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Manifestation of Contemporary Leadership Issues and its Relevance to Diverse Leadership Methods and Contingency Models: A Review of Literature

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Manifestation of Contemporary Leadership Issues and its Relevance to Diverse Leadership Methods and Contingency Models: A Review of Literature

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I. Introduction

The purpose of the paper is to review the literature available of variables namely diverse leadership methods, comparing and contrasting leadership models with contingency models. In most of the studies reviewed diverse leadership methods were used as the criterion variable, comparing and contrasting leadership models and contingency models as the predictor variables. The review of literature is presented mainly in two areas. First, the diverse leadership methods are presented and second findings of studies relating comparing and contrasting leadership models and contingency models are presented.

II. Diverse Leadership Methods

a) *Transactional Leadership*

Transactional leadership is an exchange of the subordinate's competence, and commitment for the rewards and recognition from the leader. This type of leadership produces short-lived relationships between subordinates' and leaders. This model of leadership is goal-oriented, and comprised of quick transactions that both parties can benefit from. It promotes self-interest and neither the leader nor the subordinates feel attached to one another. According to Wren (2006), transactional leadership occurs when one person takes the lead in making contact with the other for the purpose of an exchange or valued thing. Wren further postulated that the work of Graen and his associates show that the process between leaders and subordinates can be positive if the exchange is positive and is associated with morale and value.

b) *Transformational Leadership*

Transformational leadership focuses on bringing change to the relationship between leaders and subordinates. The leader inspires and encourages the subordinate to maintain a positive attitude and to perform tasks given to him or her to the best of his or her ability. The transformational leader seeks to bring change to the organization and uplift those they lead, through his or her attitude, passion, and persuasion. This leadership model creates an atmosphere in which the subordinates feel accepted and cared for. It also creates a type of relationship that enables the followers to feel the need to give more, and thus feel successful. This theory of leadership emphasizes a vision and the leader sells the vision to the subordinates. Much energy and effort is put into getting subordinates to buy into this vision; therefore trust, integrity, and commitment to the vision is an integral part of this type of leadership. Subordinates are highly motivated in this relationship, and they usually participate more because they feel accepted and valued. According to Kark, and Shamir as cited in Avolio, and Yammrino (2002) transformational leadership is associated with high levels of individual and organizational performance. Research by Bass (1995, 1998), "transformational leadership is characterized by four dimension, charisma, inspirational motivation, intellectual stimulation, and individual consideration" (Trepanier, Fernet, and Austin).

c) *Situational Leadership*

According to Wren (1995), situational leadership describes the way leaders adapt their behaviors to the features of the situation and the follower. This model deals with the follower's readiness level and emphasizes the leader's sensitivity to the level of readiness the follower exhibits. Wren (1995) further stated that readiness is defined as the follower's ability and willingness to perform a task. This model focuses on the level of maturity of the follower as the primary motivation of the leader's response. The leader responds differently

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and strategically based on several factors. The situational model posits that the developmental levels of the leader's subordinates play the greatest role in determining which leadership styles are most appropriate. The situational model outlines four types of leadership behaviors that result from combining high and low supporting behaviors; namely, (listening, providing feedback, and encouraging). These behaviors are reciprocated with high and low directing behaviors, such as (administering, instructing, and monitoring). It is the goal of the leader to get subordinates to accomplish his or her own set of goals. According to Yukl (2006), the length of time it takes to increase the subordinate's maturity depends on the complexity of the task and the skill and confidence of the subordinate.

d) Charismatic Leadership

According to Couto, as cited in Wren (1995), charismatic leadership is focused on serving others. Leaders develop shared goals with their followers, and inspire subordinates to aspire toward those goals. This theory stresses the importance of presenting an appealing and motivating vision that resolves conflicts, and providing followers with meaning and direction.

e) Clawson (2006) House's Theory of Charismatic Leadership Is Measured by Several Factors

1. The followers trust in the correctness of the leader's belief;
2. The unquestioning acceptance of the leader by the follower, and
3. Emotional involvement of the follower in the mission of the organization. According to Wren (1995), the charismatic leader brings change to the subordinate by, envisioning, energizing, and enabling. The leader creates a vision and sells it to the subordinate in a compelling, exciting manner. This leadership empathizes with the follower and express support for the follower in times of need.

