

**Principles of Management**  
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**Lecture - 47**  
**Leadership Styles of Managers - 1**

I will discuss about the Leadership Style of Managers and the content of this course would be: what is meaning of leadership, leadership theories like trait theory, behavioral theory, contemporary theories of leadership, contemporary views of leadership, transactional and transformational leadership, charismatic and authentic leadership and self leadership.

So, the learning outcomes would be to present an overview of how different leadership style can influence employees to achieve organizational goals. It will also help us understand various contemporary issues in leadership.

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**INTRODUCTION**

- ❖ After people are hired and inducted into an organization, managers must oversee and coordinate their work so that the organizational goals can be pursued and achieved.
- ❖ This is the **leading** function of management. As it involves organization's people, it is an important as well as a challenging function.

**HBR'S 10 MUST READS**

**FEATURING**  
"What Makes an Effective Executive"  
by Peter F. Drucker

**On Leadership**  
If you read nothing else on leadership, read these definitive articles from Harvard Business Review.

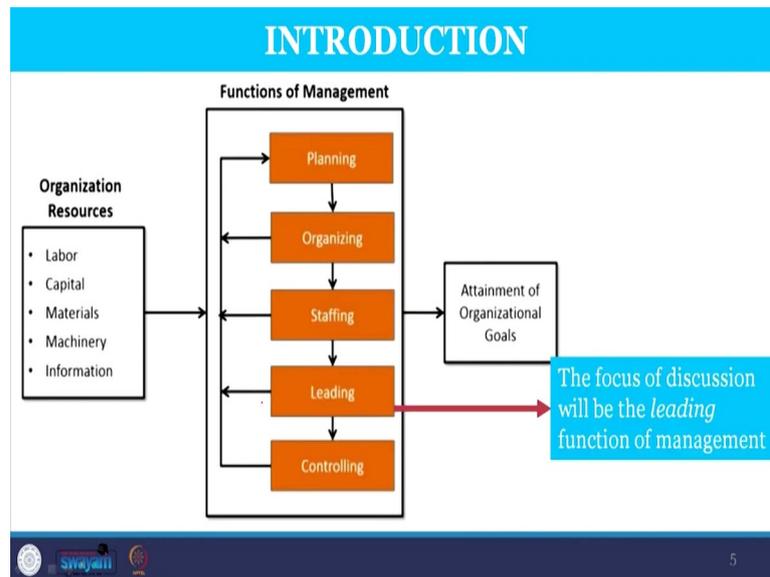
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After people are hired and inducted into an organization, managers must oversee and coordinate their work so that an organizational goal can be pursued and can be achieved.

So, the very understanding of leadership function is as it involves organization's people it is an important as well as a challenging function.

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As we know that organizational resources are limited, the resources are labor, capital material, machinery, information and they need to be distributed effectively, they need to be distributed to people and optimal utilization of resources will help organization to attain the goals.

So, therefore, there are some management functions and these management functions will help in planning, organizing, staffing, leading and controlling so that the resources are optimally utilized and this would help in attainment of goals in the most effective and efficient manner.

The focus of this chapter or the focus of this discussion would be on the leading functions of management.

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## DEFINING LEADERSHIP



Courtesy: Harvard Business Review

- ❖ **Leadership** is the art or process of influencing people so that they will strive willingly and enthusiastically toward the achievement of group goals.
- ❖ **Leader** is someone who can influence others and who has managerial authority. Effective leaders help groups of people to define their goals and find ways to achieve them.
- ❖ **Leading** is one of the management functions which ensure that organizational goals are achieved efficiently and effectively.

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We will start with a fundamental definition of leadership, leader and leading role. What is leadership? Leadership is a process of influencing people. It is an art or process of influencing people, so that they will strive or work willingly and enthusiastically towards attainment of group goals.

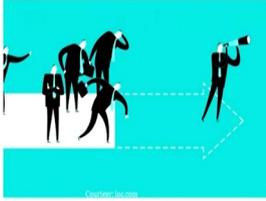
Who is a leader? Leader is someone who can influence others, who can motivate others to work. So, leader is someone who can influence others and who have the authority/ managerial power. So, an effective leader helps group of people to define their goals and find ways to achieve them.

Leading is one of the management functions which ensures that organizational goals are achieved efficiently and effectively.

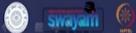
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## INGREDIENTS OF LEADERSHIP

1. Leadership bestows power to a leader
2. Leadership involves a fundamental understanding of people
3. Leadership is the ability to inspire followers to apply their full capabilities
4. Leadership involves different styles and the development of the organizational climate



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So, what are the ingredients of leadership or the factors of leadership or we can say that certain important points to be covered in leadership.

One who has power or leadership bestows power to a person or a leader. Leadership involves fundamental understanding of people, understanding the people with whom you are working. It is the ability to inspire followers to apply their full capacity capability. It involves different styles and development of organizational climate.

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## FUNDAMENTAL PRINCIPLE OF LEADERSHIP

- ❖ Since people tend to follow those who, in their view, offer them a means of satisfying their own personal goals.
- ❖ If managers understand what motivates their subordinates and how these motivations operate, the more they reflect this understanding in carrying out their managerial actions, and the more effective they are likely to be as leaders

