

The influence of leadership on workers performance management essay

[Business](#), [Management](#)



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Definition and Origin: Work psychology is the study of individuals and groups in organisations, how they are rewarded and motivated, how teams and sections are structured, how leaders behave and emerge and how feelings and behaviour of employees influence other individuals at work. It is the study of how individuals are recruited, selected and socialized into organisations (Furnham, 2005). Definitions and approaches of what exactly work psychology are varying between experts and have changed over the last decades. Basic psychology can be divided into several sub disciplines, which all have a different focus: Cognitive Psychology which concerns the relations between mind and body, Cognitive P. which focus on cognitive functions, Developmental P. which deals with the ways how people grow up and change psychologically, Social P. which concerns with behaviours, thoughts and their effects on others and Personality P. which concentrates

on people's tendency to behave, feel and feel in certain ways (Arnold et al., 2010). Work psychology itself does not belong to any of these sub disciplines but uses concepts, theories and techniques from all areas of basic psychology. It belongs to the category of applied psychology, which aim is more likely to directly solve practical problems and real-life situations instead of just solving them in theory. (Arnold et al., 2010). Furthermore work psychology has to consider sociological factors, political science, economics and anthropology. According to Robinson 1991, the above mentioned disciplines of work psychology result in different contributions on individual, group and organizational level and have to be taken into account due to the necessity of covering the very large number of issues and problems which may occur at a workplace. History of Work Psychology: Work psychology has its formal beginning in the early years of the twentieth century. The first pioneer in this field of science was Walter Dill Scott, an American psychologist, who was the first to apply psychology to advertising, employee selection and management issues. In 1903 he wrote Practice of Advertisement, which was the first book considering psychology as a measure for solving business problems. Ten years later, Hugo Münsterberg published The Psychology of Industrial Efficiency and described the use of psychological tests to measure prospective employee's skills and the matching of persons to specific jobs. The First World War and thereof resulting recruitment of soldiers was the first real test for the discovered theories. Psychological tests were used to find candidates with specific skills and abilities and to preclude inappropriate choices (Schultz et al., 2006). Human relations, another sub discipline of work psychology and defined as

the interaction between individuals, groups and organisations at work was highlighted in a famous research by Elton Mayo known as the Hawthorne Studies. Between 1929 and 1939 a long time study at the Hawthorne, Illinois, Western Electric plant was undertaken to discover the more complex problems of motivation, interpersonal relations and organizational dynamics. Results showed that social and psychological factors in the work environment were of potentially greater importance than physical factors. World War II further increased the reputation of psychologists and added a new field of psychology: engineering psychology. More sophisticated ships, weapons, aircrafts needed specific persons which are capable to fulfil specific tasks and science was able to provide them. After the war, even more new technologies accrued and psychologist were used to determine the required abilities by finding the right people and train them in an appropriate way (Schultz et al., 2006). Nowadays work psychology is known under many different names: organisational psychology in the US, occupational psychology in the UK and psychology of work throughout Europe. The original responsibilities of selection, assessment and training have been extended by areas such as Employee relations and motivation, Counselling and personal development and Human-machine interaction. In addition work psychologists require further knowledge in areas of questionnaire design, interviewing, report writing and data analysis methods (Arnold et al., 2010). This distinct trend shows that work psychology becomes more and more interdisciplinary and understanding in more fields of study than just basic psychology is needed. 3. Leadership: Leadership and the idea of the perfect leader fascinated and keeps fascinating people

around the globe. What kinds of people make great leaders? How do they differ from the pack? What abilities and personality is required to become a leader? Leadership is closely related on certain assumptions about human nature. Three different approaches try to illustrate the relations between a subordinate and his/ her superior. Scientific management can be described by means of foremen at the beginning of the twentieth century. They received little training, had complete control over their subordinates' lives and applied a combination of autocratic behaviour, aggression and physical intimidation to force workers to meet production goals. This approach, promoted by Frederick W. Taylor, regarded workers simply as extensions of the machinery they operated. Peoples' needs, abilities and interests were not regarded (Schultz et al., 2006). A different point of view arose during the 1920 and 1930 as a result of the Hawthorne studies, which focused on the workers instead of on the needs of the production equipment. The Human Relation Approach concedes workers needs and feelings and takes care of them. Douglas McGregor defined in 1960 two controversial approaches considering leadership. Theory X assumes that people are lazy and avoid work whenever they can. Therefore they have to be led directly by a dictatorial leader. Theory Y on the other hand side proposes that workers seek inner satisfaction and fulfilment from their work. According to McGregor, people are industrious and creative and seek challenge and responsibility on the job. They function best under a leader who allows them to participate in setting and working toward personal and organizational goals. (Schultz et al., 2006). According to psychologists, effective leadership depends on the interaction of three factors: The traits and behaviours of the

