



12.3 What Do Leaders Do? Behavioral Approaches to Leadership

LEARNING OBJECTIVES

1. Explain the behaviors that are associated with leadership.
2. Identify the three alternative decision-making styles leaders use and the conditions under which they are more effective.
3. Discuss the limitations of behavioral approaches to leadership.

Leader Behaviors

When trait researchers became disillusioned in the 1940s, their attention turned to studying leader behaviors. What did effective leaders actually do? Which behaviors made them perceived as leaders? Which behaviors increased their success? To answer these questions, researchers at Ohio State University and the University of Michigan used many different techniques, such as observing leaders in laboratory settings as well as surveying them. This research stream led to the discovery of two broad categories of behaviors: task-oriented behaviors (sometimes called **initiating structure**) and people-oriented behaviors (also called **consideration**). **Task-oriented leader behaviors** involve structuring the roles of subordinates, providing them with instructions, and behaving in ways that will increase the performance of the group. Task-oriented behaviors are directives given to employees to get things done and to ensure that organizational goals are met. **People-oriented leader behaviors** include showing concern for employee feelings and treating employees with respect. People-oriented leaders genuinely care about the well-being of their employees, and they demonstrate their concern in their actions and decisions. At the time, researchers thought that these two categories of behaviors were the keys to the puzzle of leadership. See House, R. J., & Aditya, R. N. (1997). The social scientific study of leadership: Quo Vadis? *Journal of Management*, 23, 409–473. However, research did not support the argument that demonstrating both of these behaviors would necessarily make leaders effective. Nystrom, P. C. (1978). Managers and the hi-hi leader myth. *Academy of Management Journal*, 21, 325–331.

When we look at the overall findings regarding these leader behaviors, it seems that both types of behaviors, in the aggregate, are beneficial to organizations, but for different purposes. For example,

when leaders demonstrate people-oriented behaviors, employees tend to be more satisfied and react more positively. However, when leaders are task oriented, productivity tends to be a bit higher. Judge, T. A., Piccolo, R. F., & Ilies, R. (2004). The forgotten ones? The validity of consideration and initiating structure in leadership research. *Journal of Applied Psychology*, 89, 36–51. Moreover, the situation in which these behaviors are demonstrated seems to matter. In small companies, task-oriented behaviors were found to be more effective than in large companies. Miles, R. H., & Petty, M. M. (1977). Leader effectiveness in small bureaucracies. *Academy of Management Journal*, 20, 238–250. There is also some evidence that very high levels of leader task-oriented behaviors may cause burnout with employees. Seltzer, J., & Numerof, R. E. (1988). Supervisory leadership and subordinate burnout. *Academy of Management Journal*, 31, 439–446.

Leader Decision Making

Another question behavioral researchers focused on involved how leaders actually make decisions and the influence of decision-making styles on leader effectiveness and employee reactions. Three types of decision-making styles were studied. In **authoritarian decision making**, leaders make the decision alone without necessarily involving employees in the decision-making process. When leaders use **democratic decision making**, employees participate in the making of the decision. Finally, leaders using **laissez-faire decision making** leave employees alone to make the decision. The leader provides minimum guidance and involvement in the decision.

As with other lines of research on leadership, research did not identify one decision-making style as the best. It seems that the effectiveness of the style the leader is using depends on the circumstances. A review of the literature shows that when leaders use more democratic or participative decision-making styles, employees tend to be more satisfied; however, the effects on decision quality or employee productivity are weaker. Moreover, instead of expecting to be involved in every single decision, employees seem to care more about the overall participativeness of the organizational climate. Miller, K. I., & Monge, P. R. (1986). Participation, satisfaction, and productivity: A meta-analytic review. *Academy of Management Journal*, 29, 727–753. Different types of employees may also expect different levels of involvement. In a research organization, scientists viewed democratic leadership most favorably and authoritarian leadership least favorably. Baumgartel, H. (1957). Leadership style as a variable in research administration. *Administrative Science Quarterly*, 2, 344–360. but employees working in large groups where opportunities for member interaction was limited preferred authoritarian leader decision making. Vroom, V. H., & Mann, F. C. (1960). Leader authoritarianism and employee attitudes. *Personnel Psychology*, 13, 125–140. Finally, the effectiveness of each style seems to depend on who is using it. There are examples of effective leaders

using both authoritarian and democratic styles. At Hyundai Motor America, high-level managers use authoritarian decision-making styles, and the company is performing very well. Deutschman, A. (2004, September). Googling for courage. *Fast Company*, 86, 58–59; Welch, D., Kiley, D., Ihlwan, M. (2008, March 17). My way or the highway at Hyundai. *Business Week*, 4075, 48–51.