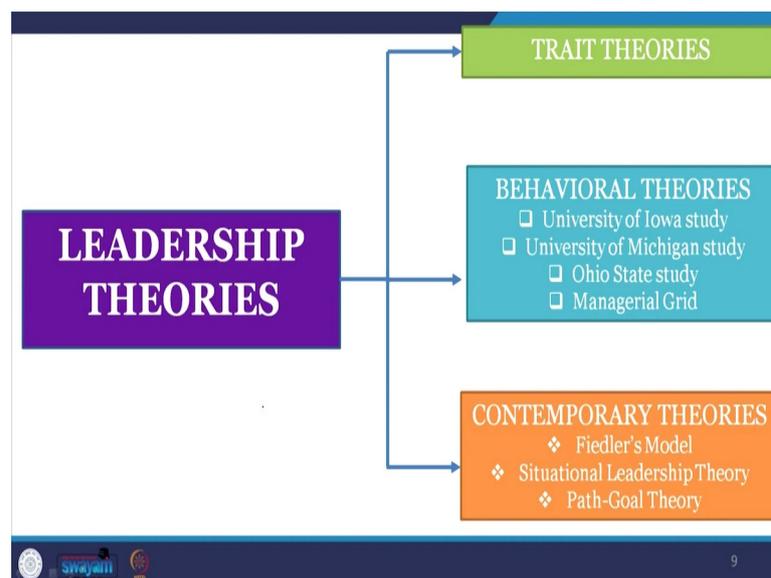
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And, fundamental principle of leadership since people tend to follow those who, in their view, offer them a means of satisfying their own personal goals. People generally have a tendency to obey to individuals who can help facilitate them to reach their personal goals.

If managers understand what motivates their subordinates and how these motivations operate, the more they reflect their understanding in carrying out their managerial actions, the more effective they are likely to be as leader.

So, it is very important for a leader to understand the motivational factors behind the followers or what is motivating their followers, then probably they can be successful leaders.

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So, there are various theories of leadership that I would be discussing here. The dominant theories of leadership are trait theories, behavioral theories and contemporary theories of leadership.

The trait theory emphasis on the personality traits of the leader. Behavioral theories, as the name goes, emphasizes on the specific behavior of the leader. And, contemporary theories there they say that a leader is effective in a particular situation. So, their focus is on contingency factors of leadership.

And, moving forward with the trait theory of leadership and who are the proponents of the trait theory of leadership; we will discuss the evolution of trait theory. In the year 1920s and 30s, leadership research focused on isolating leadership traits or leaders traits or characteristics.

The theories that consider personality, social, physical or intellectual traits to differentiate leader from leader. A leader is having certain specific traits. How a trait theory proved impossible to identify a set of traits that would always differentiate leader from non-leaders? So, they could not identify the specific traits which the leader possesses.

Of course, these theories said that traits are the distinguishing factor between leader and a non-leader. Traits alone were not sufficient to identify effective leaders because it is ignore the interaction of leader and the followers or group members as well as it could not accommodate the continent factors.

So, traits can predict leadership, but they are better at predicting leader's emergence than effectiveness. So, traits are obviously one of the distinguishing factors from a leader and non-leader, but they can only say that they are the predicting factors; predicting leader's emergence rather than effectiveness.

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## SEVEN TRAITS OF LEADERSHIP

1. Drive. Leaders exhibit a high effort level. They have a relatively high desire for achievement, They are ambitious, they have a lot of energy, they are tirelessly persistent in their activities, and they show initiative.
2. Desire to lead. Leaders have a strong desire to influence and lead others. They demonstrate the willingness to take responsibility.
3. Honesty and integrity. Leaders build trusting relationships with followers by being truthful or nondeceitful and by showing high consistency between word and deed.
4. Self-confidence. Followers look to leaders for an absence of self-doubt. Leaders, therefore, need to show self-confidence in order to convince followers of the rightness of their goals and decisions.
5. Intelligence. Leaders need to be intelligent enough to gather, synthesize, and interpret large amounts of information, and they need to be able to create visions, solve problems, and make correct decisions.
6. Job-relevant knowledge. Effective leaders have a high degree of knowledge about the company, industry, and technical matters. In-depth knowledge allows leaders to make well-informed decisions and to understand the implications of those decisions.
7. Extraversion. Leaders are energetic, lively people. They are social, assertive, and rarely silent or withdrawn.

**Seven traits of leadership** – what are the seven traits? Leader has a drive, desire to lead, honesty and integrity, self-confidence, intelligence, job-relevant knowledge and extraversion. The trait theory says that a leader should have drive to lead. Leaders exhibit a high level of effort.

They have relatively desire for achievement, they are ambitious and they have a lot of energy or a positive energy, they are persistent in their activities and show initiative. They have a desire to lead. Leaders have a strong desire to influence and lead others. They demonstrate the willingness and take responsibility.

Honesty and integrity: leaders build trust trusting relationship with followers by being truthful and non-deceitful and by showing consistency between work and deed between the word and deed.

Self-confidence: followers look to the leaders for an absence of self-doubt. Leader should have should exhibit self-confidence. Therefore, they need to show self-confidence in order to convince followers. If the followers perceive that leader is confident, has no self-doubt, then there would obviously be faith on that leader. So, this self-confidence will help the followers to understand or followers to obey their leader.

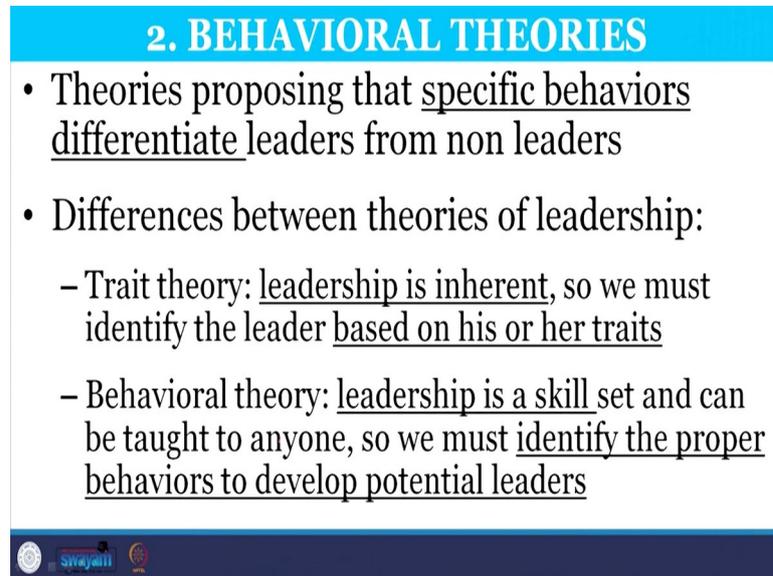
Intelligence is another factor, another trait leader needs to be intelligent enough to gather, synthesize, and interpret large amount of information, and they need to be able to create a vision, solve problems, and make corrective decisions.