III. Comparing and Contrasting Leadership Models

There are similarities and differences in these leadership models. It is important to understand that although there are similarities and differences, effective leadership addresses the moral principles of the individuals who are a part of the group. Transformational and transactional leadership are similar in that they both represent some form of exchange. Both theories of leadership represent some motive. These two theories motivate the subordinate to complete a task, even though the transformational motive is more genuine than transactional. In the transactional leadership model the exchange is more formal, whereas the transformational leadership is more interpersonal. In both exchanges, the leader, and the subordinate influence each other. In addition, both theories are a two way process in which both get individuals to perform and thus both gain from this relationship. Although there are differences, each type of leadership is important and each model can be used to fulfill certain requirements in an organization.

The differences between transactional and transformational leadership are many, but for the sake of this paper only a few will be discussed. Transactional leadership comes mainly from the leader's need to fulfill a mission or accomplish a plan. While transformational leadership is not only influenced by the leader's needs but also from the needs of the subordinates. Transactional leadership is short-lived. Once the goal is accomplished, the relationship will most likely be finished, whereas, transformational leadership encourages a long-term relationship where the subordinate's morals and values are taken into consideration. The main focus of transformational leadership is to develop the full potential of its followers and help them move into the leadership role. Whereas the focus of transactional leadership is on recourse exchange, monitoring and controlling subordinates through rational or economic means.

There are also similarities and differences between transformational and charismatic leadership. Charismatic like transformational leadership encourages and motivates the subordinate. They present a vision to the followers, and the followers buy into this vision. They inspire, influence, and motivate subordinates to perform beyond expectation. According to Avolio and Yammarino (2002), these types of leadership use different loyalty of the followers in pursuing their visions.

The situational and transactional leadership models are similar in that they both focus on behavior according to the situation. They both deal with exchange, and influencing the subordinates to get things done. The situational model allows adjustments in the leader's behavior according to the situation. The transactional leadership controls the exchange and reward or punishment based on the follower's performance.

IV. Comparing and Contrasting Contingency Models

Wren (1995) explains that, "leadership remains an ambiguous, amorphous, and frequently misunderstood topic" (p. ix). Therefore, isolating and discussing a limited number of leadership models may suggest one is more significant than the other. This paper purposefully lacks the attachment of special significance, and instead, offers a limited focus on certain contingency theories.

According to da Cruz, Nunes, and Pinheiro (2011), competitive companies create a need for leaders who not only develop their followers but also create an environment of commitment. The authors asserted that one of the most important contingency theories,

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developed by Fiedler, has value that "lies in the fact that it is the first to be concerned with adjusting leadership styles to situations" (p. 19). According to Nahavandi (2006), Fiedler believed that "leadership effectiveness is a function of the match between the leader's style and the leadership situation," and leader effectiveness depends on a leader's style matching the situation (p. 134).

Nahavandi (2006, pp. 134-135) explains that Fiedler's least-preferred co-worker (LPC) scale identified a leader's style and whether relationship or task incentives formed the basis of the style, which dictates a leader's priorities and goals toward maintaining a relationship or accomplishing a task. Whether a leader changes his or her style based on a situation remains a basic premise of this model and Fiedler focused on the leader's need "to learn to understand and manage the situations in which they lead" (Nahavandi, 2006, p. 140). Even though there has been recent review validating Fiedler's work, the model remains controversial because of this premise (Wren, 1995, p. 87).

In addition to leadership style, Fiedler believed other factors existed and as a result he developed a model integrating "situational parameters into the leadership equation" (Wren, 1995, p. 86). These factors include the relationship between leaders and followers, task structure, and how much power leader's use when rewarding or penalizing followers (Wren, 1995, p. 86). Followers usually favor agreement with requests from leaders when their relationships are good, and leaders are better able to direct when tasks remain structured (Yukl, 2006, p. 216).

