, or superstition

- The leadership theories may not be as effective in cultures based on different assumptions

Diversity and Global Leadership

- European managers deal more with <u>cultural vs. technical</u> issues in the context of diverse value systems and religious backgrounds
- Korean leaders are expected to be <u>paternalistic</u> toward employees
- Arab leaders are viewed as <u>weak if they show kindness</u> or generosity
- Japanese leaders are expected to be <u>humble</u> and speak infrequently
- Scandinavian and Dutch leaders <u>embarrass, rater than motivate</u>, employees with public, individual praise
- <u>Autocratic leadership</u> styles are appropriate in high-context cultures, such as, Arab, Far Eastern, and Latin American countries
- <u>Participative leadership</u> styles are appropriate in low-context cultures, such as, the U.S. Norway, Finland, Denmark, and Sweden

Trust

- You can't be a truly effective leader without trust.
  - Trust is the positive expectation that another will not take advantage of you.

The Value of Trust

Return on Influence

Trust

- Deterrence Based Trust
  - Trust based on authority and not experience with the person
  - Fear of retaliation (New manager/teacher)
- Knowledge Based Trust
  - Trust is based on experience dealing with the other person
  - Can predict the other's behavior (Co-worker/friend)
- Identification Based Trust
  - Trust is based on an emotional connection
  - Unquestionable trust (Spouse/parents)

Developing Trust

- <u>Five dimensions of trust:</u>

  1. Integrity
  2. Competence
  3. Consistency
  4. Loyalty
  5. Openness

- Must display all or most to be trusted
- Lack of integrity can overpower all other dimensions and result in distrust

Integrity

- **<u>People who have Integrity are honest and sincere.</u>**

- <u>Be Honest</u>
  - Don't lie, steal, or cheat
  - Be sincere, and tell it like it is and people will trust you

- <u>Be Fair</u>
  - Perceived unfairness causes distrust and desire for revenge, restitution, and retaliation

Competence – Consistency - Loyalty

- <u>Competence</u>: having the ability and skills needed to carry out commitment

- <u>Consistency</u>: use the same behavior in similar situations – to be reliable

- <u>Loyalty</u>: faithfulness or sense of obligation to someone or something

COMPETENCE
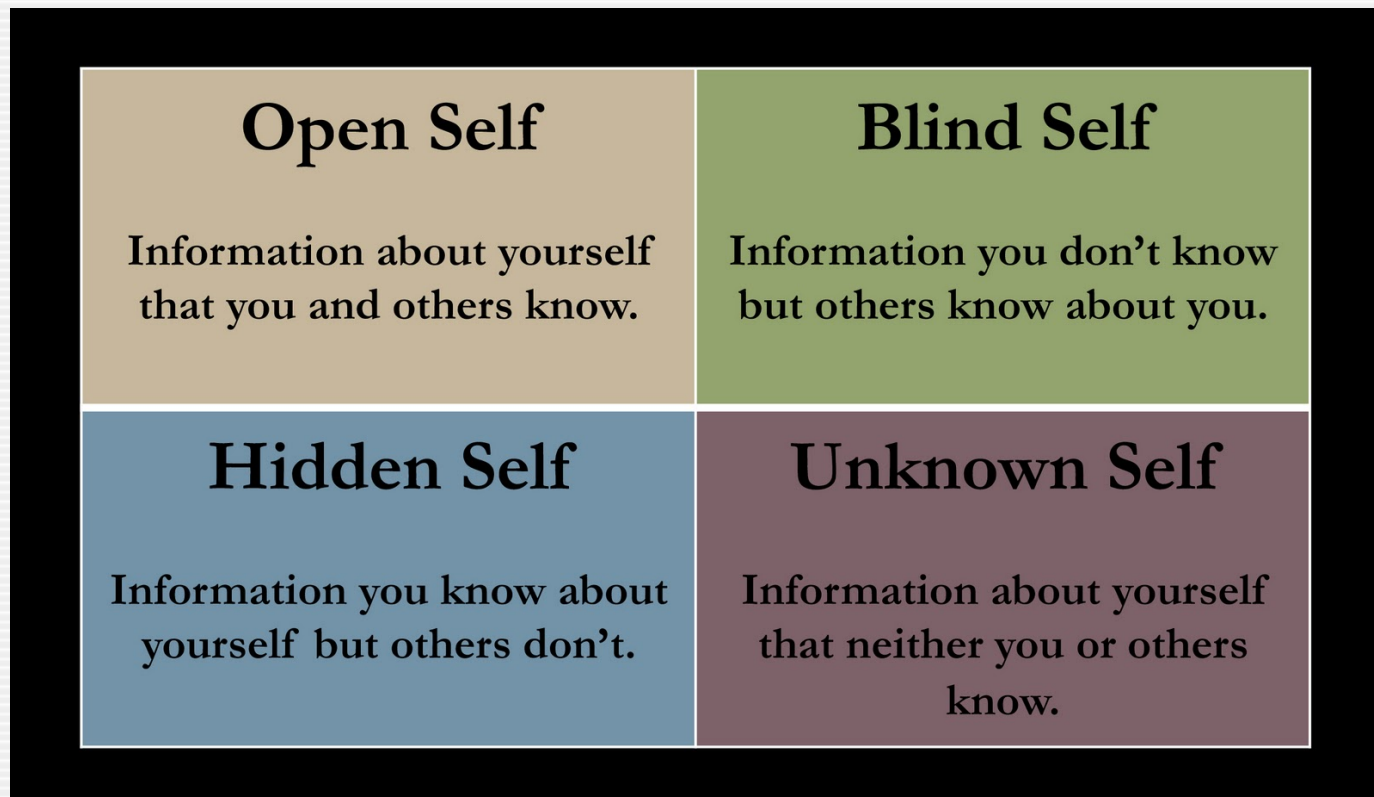
Consistency
is

LOYALTY

Openness

- People who are open accept new ideas and change
- Openness is the free expression of one's true feelings and opinions, not afraid of being themselves
- Self-disclosure enhances human relations and makes it easier for others to trust that person

VOICES for OPENNESS

Self Disclosure and the Johari Window

- The <u>Johari Window </u>has four regions representing the intersection of two axes:

Open Self	Blind Self
Information about yourself that you and others know.	Information you don't know but others know about you.
Hidden Self	**Unknown Self**
Information you know about yourself but others don't.	Information about yourself that neither you or others know.

Self-Disclosure

- ## <u>Risk of Self-disclosure</u>

  - Others can take advantage of one's trust
  - Others can use trust to hurt and/or disappoint

- ## <u>Benefit of Self-disclosure</u>

  - Can create closeness and understanding
  - May lead to unconditional trust

Repairing Trust

- Trust is earned and builds over time.
- It is much easier to destroy trust than to build it.
- Years of trust can be hurt or destroyed with one bad act of distrust.
- Because trust is easily broken, knowing how to repair trust has become a critical competency.

got trust?

Trust?
Years to earn, seconds to break.

Repairing Trust

1. <u>If you were at fault, accept the responsibility for your actions</u>. Denial will only create more problems. If you weren't, determine if your actions might have affected the person who was at fault.

2. <u>Don't be defensive about the problem or minimize the issue</u>.

3. <u>Both parties need to determine if they can realistically repair the trust that was lost</u>. Sometimes both would like to repair it, but the person who was hurt the most will more than likely not fully trust that person ever again.