And, job-relevant knowledge: effective leader has a high degree of knowledge or they specialize on a particular area or knowledge domain about the company, the industry and the technical or the professional matter. In-depth knowledge allows leaders to make well-informed decisions and to understand the implications of those decisions.

Extraversion or introversion is another trait; extraversion means the person is able to speak effectively. Extraversion is a factor; leader are energetic, they are lively people, they are sociable, assertive and rarely silent or withdrawn. If a leader is introvert, he is less accepted.

So, he is most accepted as he is able speak up his mind, is sociable, assertive and he is not a social recluse. He mingles with people, takes people along with him. So, these are seven traits of leadership.

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**2. BEHAVIORAL THEORIES**

- Theories proposing that specific behaviors differentiate leaders from non leaders
- Differences between theories of leadership:
  - Trait theory: leadership is inherent, so we must identify the leader based on his or her traits
  - Behavioral theory: leadership is a skill set and can be taught to anyone, so we must identify the proper behaviors to develop potential leaders

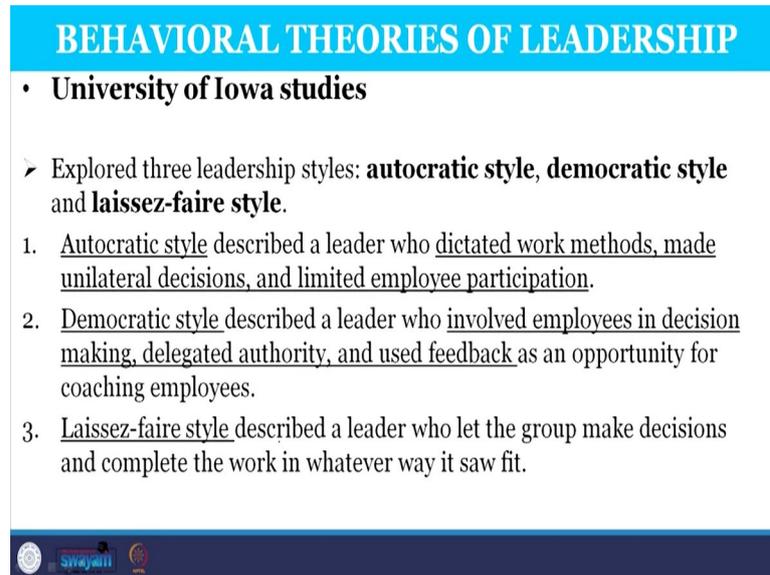
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The next theory is the **behavioral theory**. The theory proposes that there are specific behavior that differentiates leader from non-leaders.

Difference between theories of leadership: the trait theory and the behavioral theory; leadership is inherent as per trait theory. So, we must identify the leader based on his or her traits.

The behavioral theory says that leadership is a skill and can be thought to anyone. So, we must identify the proper behavior to develop potential leaders. This theory emphasis that a leader possesses certain unique behavior or exhibits certain behavior to be accepted as a leader.

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**BEHAVIORAL THEORIES OF LEADERSHIP**

- **University of Iowa studies**
  - Explored three leadership styles: **autocratic style**, **democratic style** and **laissez-faire style**.
    1. Autocratic style described a leader who dictated work methods, made unilateral decisions, and limited employee participation.
    2. Democratic style described a leader who involved employees in decision making, delegated authority, and used feedback as an opportunity for coaching employees.
    3. Laissez-faire style described a leader who let the group make decisions and complete the work in whatever way it saw fit.

So, there are some studies which have been carried out. The most important one being University of Iowa studies. It explores three leadership styles –autocratic leader, democratic leader and laissez-fair styles of leadership. Autocratic leadership style described a leader as one who dictated work methods, made unilateral decisions and limited employee participation. They are directive leader.

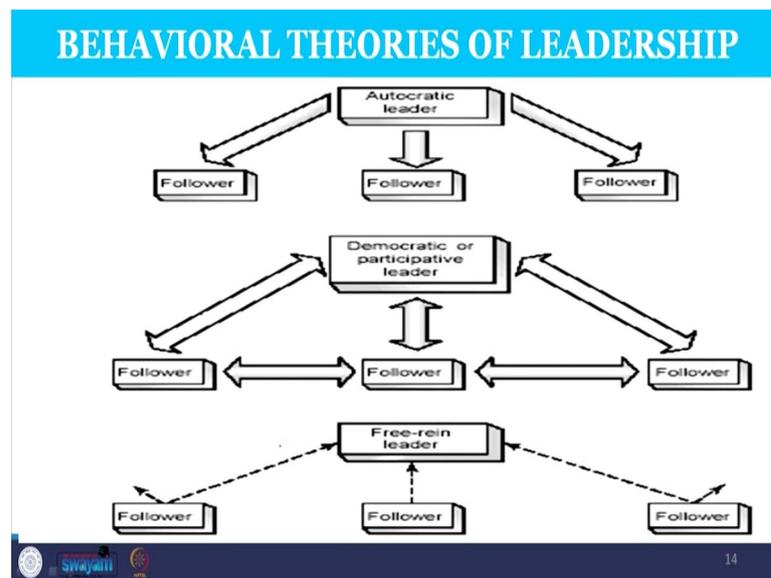
Autocratic leadership style is as a kind of a top-down leadership style, where the terms and conditions or the work responsibility or work methods is just dictated to the subordinate and the premise here is that people obey or the employees obey the words of the senior management or the leader without any questions being raised.

