MBA 609
Organizational Behaviour

Week 9

Leadership

Integrative negotiation

Four key steps to the strategy:

- Identify and define the problem
- Understand the problem fully (Get info)
  - Identify <u>interests</u> and <u>needs</u> on both sides
- Generate alternative solutions
- Evaluate and select among alternatives

Ugli Orange Negotiation

- You will be engaging in a Negotiating for Ugli Oranges
- For this role play I am Mr. Cardova, the owner of the remaining 3,000 Ugli Oranges
- You will be a representative of a pharmaceutical company meeting with a representative of another pharmaceutical company.
- You are meeting to determine whether to submit a joint bid; how much your bid will be and who I should deliver the Oranges to – if submitted a joint bid.
- Assume there may be others interested in these Oranges
- Assume you are using sealed bids. This is not an auction.
- That is, you will only be able to submit one bid

Individual differences in Negotiation effectiveness

- Personality Traits in Negotiation

- Moods/Emotions in Negotiation

- Gender Differences in Negotiation

Today's learning outcomes

- What is the difference between a manager and a leader?

- Are there specific traits, behaviours, and situations that affect how one leads?

- How does a leader lead with vision?

- What are some of the contemporary roles in leadership?

- What are some of the contemporary issues in leadership?

Individual exercise

- Make two columns on your answer sheet.
- In the left column write down what your direct manager does as part of his job
- In the right column write what the CEO/President of your company does (or you believe he does) as part of his job
- We will follow with a class discussion

Leaders versus Managers

- "Managers embrace process, seek stability and control, and instinctively try to resolve problems quickly….. Leaders in, contrast, tolerate chaos and lack of structure and are willing to delay closure in order to understand the issue more fully" (p.74)

- Vision versus Execution and results

(Zaleznik, ''Managers and leaders. Are they different?'' *HBR)*

Leaders versus Managers

- "Business leaders have much more in common with artists, scientists, and other creative thinkers than they do with managers" (p.74)

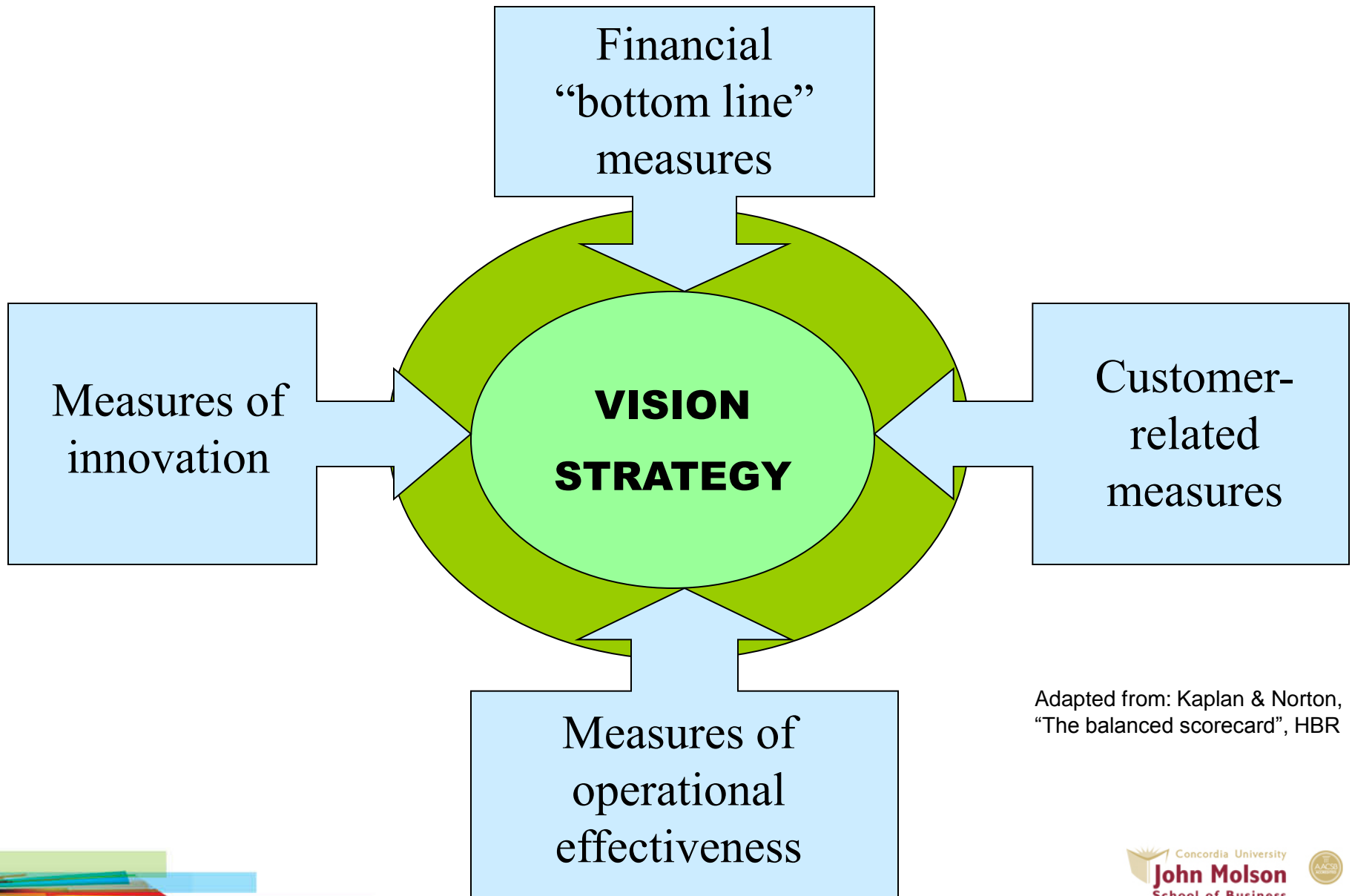- "Organizations need both managers and leaders to succeed" (p.74)