leadersThe characteristics of the followersThe nature of the situation in which leadership occursThere exist different styles and roles of power in leadership and therefore in the relation between boss and worker. 3. 1 Styles of Leadership: We distinguish between authoritarian and democratic leaders, and between transactional and transformational leaders. Leadership always various styles along a continuum. Authoritarian Leaders make all decisions themselves and just dictate their subordinates what to do without giving them the chance to express their ideas or opinions. Democratic leadership on the other hand side includes open discussions between leader and worker to find the best solution for specific tasks. Transactional leadership focuses on the social interaction between leaders and followers and are based on the followers' perceptions of and expectations about the leader's abilities. The opposite way is called transformational leading and results in free transformation of the followers' views. There exists no limitation by subordinates' perceptions. Bycio, Hackett and Allen, 1995 identified three components of transformational leadership: Charismatic Leadership - inspiration and confidence is engendered by the leaderIndividualised consideration - amount of attention and support the leader supplies to the followersIntellectual stimulation - the extent to which leaders persuade followers to think differently about how they perform in their jobs(Schultz et al., 2006)3. 2 Functions of Leadership: The main question about leadership is not so much the different types but more the functions it has. What functions does leadership really have? Based on the research at Ohio State University in the late 1940s tasks and behaviours of leaders can be divided into two categories called consideration leadership functions and initiating structure

leadership functions. The consideration approach understands and accepts subordinates as individuals with unique motivations and needs. To successfully lead it is necessary to considerate the workers feelings and desires. That in turn results in an additional burden on the manager because he/ she have to be sympathetic, warm and understanding while maintaining production levels and other organisational goals. It is proven that this kind of leadership can beneficially effects the organisations. The initiating structure leadership approach includes more tasks associated with the traditional understanding of leadership like organisation and directing the work to subordinates. According to the initiating structure dimension managers must direct the way in which the tasks should be performed as well as monitor the work to ensure that it is being done properly. Therefore there is no time for leaders to consider their subordinates needs or feelings.(Schultz et al., 2006).

4. Theory and research in W. Ps: In reality there exist several theories and concepts which try to detect how management influences and effects workers performance in Real life. This paper therefore presents 4 approaches and theories which try to indicate the direct impact of managers on their subordinates in different situations.

4. 1 Fielder's Contingency Theory: In 1978, Fred Fiedler developed the contingency theory which determines leadership as an interaction between the leader's personal characteristics and aspects of the situation. Different situations require different styles of leadership. He pointed out that the type of leader who will be the more effective depends on the leader's degree of control over a situation. Control is dependent on three factors: Relationship between leader and worker Degree of task structure Leaders authority or position power According

to Fiedler, task oriented leaders will be more effective in extremely favourable or unfavourable situations. Moderate situations on the other hand require more person-oriented leaders (Schultz et al., 2006). Fiedler pointed out that the key personal characteristic concerns how positively leaders view their Least Preferred Co-workers. Leaders with a high LPC have a more positive view of their workers and are often referred as person-oriented which means they are even nice to people they don't like. Fiedler's research found that in highly favourable and very unfavourable situations group performance was better for low LPC leaders. On the other hand side moderate situations require high LPC leading. (Arnold et al., 2010) To prove this theory Chemers and Skrzypek (1972) completed a Validation study at the U. S. Military Academy, West Point. They assembled 32 four man groups of third year candidates on the basis of pre-tests taken two weeks before the experiment. These tests resulted in ratings of most and least preferred co-workers, friends and leaders. Based on the results 16 groups were assembled where the leaders were highly accepted and 16 in which the leaders were highly rejected. The groups then performed structured and unstructured tasks in counter balanced order. In half the group's leader had high position power, and in the other half low position power (Fiedler, 1964). Results showed a significant relationship between degree of task structure and leaders authority and power position. Fiedler's research showed that specific tasks require specific ways of leadership to achieve the best outcome. Knowing that job placing can be made more precise and more effective. Therefore Fiedler's theory and research proved that effective leaders have to be chosen according to their skills as well as to the required