Democratic leadership style described a leader who involved employees in decision making, who always emphasized on delegating authority and used feedback as an opportunity for coaching employees. So, democratic leaders are basically participative leader.

They involve employees in decision making, they develop employees by allowing them to question or give suggestion, so that there is always sense of ownership of employees in every decision. Then the third one is laissez-faire leadership style, otherwise also called free rein leaders.

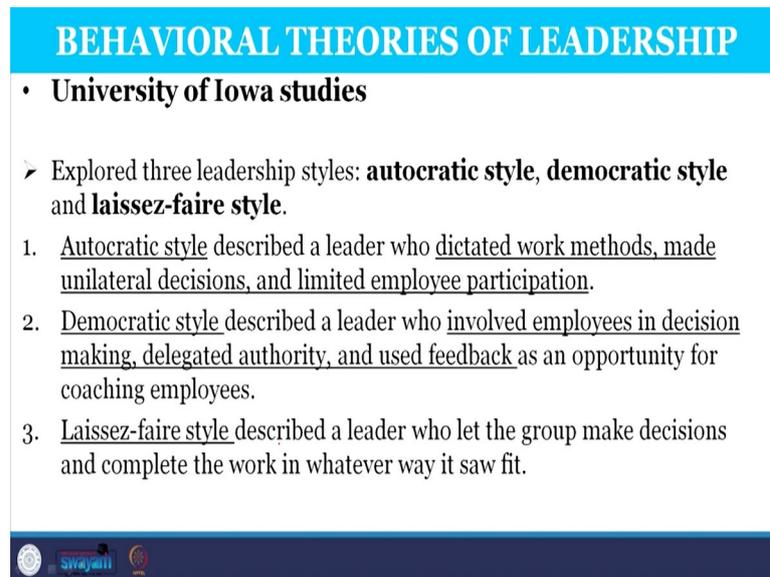
Laissez-faire leadership style describes the leader who let the group make decisions who did not mingle in the decision making did not involve, did not give any directions. These leaders keep aloof from the decision making and the complete task is being given to the followers, complete the work in whatever way they saw it fit.

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Autocratic leader is giving directions to the followers. Democratic or participative leaders they take views of the followers, they involve people in decision making, they delegate power and the free-rein leader is giving freedom to the followers to take decision, to give suggestions and he does not interfere in their decision-making process.

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**BEHAVIORAL THEORIES OF LEADERSHIP**

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  - 1. Autocratic style described a leader who dictated work methods, made unilateral decisions, and limited employee participation.
  - 2. Democratic style described a leader who involved employees in decision making, delegated authority, and used feedback as an opportunity for coaching employees.
  - 3. Laissez-faire style described a leader who let the group make decisions and complete the work in whatever way it saw fit.



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**IMPORTANT BEHAVIORAL STUDIES**

- **Ohio State University**
  - Found two key dimensions of leader behavior:
    - **Initiating structure** is the extent to which a leader defined his role and the roles of group members in attaining goals.
    - **Consideration** is the extent to which leader had relationship characterized by mutual trust and respect for group members.
- **University of Michigan**
  - Also found two key dimensions of leader behavior:
    - **Employee-oriented** – emphasizes interpersonal relationships and is the most powerful dimension
    - **Production-oriented** – emphasizes the technical aspects of the job
  - The dimensions of the two studies (Ohio and Michigan) are very similar.



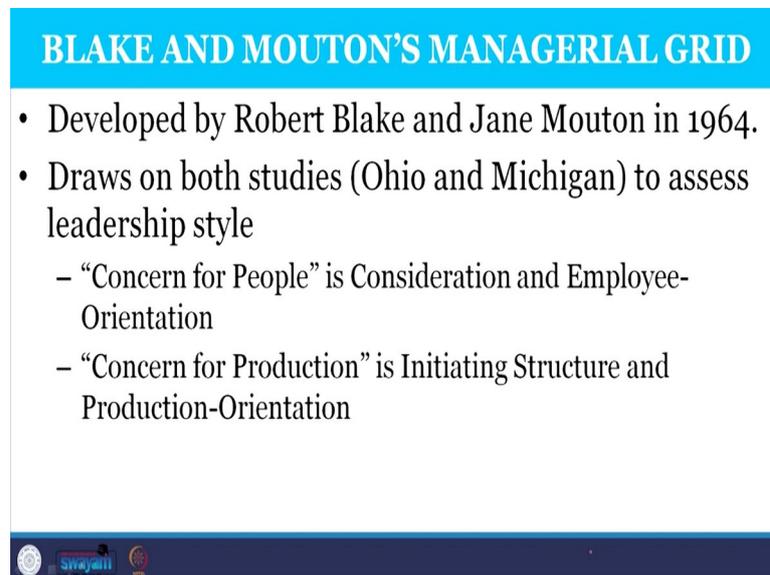
Apart from the Iowa studies, there is Ohio State University study which found two key dimensions of leader behavior. One is initiating structure and other one is consideration. Let us discuss in more detail what is this Ohio State University study.

Initiating structure is the extent to which leader defined his role and the role of the group members in attaining goals. The consideration is the extent to which leader had relationship characterized by mutual trust and respect for group members. So, these two factors are considered in Ohio State University study.

And, consideration which emphasized on the extent of leader had relationship with a relationship with followers based on mutual trust.