(Zaleznik, ''Managers and leaders. Are they different?'' *HBR)*

Leaders versus Managers

- "Leaders work in the opposite directions. Where managers act to limit choices, leaders develop fresh approaches to long-standing problems and open issued to new options" (p.77)

- "Leaders work from high risk positions" (p.77)

(Zaleznik, ''Managers and leaders. Are they different?'' *HBR*)

Leaders versus Managers

Financial "bottom line" measures

Measures of innovation

VISION STRATEGY

Customer-related measures

Measures of operational effectiveness

Adapted from: Kaplan & Norton, "The balanced scorecard", HBR

Background: Classic ideas about leadership

- **Trait leadership theories**
  - Are there "born leaders?" What traits are important?

- **Behaviour leadership theories**
  - Do successful leaders behave in certain ways? Can these behaviours be learned?

- **Contingency/Situational leadership theories**
  - What does successful leadership depend on?

Born or Made?
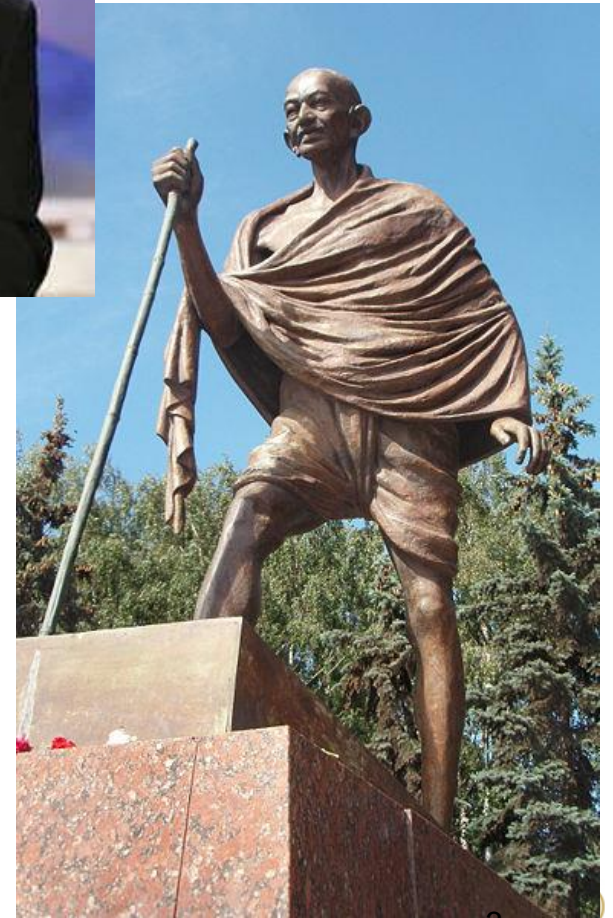
Are leaders Born or Made?

