Leadership

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What are the skills that get employees promoted?
“An engineer is hired for her or his technical skills, fired for poor people skills, and promoted for leadership and management skills.”

Russell and Yao (1997)
What is the difference between management and leadership?
Management ≠ Leadership

<table>
<thead>
<tr>
<th>Managers</th>
<th>Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Focus on the present</td>
<td>● Focus on the future</td>
</tr>
<tr>
<td>● Take care or routine issues</td>
<td>● Create change</td>
</tr>
<tr>
<td>● Implement policy</td>
<td>● Initiate policy</td>
</tr>
<tr>
<td>● Maintain existing culture and structure</td>
<td>● Create new culture and structure</td>
</tr>
<tr>
<td>● Use position power</td>
<td>● Use personal power</td>
</tr>
</tbody>
</table>

What skill sets are required for each?
What do great leaders do?

Does any single leadership "style" dominate in these responses?
“A specific type of leadership is likely to be more effective in a specific type of situation.”

Situational Leadership Theory

Sims, Faraj, & Yun (2009)
Introducing 5 Leadership Styles…

Look for examples in your career, think about when each are appropriate
Clip #1: The Devil Wears Prada
Aversive Leader

- Top down
- Controlling
- Threatening
- Intimidating
- Reprimanding
- Punishing
- Coercive

When is this style appropriate?
Clip #2: Invictus

http://movieclips.com/mEyU-invictus-movie-the-people-are-wrong/

Mandela says no to name change (from Springboks to Proteas) for national rugby team. Why?

How does this differ from Aversive?
Directive Leader

- Top down
- Commanding
- Benevolent
- Respectful
- Decisive
- Controlling

When is this style appropriate?
Clip #3: Romancing the Stone
Transactional Leader

• Exchange relationship
• Compliance for rewards
• Minimal loyalty
• “I will do what the boss wants as long as the rewards keep coming”

Are transactions necessary in organizations?
Clip #4: Henry V

When is this style appropriate?
Transformational Leader

- Charisma
- Persona
- Creates an absorbing vision
- Energizes others to pursue vision
- Larger than life
- Inspiration
- Persuasion

Modern examples?
Clip #5: The Horse Whisperer
Clip #6: Dead Poets Society

What techniques do these clips illustrate?
Empowering Leader

• Fosters self leadership
• Self responsibility
• Autonomy
• Problem solving
• Bottom up
• Follower takes ownership

When is this style appropriate?
“My primary job as a leader is to provide the right sort of emotional support or relief.”

-Brad Anderson, former CEO
Punch line: great leaders adapt their style to fit the situation
Application to your workplace

- What is the most typical leadership style used by your boss(es) in your organization?
- What leadership style fits your work situation best? Is there a mismatch?
- As a leader what style do you use the most? Is there a mismatch with the typical situation?
How do you become more…?

- Aversive
- Directive
- Transactional
- Transformational
- Empowering

For review see reading on SharePoint:

Sims, Faraj & Yun (2009). When should a leader be directive or empowering? *Business Horizons*. 52, 149-158.
<table>
<thead>
<tr>
<th>Style</th>
<th>Situation</th>
<th>Tactics?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aversive</td>
<td>You have a talented employee with poor work habits. You have tried giving clear direction and rewards for improvement. Neither approach has worked.</td>
<td></td>
</tr>
<tr>
<td>Directive</td>
<td>Your catering company wins a last minute contract for an important client that can bring new business. Your best line cook is on vacation. Failure is not an option.</td>
<td></td>
</tr>
<tr>
<td>Transactional</td>
<td>You manage a wholesale sales unit with a dozen salespeople. Top management hands you your target sales for the quarter. The targets are challenging.</td>
<td></td>
</tr>
<tr>
<td>Transformational</td>
<td>You manage a product design unit riddled with internal conflict and conflict with other units in the company. You are one month on the job. Productivity is down.</td>
<td></td>
</tr>
<tr>
<td>Empowering</td>
<td>Your R&amp;D group hired two talented new employees last year. Both are capable of expanded responsibilities. You would like to groom them to work independently.</td>
<td></td>
</tr>
</tbody>
</table>
Sources of Power

- **Position (Structural)**
  - Legitimate/Title
  - Resource Control
    - Punishment/Coercion
    - Rewards
- **Relationship (Personal)**
  - Referent-respect, trust
  - Expert-information
Which power type is most likely to influence others to do hard things? Why?

Battle the French 1:5

Maintain on time schedule with one less plane
How to gain power?

- Develop multiple sources of it.
- *Give it away, don’t take it.*

“We only have power over someone if they allow us to- if they trust us or if they value something we control”  (Boss, 1994)
The business case for giving power

http://www.youtube.com/watch?v=PO2gBEQgShg
<table>
<thead>
<tr>
<th></th>
<th>Costco Wholesale</th>
<th>Sam's Club</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong># Employees</strong></td>
<td>68,000</td>
<td>102,000</td>
</tr>
<tr>
<td><strong>Average Salary</strong></td>
<td>$33,218</td>
<td>$23,962</td>
</tr>
<tr>
<td><strong>Cost to replace</strong></td>
<td>$49,827</td>
<td>$35,943</td>
</tr>
<tr>
<td><strong>Employees with Health Care Benefits</strong></td>
<td>82% ($5,735/yr per employee)</td>
<td>47% ($3,500/yr per employee)</td>
</tr>
<tr>
<td><strong>Employees with Retirement Benefits</strong></td>
<td>91% ($1,330/yr per employee)</td>
<td>64% ($747/yr per employee)</td>
</tr>
<tr>
<td>Returns</td>
<td>Costco Wholesale</td>
<td>Sam’s Club</td>
</tr>
<tr>
<td>------------------------------</td>
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<tr>
<td><strong>Sales Revenue</strong></td>
<td>$35 Billion</td>
<td>$34 Billion</td>
</tr>
<tr>
<td><strong>Profit Per Employee</strong></td>
<td>$13,647</td>
<td>$11,039</td>
</tr>
<tr>
<td><strong>Annual Turnover % (Costs)</strong></td>
<td>6% ($203.3 Million/yr)</td>
<td>21% ($769.9 Million/yr)</td>
</tr>
<tr>
<td><strong>Labor and Overhead Costs/Sales</strong></td>
<td>9.8%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Sales per square foot</strong></td>
<td>$795</td>
<td>$516</td>
</tr>
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