There is another study which is given by University of Michigan. They found that two key dimensions of leader behavior are employee-orientation and task orientation or production orientation. Employee orientations emphasizes on the interpersonal relationship and is the most powerful dimension. The task orientation or production orientation, emphasize the technical aspects of the job. The dimensions of two studies Ohio and Michigan are very similar to each other.

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**BLAKE AND MOUTON'S MANAGERIAL GRID**

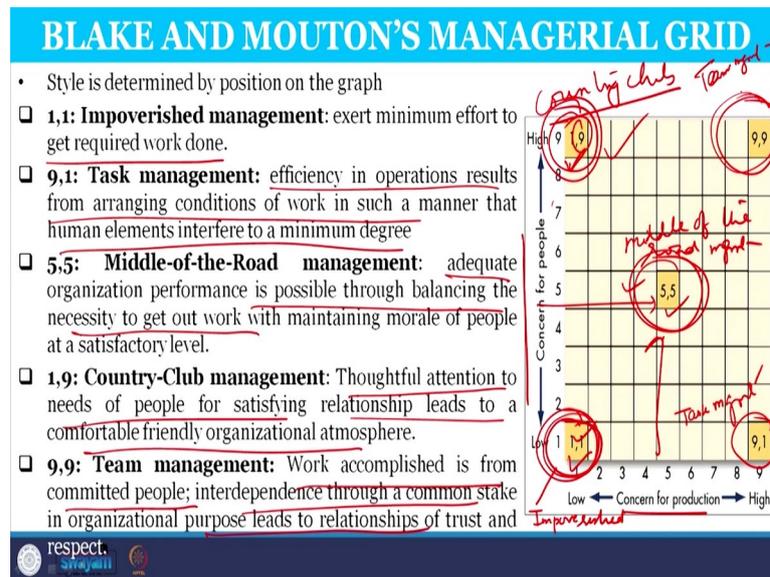
- Developed by Robert Blake and Jane Mouton in 1964.
- Draws on both studies (Ohio and Michigan) to assess leadership style
  - “Concern for People” is Consideration and Employee-Orientation
  - “Concern for Production” is Initiating Structure and Production-Orientation

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And further moving on to the next leadership style, which has been proposed by Blake and Mouton. The Blake and Mouton's managerial grid developed by Blake and Mouton.

Robert Blake and Jane Mouton in 1964 draws on both studies that is Ohio and Michigan to assess leadership style that is concern for people is consideration and employee orientation. The second one that is concerned for production is initiating structure and production orientation.

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Moving further to the Blake and Moutons managerial grid; on the x-axis, concern for production is plotted on a scale of 1 to 10 and on the y-axis, a 10-point scale concern for people is plotted on the y-axis with 1 as low and 9 as high on both the axis so, the style is determined by position on the graph.

1, 1 is impoverished management: impoverished management exert minimum effort to get required work done. Concern for production is low at 1, 1 and concern for people is also low. So, this 1, 1 is called impoverished management style.

The next one is task management that is 9, 1. Task management here the manager is concerned more on the production and less on people orientation or relationship orientation. It is called task management. Efficiency in operations results from arranging conditions of work in a manner that human elements interfere to a minimum degree.

The 5, 5, that is called middle of the road management, so, what is this? Here the concern for production is at 5 and concern for people is also at 5. So, in this the adequate organizational performance is possible through balancing the necessity to get work done as well as maintaining moral of people at a satisfactory level.

Then 1, 9 is another position which is called country club managers. The thoughtful attention to needs of people 1, 9 is where the concern for people is 1 and concern for concern for production is 1 and concern for people is 9. So, country club management is

thoughtful attention to needs of people for satisfying relationship leads to comfortable friendly organizational atmosphere.

So, the leaders focus is less on the production targets and more on the people orientation or relationship focus. So, here employees get a comfortable workplace to work, but their result orientation is minimal. The team management 9, 9 where the concern for production is 9 or very high and concern for people is also very high is called team management. Work is accomplished from committed people; interdependence through a common stake in organizational purpose leads to relationship, trust and respect. So, there is an equal concern for production and concern for people so, which is called a team management.

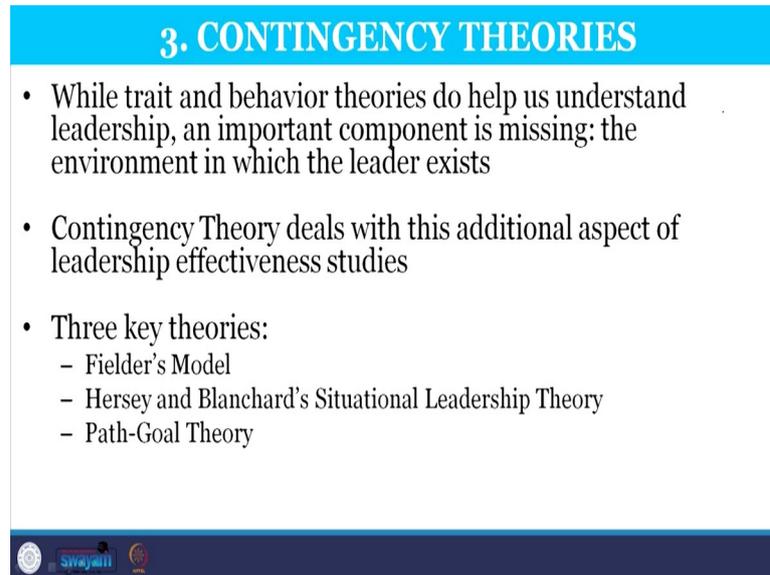
So, in the Blake and Moutons managerial grid, the emphasis is on concern for production as well as on people and both these have been plotted on a 9-point scale. The concern for a people is a low to high is plotted and the concern for production is plotted on a on a 9-point scale that is 1 to 9; 1 is low on production and 9 is high on production.