- In groups of 3, discuss whether leaders are born or made
- Use what we learned to date to guide your thinking and conclusions
- We will follow with a class discussion

Behavioural theories

- **Ohio State studies:**
  - Initiation structure vs consideration

- **Michigan studies**
  - Emloyee oriented vs production oriented

Contingency theories

- Fiedler contingency model
- Hersey and Blanchard's situational leadership
- Path-Goal theory
- Tannenbaum & Schmidt leadership theory

Contingency theories

Fiedler contingency model

- Fiedler assumes that an individual's leadership style is fixed, so the only way to improve leader effectiveness is to change the leader to fit the situation, or change the situation to fit the leader.

- One need to define whether the leader is interested in personal relation with co-workers (*relationship-oriented*) or primarily in productivity (*task-oriented*)

- 3 contingency dimensions that determines the situation the leader faces:
  - Leader-member relationships, Task structure and Position power

Contingency theories

Hersey and Blanchard situational leadership

- Successful leadership is achieved by selecting the right leadership style contingent ti the followers' **readiness.**

Contingency theories

Hersey and Blanchard situational leadership

- Four scenarios about the followers:
    - **Unable and unwilling:** <u>TELLING</u>, provide clear and specific directions
    - **Unable and willing:** <u>SELLING</u>, manager need to compensate for the follower lack of ability and provide high relationship orientation to have the follower buy in
    - **Able and unwilling:** <u>PARTICIPATING</u>, use participative and supportive style
    - **Able and willing:** <u>DELEGATING</u>, nothing to do.

Contingency theories

Path-Goal theory

- The effective leader clarifies followers' paths to their respective goals.