Figure 12.8



Google cofounders Larry Page and Sergey Brin (shown here) are known for their democratic decision-making styles.

Source: http://commons.wikimedia.org/wiki/Image:Sergey_Brin,_Web_2.0_Conference.jpg.

The track record of the laissez-faire decision-making style is more problematic. Research shows that this style is negatively related to employee satisfaction with leaders and leader effectiveness. Judge, T. A., & Piccolo, R. F. (2004). Transformational and transactional leadership: A meta-analytic test of their relative validity. *Journal of Applied Psychology*, 89, 755–768. Laissez-faire leaders create high levels of ambiguity about job expectations on the part of employees, and employees also engage in higher levels of conflict when leaders are using the laissez-faire style. Skogstad, A., Einarsen, S., Torsheim, T., Aasland, M. S., & Hetland, H. (2007). The destructiveness of laissez-faire leadership behavior. *Journal of Occupational Health Psychology*, 12, 80–92.

Leadership Assumptions about Human Nature

Why do some managers believe that the only way to manage employees is to force and coerce them to work while others adopt a more humane approach? Douglas McGregor, an MIT Sloan School of Management professor, believed that a manager's actions toward employees were

dictated by having one of two basic sets of assumptions about employee attitudes. His two contrasting categories, outlined in his 1960 book, *The Human Side of Enterprise*, are known as Theory X and Theory Y.

According to McGregor, some managers subscribe to **Theory X**. The main assumptions of Theory X managers are that employees are lazy, do not enjoy working, and will avoid expending energy on work whenever possible. For a manager, this theory suggests employees need to be forced to work through any number of control mechanisms ranging from threats to actual punishments. Because of the assumptions they make about human nature, Theory X managers end up establishing rigid work environments. Theory X also assumes employees completely lack ambition. As a result, managers must take full responsibility for their subordinates' actions, as these employees will never take initiative outside of regular job duties to accomplish tasks.

In contrast, **Theory Y** paints a much more positive view of employees' attitudes and behaviors. Under Theory Y, employees are not lazy, can enjoy work, and will put effort into furthering organizational goals. Because these managers can assume that employees will act in the best interests of the organization given the chance, Theory Y managers allow employees autonomy and help them become committed to particular goals. They tend to adopt a more supportive role, often focusing on maintaining a work environment in which employees can be innovative and prosperous within their roles.

One way of improving our leadership style would be to become conscious about our theories of human nature, and question the validity of our implicit theories.

Source: McGregor, D. (1960). *Human side of enterprise*. New York: McGraw Hill.

Limitations of Behavioral Approaches

Behavioral approaches, similar to trait approaches, fell out of favor because they neglected the environment in which behaviors are demonstrated. The hope of the researchers was that the identified behaviors would predict leadership under all circumstances, but it may be unrealistic to expect that a given set of behaviors would work under all circumstances. What makes a high school principal effective on the job may be very different from what makes a military leader effective, which would be different from behaviors creating success in small or large business enterprises. It turns out that specifying the conditions under which these behaviors are more effective may be a better

approach.

KEY TAKEAWAY

When researchers failed to identify a set of traits that would distinguish effective from ineffective leaders, research attention turned to the study of leader behaviors. Leaders may demonstrate task-oriented and people-oriented behaviors. Both seem to be related to important outcomes, with task-oriented behaviors more strongly relating to leader effectiveness and people-oriented behaviors leading to employee satisfaction. Leaders can also make decisions using authoritarian, democratic, or laissez-faire styles. While laissez-faire has certain downsides, there is no best style, and the effectiveness of each style seems to vary across situations. Because of the inconsistency of results, researchers realized the importance of the context in which leadership occurs, which paved the way to contingency theories of leadership.

EXERCISES

1. Give an example of a leader you admire whose behavior is primarily task oriented, and one whose behavior is primarily people oriented.
2. What are the limitations of authoritarian decision making? Under which conditions do you think authoritarian style would be more effective?
3. What are the limitations of democratic decision making? Under which conditions do you think democratic style would be more effective?
4. What are the limitations of laissez-faire decision making? Under which conditions do you think laissez-faire style would be more effective?
5. Examine your own leadership style. Which behaviors are you more likely to demonstrate? Which decision-making style are you more likely to use?



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