And we arrived at 5 different positions: one is low 1, 1 which is impoverished leadership style, where low concern for production and low concern for people. 9, 1 where the concern for production is high and concern for people is low which is called task management.

Then we arrived at the third position that is 5, 5 which is middle of the road management where there is an equal concern for management for production as well as equal concern for people and not on a very high scale or a rating scale. So, this is called middle of the road management.

Then the next one is a 1, 9 leadership style, where which is also called the country club management. The focus is 1 on production and 9 on concern for people. So, the there is more of relationship orientation and the last one is called team management which is 9, 9 with equal emphasis on the concern for production and concern for people. 9 is a scale for concern for production and concern for people.

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**3. CONTINGENCY THEORIES**

- While trait and behavior theories do help us understand leadership, an important component is missing: the environment in which the leader exists
- Contingency Theory deals with this additional aspect of leadership effectiveness studies
- Three key theories:
  - Fielder's Model
  - Hersey and Blanchard's Situational Leadership Theory
  - Path-Goal Theory

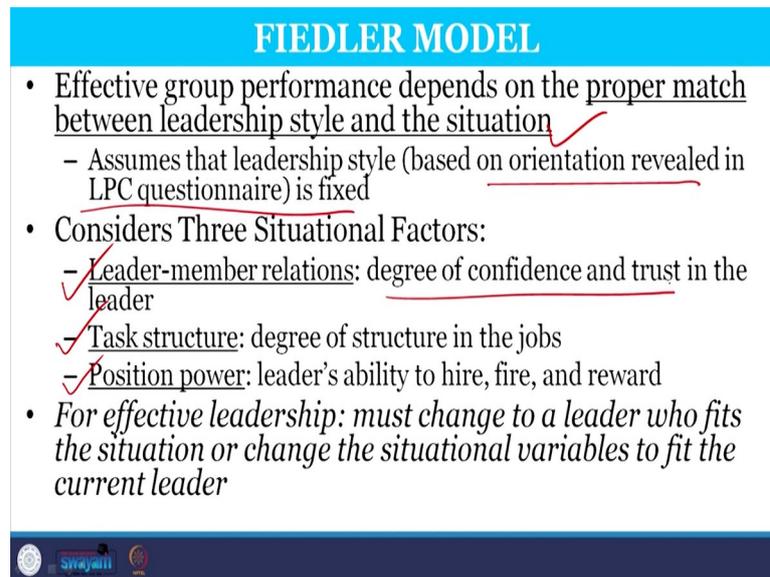
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Then moving further, we will discuss about the contingency theories of leadership. After discussing the trait theories or the personality traits of individual which is a distinguishing factor for leader and non-leader and the behavioral factors which decides how a leader can be different from non-leaders and the emphasis is that the behavioral theory says that leaders can be developed.

While trait and behavior theories do help us understand leadership is an important component, what is missing is the role of environment in which the leader exists. Contingency theories emphasis is on the environmental role. Contingency theory deals with additional aspects of leadership effectiveness studies.

The three key theories of contingency theories of leadership are Fiedler's model, Hersey and Blanchard's Situational Leadership Theory and path -goal theory of leadership.

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### FIEDLER MODEL

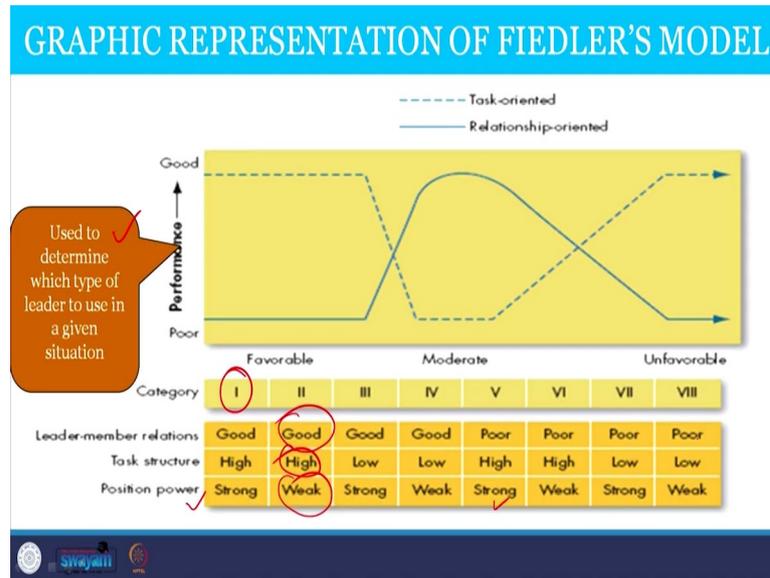
- Effective group performance depends on the proper match between leadership style and the situation
  - Assumes that leadership style (based on orientation revealed in LPC questionnaire) is fixed
- Considers Three Situational Factors:
  - Leader-member relations: degree of confidence and trust in the leader
  - Task structure: degree of structure in the jobs
  - Position power: leader's ability to hire, fire, and reward
- *For effective leadership: must change to a leader who fits the situation or change the situational variables to fit the current leader*

What is Fiedler's model? Fiedler's model effective group performance depends on the proper match between leadership style and the situation. It assumes that leadership style based on orientation revealed in least preferred co-worker questionnaire is fixed. So, Fiedler's model emphasis on effective group performance depends on match between leadership style and the situation.

Then it assumes that leadership style is based on orientation as revealed in the least preferred co-worker questionnaire is fixed. Considers three situational factors: one is leader-member relations, task structure and position power. Leader-member relationship – degree of confidence and trust in the leader.

What is the level of confidence and trust in the leader? Task structure: degree of structure in the jobs position power leaders' ability to hire, fire and reward. Position power that is leader's ability, ability to hire, fire and reward.