Within current organizational settings, da Cruz, Nunes, and Pinheiro (2011) note that, "contingency theory represents a change in leadership research in as much as it ceased to focus only on the leader, to focus rather on the leader and the situations where he leads" (p. 23). The authors also note that, "even those who criticize should agree that the development of the contingency model challenged the assumption that there is 'one best way' and that the model supplied a valuable little step towards conceptualization of leadership" (p. 23).

A model similar to Fiedler's is the Normative Decision Model, developed by Vroom and Yetton, identifying "characteristics of follower acceptance and structured information availability" (Wren, 1995, p. 89). This model, like Fiedler's, also suggests that leaders adapt to the situation; however, the two models deviate in several ways. Although Fiedler's model involves general leadership, Vroom and Yetton's model limits itself to decision making. It makes the assumption that leaders can change their decision making style, and that leaders have greater concern for the value of their decisions than with follower performance. The model makes use of a decision tree, which takes the user through a series of sequential questions with the goal of helping a manager choose the decision style most important for a particular problem. (Nahavandi, 2006, p. 142-146).

Nahavandi (2006) also explains there are those who theorize that the model has two primary flaws.The model's complexity prohibits its use from a practical point of view because of the amount of time needed when working through the questions in the decision tree, and the model assumes leaders can use any style on an equal basis. There may also be potential bias as the model depends on a self-reporting concept. These weaknesses could well limit its use within current organizational settings. (Nahavandi, 2006, p. 145-147).

While both models have similarities, Nahavandi (2006) explains their differences are distinctive. For example, the Normative Decision Model's focus has limitations as compared to Fiedler's model, and Nahavandi makes the point that some of the decision styles may pose more of a challenge for managers (p. 147). Fiedler's model makes the assumption that "the leader's style (LPC) is determined by internal traits and therefore difficult to change," while Vroom and Yetton's model relies on learnable methods (Nahavandi, 2006, p. 150).

The Situational Leadership Model involves the premise that a leader should change his or her style based on the situation and although considered a popular model, it "has few theoretical bases and little research support" (Nahavandi, 2006, p. 181). Its foundation rests in the relationship between leaders and followers, and an alteration of behaviors by leaders "based on the ability and willingness of subordinates to complete the task" (Nahavandi, 2006, pp. 181-182).

The model is similar to Fiedler's model as well as Vroom and Yetton's, in that the primary behaviors center on relationships and tasks. Those behaviors combine, creating four behaviors (telling, selling, participating, and delegating), one of which leaders choose based on a particular follower's level of maturity. For example, if a follower ably and willingly completes a task, the leader delegates, encouraging participation by the follower. Should a follower have the will but not the ability, the leader explains the steps needed for task completion. The model makes the assumption that leaders can maintain an awareness of their followers' maturity level and abilities. (Nahavandi, 2006, pp. 182-183).

According to Nahavandi (2006), some failings in the model exist, one of which is a lack of consideration for the structure of the task. Additionally, the model provides no clear definition for maturity, no guidance for a leader's assessment of someone's maturity level, and once assessed, a lack of definition exists for the means of matching leader behavior to the maturity level. Considered as one of the least effective contingency models, the model has had a greater impact on leadership practice than other theories. The author

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suggests the model's popularity lies in its simplicity and in the attractive notion that leaders alter their style. (Nahavandi, 2006, p. 183)

Tasks and relationships also form the basis for the path-goal theory of leadership, developed as a means of explaining how a leader's behavior influences both the performance and the satisfaction of followers (Yukl, 2006, p. 218). This model "proposes that the leader's role is to clear the paths subordinates use in order to accomplish goals" (Nahavandi, 2006, p. 168). The central idea is "the concept of exchange between leaders and subordinates, whether it is an implicit or explicit contract" (Nahavandi, 2006, p. 168). Further, according to Nahavandi (2006), relationships formed by leaders and followers have a give-and-take approach; the leader provides support and the follower produces, becoming satisfied with the outcome (p. 168).