- Has considerations from the Expectancy theory

Effective leader and Expectancy Relationships

Effort → **Expectancy** → Performance → **Instrumentality** → Reward → **Valence** → Goal
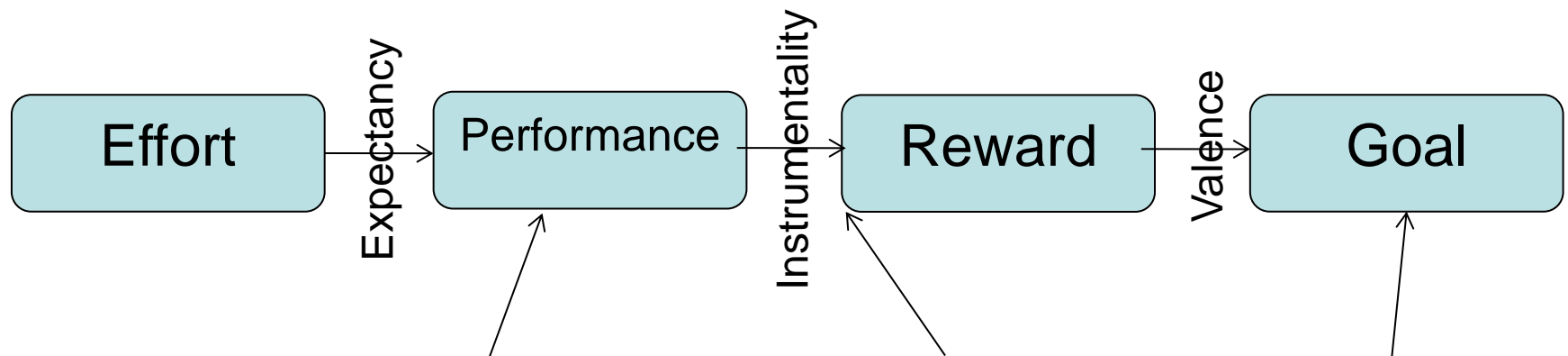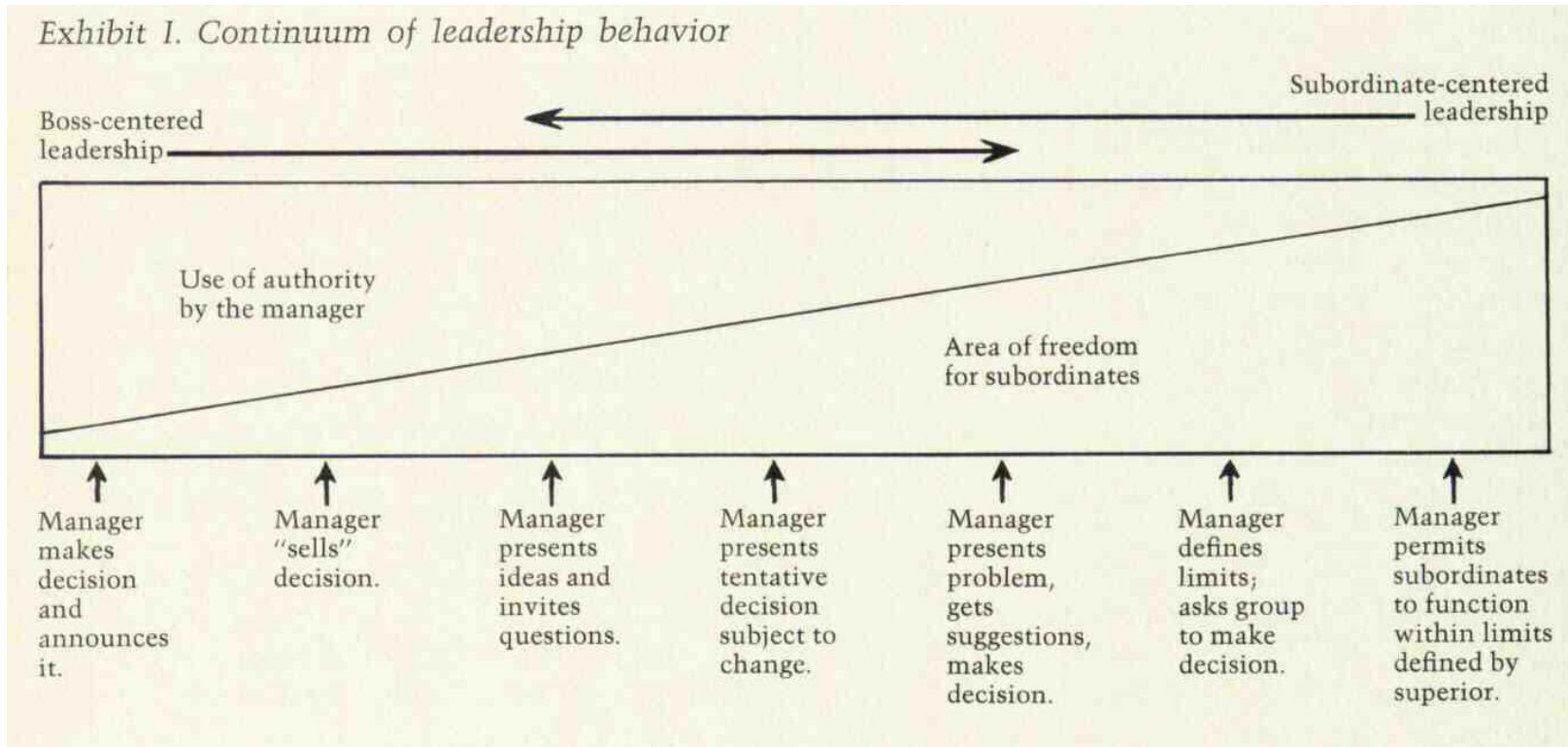
Effective Leadership

2. Reward individuals with their desired outcome when they perform well

3. Let individuals know what they need to do to receive the rewards (the path to the goal)

1. Determine the outcome the subordinate want

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Contingency theories

Exhibit I. Continuum of leadership behavior

Subordinate-centered leadership

Boss-centered leadership

Use of authority by the manager

Area of freedom for subordinates

| Manager makes decision and announces it. | Manager "sells" decision. | Manager presents ideas and invites questions. | Manager presents tentative decision subject to change. | Manager presents problem, gets suggestions, makes decision. | Manager defines limits; asks group to make decision. | Manager permits subordinates to function within limits defined by superior. |