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So, graphic representation of the Fiedler's model it is used to determine which type of leader is used in a given situation. So, if you look at the category there are eight different categories based on the three factors or three situational factors that is leader-member relations, task structure and position power.

If and we also can rate it from say we can put that in a say the task orientation and leadership orientation from poor to good, performance can be rated from poor to good and the and say favorable to unfavorable, situations can be favorable to unfavorable.

So, the first one is position power is strong, then the position power is very strong and task structure is very high and leader-member relationship is good, that comes under the first category. When the position power is weak, task structure is high and the leader member relationship is good.

So, what we have seen in this graphical representation the performance can be poor to good, the relationship the task structure can be say low to high and position power can be weak and strong. So, in the first category the position power is strong, task structure is high and leader member relationship is good.

The second category the position power is weak, the task structure is high and the leader member relationship is good. The third category is the position power is strong, leader member the task structure is low and the leader member relationship is good. The fourth

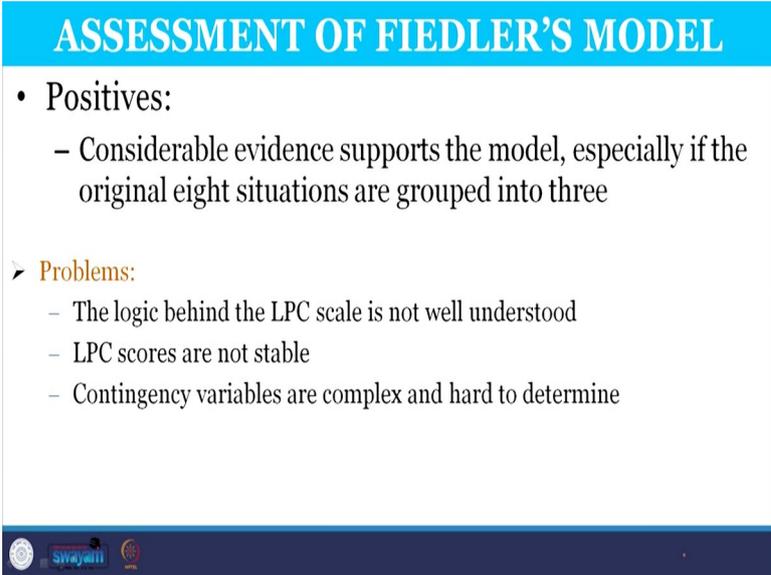
category where the position power is weak, the task structure is low and the leader member relationship is good.

The next category that is the fifth category the position power is strong, task structure is high and leader member relationship is poor. Then in the sixth category the task the position power is weak, task structure is high and leader member relationship is poor.

And, in the seventh category again the position power is strong, task structure is low and leader member relationship is poor. And, eighth category the position power is weak task structure is low and leader member relationship is poor.

So, there are different positions, different situations from favorable to unfavorable in if we plot we can define determine which type of leadership to use in a given situation. The situation can be favorable to unfavorable.

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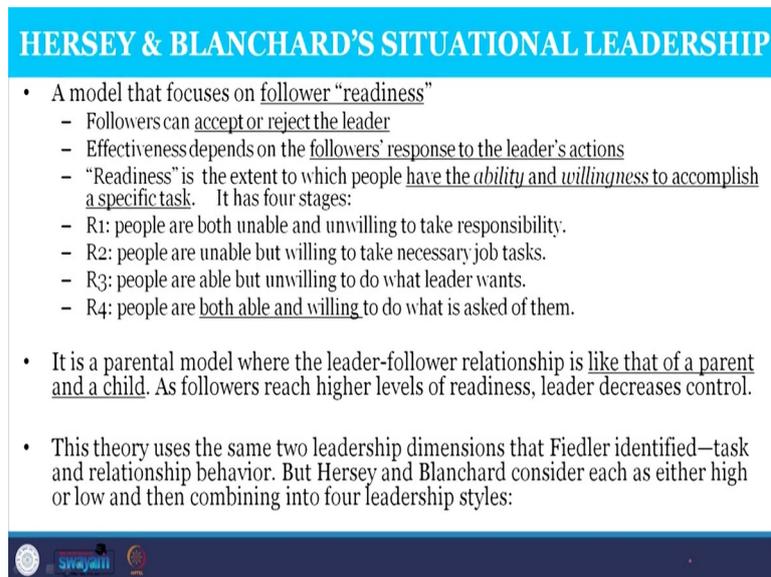


**ASSESSMENT OF FIEDLER'S MODEL**

- **Positives:**
  - Considerable evidence supports the model, especially if the original eight situations are grouped into three
- **Problems:**
  - The logic behind the LPC scale is not well understood
  - LPC scores are not stable
  - Contingency variables are complex and hard to determine

And, assessment of Fiedler's model: the positives; considerable evidence supports the model especially if original eight situations are grouped into three major categories that is favorable, moderate and unfavorable situations. The problem is here the logic behind least preferred coworker scale is not understood; the LPC scores are not stable; contingency variables are complex and very hard to determine.

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**HERSEY & BLANCHARD'S SITUATIONAL LEADERSHIP**

- A model that focuses on follower "readiness"
  - Followers can accept or reject the leader
  - Effectiveness depends on the followers' response to the leader's actions
  - "Readiness" is the extent to which people have the ability and willingness to accomplish a specific task. It has four stages:
    - R1: people are both unable and unwilling to take responsibility.
    - R2: people are unable but willing to take necessary job tasks.
    - R3: people are able but unwilling to do what leader wants.
    - R4: people are both able and willing to do what is asked of them.
- It is a parental model where the leader-follower relationship is like that of a parent and a child. As followers reach higher levels of readiness, leader decreases control.
- This theory uses the same two leadership dimensions that Fiedler identified—task and relationship behavior. But Hersey and Blanchard consider each as either high or low and then combining into four leadership styles:

Then what is Hersey Blanchard's situational leadership? It is a model that focuses on followers' readiness.