Landrum and Daily (2012) note that because of increased pressure on accountability within organizations a greater need exists for the development and linkage of standards for organizational principles and performance. Describing the path-goal theory as "a theory of individual leadership behavior," the authors suggest its use as a means of recognizing a way of increasing accountability (p. 56). Described by Nahavandi (2006) as an "expectancy model of motivation," the primary basis of the path-goal theory involves the ways followers make informed choices about their behavior based on how they perceive the importance of performance and effort contributing to valued outcomes (p. 168). Additionally, an important aspect of this model, as noted by Nahavandi (2006), is the understanding that leaders consider follower needs before making any decisions about their own behaviors (p. 169).

In Avolio and Yammarino (2002), Bass asserts that one's understanding of leadership continually evolves and that, "the flexible organization will be the rule rather than the exception" (p. 375). However, Luftman (2004) writes that "people find comfort in the way things have always been done," and when change disrupts comfort, fear results (p. 263). Effective leadership involves continual learning and the development of skills enabling leaders' adaptation to ever-changing situations. In a constantly changing business environment, the need for adaptability remains an essential skill for leader viability. (Avolio and Yammarino, 2002).

In Wren (1995, pp. 456-457), McFarland, Senn, and Childress note that leadership assumptions and beliefs in the future require redefining. Further, in an ever-changing economy and with a workforce becoming increasingly diverse and technologically challenged, old behaviors will, of necessity, transform into new ones. Bass (Avolio and Yammarino, 2002, p. 380) also notes that any current trends will become ordinary by 2034. "Theories, if they are any good, are meant to be displaced" and future theories require a consideration of many factors, not the least of which are virtual teams, online learning, workforce diversity, and medical and technological advances (Avolio and Yammarino, 2002, pp. 380-381).

V. Conclusion

The review of literature gives a mix findings relationship between the diverse leadership methods. One may then conclude that contingency theories, and others popular in the leadership field today, may not be viable in the future unless they somehow adapt to change.

a) How Each Leadership Model Addresses Contemporary Issues and Challenges?

Although different leadership styles cater to different situations and are used by leaders to accomplish goals or tasks, no one approach is best. The most important thing to consider is that each leadership style brings about change.

b) Culture

Transformational leadership can address the issues of culture within the workplace. Culture affects the operations of any organization. Followers from various ethnic and social backgrounds come with their different cultural perspectives, which can affect how they interact with leaders. It is critical to recognize and acknowledge that there are different cultures, and these differences can affect leadership, and the internal affairs of any organization.

According to Nahavandi, A. (2006), "leadership is a social cultural phenomenon, and leaders, and particularly founders, are instrumental in creating and encouraging the culture." Culture in the workplace can create challenges in leadership. Nahavandi emphasizes that affects values and beliefs and influences leadership and interpersonal styles. Transformational leadership empowers subordinates regardless of culture, race, ethnic, religious or socioeconomic background. Transformational leadership upholds values, morals, and ethics, and does not compromise an individual's belief, which includes his or her culture. The different leadership styles can influence subordinates on how they act and how they respond to situations. Through the leader's interaction with subordinates, leader can influences how flexible and open-minded subordinates should be.

c) Communication

Communication is essential in any organization or group. If missions and visions are not communicated effectively, this can present issues that challenge leadership in contemporary society. Transformational as well as charismatic leadership give individual consideration to the subordinate. Leaders must be able to express ideologies and visions in an effective way.

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Transactional leadership, on the other hand can also address the issue of communication. Because the motives are clear, the subordinates receive a reward, whether positive, or negative for work completed. There is no middle ground, subordinates know what they are getting into, and leaders know what to expect. Situational leaders can communicate with subordinates based on their level of maturity. Thus communication can be effective and be on a level that the follower can understand. Leaders can communicate praise for job done, encourage interpersonal skills among leaders and subordinates, and give subordinates a voice in decisions made.

VI. Future Scope

This study was based on extensive review of literature highlighting the variables namely diverse leadership methods and how each leadership model addresses contemporary issues and challenges. Further research is needed taking into consideration the empirical data of present level of diverse leadership models and contemporary issues and challenges in different industries in Nigeria. Focusing on diverse leadership models and the impact of contemporary issues and challenges in Nigeria establishment might be of great use to educate the society in this area. The research will also help in endorsing the validity of incorporating diverse leadership intervention alongside the recruitment and selection process and the training and development process of leadership personnel.

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