Tannenbaum & Schmidt, *How to choose a leadership pattern,* HBR, May-June 1973

How to Lead: 3 Forces impact

- Forces in the Manager
- Forces in the Subordinate
- Forces in the Situation

How to Lead: 3 Forces impact

Forces in the manager	Forces in the subordinate	Forces in the situation
• Value system • Confidence in subordinates • Own Leadership inclinations • Feelings of security	• High need for independence • Readiness to assume responsibility • High tolerance for ambiguity • Identify with the organization's problems and goals • Have knowledge and experience • Learned to be part of decision making	• Type of organization • Group effectiveness • Nature of the problem • Time pressures • Long-run strategy • Objectives to be attained

Case incident: Moving from colleague to supervisor

- In groups of 3, discuss the case and respond to the 4 questions on p. 427 of your textbook.

- You are allowed 20 minutes.

- Write down your answers so it will be easier for you to discuss with class, and personally review later.

- Your answers must refer to/be supported by the OB theories we learned.

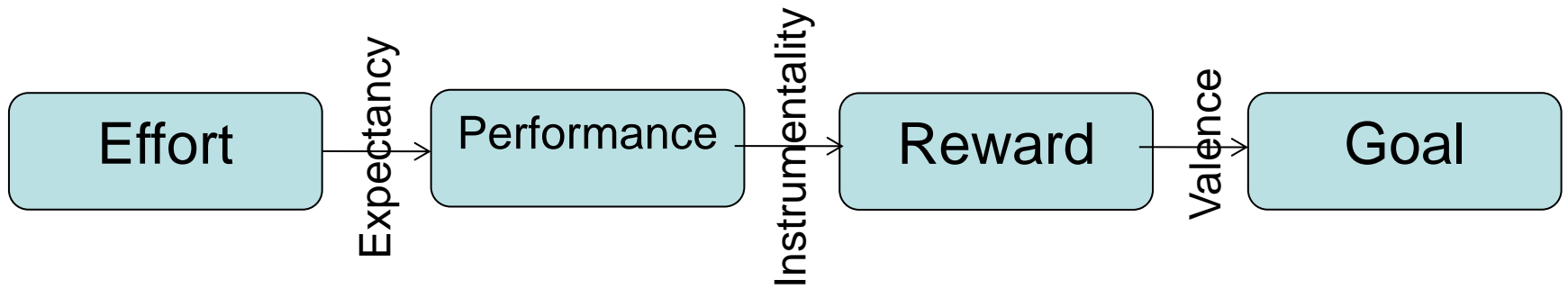- We will follow with class discussions

Personality attributes

- Big five
- Locus of control
- Self-esteem
- Self monitoring
- Risk taking
- Narcissism
- Machiavellianism
- Core self-Evaluation
- Proactive Personality
- Type A and Type B personalities

Extraversion	Emotional Stability	Agreeableness	Conscientiousness	Openness to Experience
Sociable, Talkative vs. Withdrawn, Shy	Stable, Confident vs. Depressed, Anxious	Tolerant, Cooperative vs. Cold, Rude	Dependable, Responsible vs. Careless, Impulsive	Curious, Original vs. Dull, Unimaginative

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Expectancy theory

| Effort | → Expectancy → | Performance | → Instrumentality → | Reward | → Valence → | Goal |

3 Forces impact

Forces in the manager	Forces in the subordinate	Forces in the situation
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Inspirational Leadership

- Charismatic leaders
  - Inspiring followers through their words, ideas and behaviour

- Transformational leaders:
  - Inspire followers to transcend their own self-interests

- Transactional leaders:
  - Guide followers in the direction of established goals by clarifying the role and task requirements.

Contemporary leadership roles

- Mentoring
- Self-leadership
- Team leadership
- Online leadership
- Leading with authority

Contemporary leadership roles

The manager's role per:

- Henri Fayol in 1916:
    - Managers plan, organize, coordinate & control

- Henry Mintzberg in 1975:
    - Interpersonal roles
        - Figurehead, Leader, Liaison
    - Informational roles
        - Monitor, Disseminator, Spokesperson
    - Decisional roles
        - Entrepreneur, Disturbance-handler, Resource-allocator, Negotiator

Contemporary issues in leadership

- Authentic leadership
- Moral leadership
- Gender leadership

What did I learn today?
Make your own summary