tasks. 4. 2 The Hersey and Blanchard Approach: Hersey and Blanchard invented an approach which can provide the basis for understanding the potential impact of power. This theory is named Situational leadership and indicates that the maturity of the follower not only dictates which style of leadership will have the highest probability of success, but also determines the power base that the leader should use to induce compliance or influence behaviour. (Hersey et al., 1979). The key issue in making adjustments is follower maturity, as indicated by the readiness to perform in a given situation. As shown in figure 2. There exist four different leadership styles: Delegation Style- allows group to take responsibilities for task decisions Participating Style- emphasizes shared ideas and decisions on task directions Selling Style- explains task directions in a supportive and persuasive way Telling Style- specific task directions and closely supervising work According to Hersey and Blanchard leaders should be flexible and adjust their styles as followers and situations change over the time. The willingness to understand subordinates development and respond with flexibility allows the leader to become less directive as followers mature. The Hersey Blanchard situational leader model is widely used in management development programs and results in a moving away from power bases that emphasize compliance and towards increased utilisation of power bases that gain influence with people. This evolution results in a more mature, content and productive organisation. (<http://www.learningdomain.com/Situational.pdf>, 30. 3. 2013) 4. 3 Leader-Member Exchange Approach: According to Grean & Schliemann 1978, the leader-follower relationship affects the leadership process. The theory distinguishes between two types'

subordinates and leaders. Subordinates can be either in-group employees, whom the supervisor views as competent or out-group employees, whom the supervisor views as unmotivated and incompetent. Leadership on the other hand side can be characterised as leadership, in which influence is exerted through persuasion or as supervision, in which influence is based on formal authority. In-group subordinates are often assigned with important and responsible tasks which require high levels of ability. On-the-job research showed that the quality of leader-subordinate relationship can be improved through training, resulting in the display of more leadership than supervision. (Schultz et al., 2006) Several studies underline the importance of good relationships between leaders and workers. Kacmar, Witt, Zuvinska & Gully 2003 undertook two studies of worker-supervisor dyads in a medical centre and a distribution company. Employees who have a high leader-member exchange believed to receive higher performance ratings, more important tasks and more attention of their managers which resulted in better performance of these workers. A study of 125 salespersons in a large retail organisation found that employees who had a strong relationship with their supervisor were more committed to achieving assigned goals than were employees with a low LMX (Klein et al., 1995). Tierney, Farmer and Graen 1999 analysed 191 employees of the research development department of a chemical company that LMX affected creativity, at least by a particular cognitive style. The researchers used psychological test results to categorize workers as either cognitive innovators or cognitive adapters. Innovators were found to be highly creative on the job, no matter what kind of relationship they had with their

supervisors. Adapters were consistently more creative when they had a high LMX relationship with their supervisors than when they had a low LMX relationship.

4. Value Centered Leadership: Scientific research does not necessarily have to be done by scientists; it is sometimes initiated by companies to improve its performances. An example therefore is the global consulting firm McKinsey which published a 5 years survey in 2010 about value centered leadership and how its effects male and female leaders in workplace. The concept is based on five dimensions: Meaning - finding strengths and putting them to work Positive framing - adopt a more constructive way to view to your world and convert even difficult situations into opportunities Engaging - Pursuing opportunities disguised by risk Connection - building a stronger sense of community Energy - practicing ways to sustain energy on a long leadership journey

The survey was started by interviewing female leaders around the world to identify the traits that characterize them. Depending on how many dimensions they have mastered it resulted in in higher performance and more satisfaction in their lives generally. All together the survey contained more than 2000 participants around the globe and showed that job satisfaction depends on various factors and results in better performance. (Barsh et al., 2010) Figure 1, Source (Barsh et al., 2010) Figure 1 shows the grade of satisfaction and performance related to the five dimensions. Furthermore the survey showed that 92 percent of leaders who have mastered all five dimensions thought they could lead through times of major change. Just 21 percent of leaders who haven't mastered all dimension thought they could achieve the same. This survey is a good example for research done to evaluate the quality of leadership

within a company. It points out that high quality of leadership and therefore also their subordinates' performance is based on a great variety of factors and only if all of them can be mastered it will result in great success. (Barsh et al., 2010)⁵. Discussion: To show how existing theory and research in work psychology helps with the successful management of people several approaches and findings have been illustrated in this paper. Fiedler's contingency theory showed and proved that there is a connection between a leader's personal characteristics and aspects of the situation. Different ways of leadership and personalities are required in specific situations to guide and lead workers effectively. The Hersey- Blanchard model of situational leadership proves that tasks behaviour and worker-supervisor relationships are closely linked and influence the performance. That means the way in which the supervisor communicates with their subordinates highly influences their ability to perform. Grean and Schliermanns Leader- Membership approach shows that the Relationship between a leader and his/ her subordinates affects both performances. Workers accepted by their leader are more committed to their tasks and feel more valuable, therefore work harder and perform better. The scientists underlined in several case studies Hersey- Blachards theory about communication but proved that the whole relationship not just communication is essential for a successful cooperation. The value centred leadership, invented and used by the global consulting firm show that even firms themselves undertake surveys and studies to make their managing more productive. They proved that managers who mastered different dimensions are capable of handling different situations are guaranteed a solid overall performance. Summarising this paper shows

significant evidence that already existing theories and concepts can be used to help managing subordinates and improve their performances.