How much is the follower ready and followers can accept or reject the leaders, the there are certain points which we need to highlight. When the followers are ready to accept or reject the leader, effectiveness of this leadership style depends on follower's response to leaders' actions.

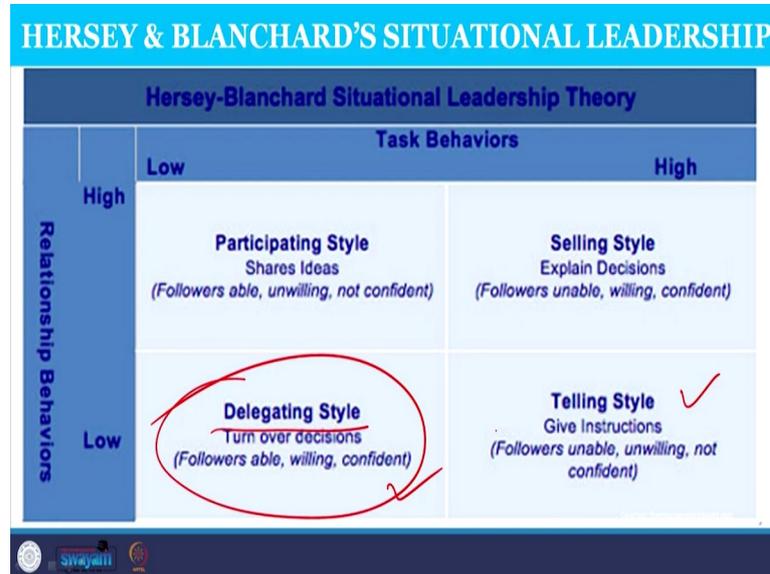
Readiness is the extent to which people have ability and willingness to accomplish a specific task. There are four stages – the first stage is people are both unable and unwilling to take responsibility.

The second stage where people are unable, but they are willing to take necessary job task. The third stage is people are able, but not willing to take up the what leader wants and the fourth stage is people are both able as well as willing to do what the leader has ask as them to do.

It is a parental model where leader-follower relationship is just like a parent and child relationship. As followers reach higher levels of readiness leader decreases control leader exercises less of control. This theory uses the same two leadership dimensions which the Fiedler model has used, that is task and relationship behavior, but Hersey and

Blanchard's considers each as either high or low then combining into four leadership styles.

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So, Hersey and Blanchard's leadership style: on one axis is the task behavior which can be categorized either as low to high, and on the other one is the relationship behavior which can be rated from low to high. So, based on that we come across four leadership styles – one is delegating style where the task behavior is low and relationship behavior is also low.

*Delegating style*: followers are able, willing and confident. When task behavior is high and relationship behavior is low that is *telling style*: give instructions to the subordinates; followers are unable they are unwilling and not confident. Then the third one is *participating style* where the task behavior is low and the relationship behavior is very high.

Participating style emphasizes on sharing ideas followers are able, but they are unwilling and not very confident. The final one is high on task and high on relationship. *Selling style* – explain your decisions, followers are unable they are willing, but less willing and confident, but they are unable to do it. So, you can sell adopt a selling style, explain your decisions.

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### HOUSE'S PATH-GOAL THEORY

- Builds from the Ohio State studies and the expectancy theory of motivation
- The Theory:
  - Leaders provide followers with information, support, and resources to help them achieve their goals
  - Leaders help clarify the “path” to the worker’s goals
  - Leaders can display multiple leadership types
- Four types of leaders:
  - **Directive:** focuses on the work to be done
  - **Supportive:** focuses on the well-being of the worker
  - **Participative:** consults with employees in decision-making
  - **Achievement-Oriented:** sets challenging goals

Then we move towards the path goal theory of leadership which is proposed by House. It builds from the Ohio State of studies and expectancy theory of motivation. This theory says that the leader provides followers with information, support and resources to help them achieve their goals. Leaders helps clarify the path to the workers goals and leaders can display multiple leadership types.

So, the four types of leadership are *directive, supportive, participative and achievement oriented*. Directive style focuses on the work to be done; supportive leaders are those they focus on the well being of the worker, that is, more focus on people orientation; participative are those who consult with employees in decision making and achievement-oriented leaders are those who set or give challenging goals to subordinates.

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So, path goal theory of leadership there are two classes of contingency variables – one is **environment** are outside of employees control environment is environmental are outside control of employees, **subordinate factors** are internal to employees.

And mixed support in research findings leader behavior and here the focus is the effect of leader behavior on performance outcome. Leader behavior can be directive, participative, achievement oriented and supportive. And, here the impact of subordinates' contingency factor is studied as a moderator variable and also the role of environment or the contingency factor is also a studied as a moderating variable.

So, what are the factors contingent factors? Subordinates' locus of control is experience and perceived ability are certain factors which act as a moderating variable. Environmental factors or contingency factors are task structure, formal authority and work group.

So, with this I would like to conclude this session here. What we discussed is about the definition of leadership, leader and then we discussed about what is leading function.

Further moving on to the ingredients of leadership, we discussed about the fundamental principles of leadership, leadership theories and we discussed about the trait theory, behavioral theory, contemporary theories of leadership, Fiedler's theory, situational theory and path-goal theory of leadership. We discussed about the trait theories,

behavioral theories and then in the end we discussed about the path-goal theory of leadership. And, in the next chapter, we will discuss about the some more theories or contemporary views of leadership, transactional, transformational, charismatic leadership styles.

Thank you.