

CHAPTER 2

REVIEW OF LITERATURE

2.1 Review of Relative Literature

This chapter was to review relative literature and to discuss three leadership styles: democratic leadership style, autocratic leadership style, and delegative leadership style. It also included eight leadership theories, five leadership style models and conceptual framework.

2.2 Leadership Styles

This study was basis on three leadership styles; *democratic leadership style, autocratic leadership style and delegative leadership style* (Kurt Lewin, 1939). Some of relative major theories would be explored in order to guide professional leadership development.

Major leadership theories are like *trait theory, situational leadership, transitional leadership theory, transformational leadership theory, and bureaucratic leadership theory* will be described.

2.3 Three Leadership Style

In 1939, Kurt Lewin in his research claimed there were three major leadership styles as below;

1. Democratic leadership (Participative leadership)
2. Autocratic leadership (Authoritarian)
3. Delegative leadership (Laissez-Faire)

2.4 Democratic Leadership

In the democratic style, the leader involves the people in the decision-making, although the process for the final decision may vary from the leader having the final say to them facilitating consensus in the group (Lewin, K., Lippitt, R. and White, R.K. (1939). Leader in working process is willing to listen others' opinions in group discussion and decision-making with workable and effective suggestions of members is made in right time. Leader is a member of its society and he or she has responsibility and accountabilities of what decision-making is done.

Democratic style can be problematic when there are a wide range of opinions and there is no clear way of reaching an equitable final decision (Lewin, K., Lippitt, R. and White, R.K. (1939). According to Lewin point it out, this decision making style could be either effective to the goal or problem in the society. To make right decision-making in right time, a leader has to have mental clear map on what is target, what are visions, mission, and objectives and which strategy, tactics, and policy are more effective to achieve the goal. A person with democratic leadership style is very flexible, changeable and knowledgeable. He or she has conceptual skills, and human

skills as possible as technical skills which are demoting in the contemporary societies of 21st century.

2.5 Autocratic Leadership (Authoritarian)

Lewin, K., Lippitt, R. and White, R.K. (1939) point out that in the autocratic style, the leader makes decisions without consulting with others. In Lewin's experiments, he found that this caused the greatest discontent. Leader in the society think that he or she knows everything more than others. And it could be done without others' opinions. Leader is in the top holding power by only one. He or she makes decision what is going to do. But responsibilities and accountability would not be taken even though his or her decision making was wrong to reach the goal. In fact, this type of leader mostly could be founded in military government ruling country and traditional societies.

Leader who has an autocratic leadership style works the best when;

- There is no need for input on the decision
- Where the decision would not change as a result of input
- Where the motivation of people to carry out subsequent actions, would not be affected whether they were or were not involved in the decision-making.

2.6 Delegative leadership

This style is to minimize the leader's involvement in decision-making, and hence allowing people to make their own decisions, although they may still be responsible for the outcome Lewin, K., Lippitt, R. and White, R.K. (1939). Leader is willing to deal with the opinions of its members who have higher qualifications of a leader. Leaders with higher competence are working in different branches of a huge company or organization. On behalf of a society or a company, they are allowed to make right decision in right time but they usually had meeting at the less one time in a week or one month. And also networking system society to society is connected to exchange information that all companies and societies are needed.

Delegative leadership style works best when people are capable and motivated in making their own decisions, and where there is no requirement for a central coordination, for example in sharing resources across a range of different people and groups.

2.7 Leadership theories

There are various types of leadership theories that are done research by different scholars. Here some of major theories would be described. There are eight major leadership theories as below;

- Trait theory

- Great man theory
- Behavioral theory
- Participative theory
- Contingency theory
- Situational theory
- Transitional theory
- Transformational theory

2.7.1 Trait theory

Throughout history of the world, well-known strong leaders – Buddha, Napoleon, Churchill, Roosevelt, and Reagan – have been described in terms of their traits. Trait theories of leadership thus focus on personal qualities and characteristics (Stephen P. Robbins, Timothy A. Judge, 2013). Who has trait leadership theory is distinguished by one's characteristics and personal attitudes. His or her personal attitudes show that practice ethics and social justices are fair and clean in the society or company. It is what today people are dementing from down to top in every levels of country in nation building.

In 1936, psychologist Gordon Allport claimed that leaders can identified by their personal characteristics, or more specifically their cardinal trails, these traits, he further claimed dominated an individual's whole life, often to the point that the person become known specifically for these traits (Evens, 1971). Personal characteristics reflect a range of individual differences and foster consistent leader effectiveness across a variety of group and organizational situations. A person realizes himself or herself what type of leadership skills he or she had. It enables that actions with values or trait leadership skills would dominate fellows' action processes in the society. And it is main case of what society culture and what outcome would be received in own society.

Early researcher tried to find psychological phenomenon of each person was main cause of what trait theory is and what its principles are. Trait theory mostly focuses on individual characters, quality, and attitude to achieve the goal. It makes sure that a person has leadership talent, capacity, and attitude or not. Trait theories of leadership identify the specific personality traits that distinguish leaders from non-leaders.

Big five personality traits

- Big five personalities of leadership traits are well-known like *openness, conscientiousness, extraversion, agreeableness, and neuroticism* (Stephen P. Robbins, Timothy A. Judge, 2013).

- **The openness** – to experience dimension addresses range of interests and fascination with novelty. Extremely open people are creative, curious, and artistically sensitive. Those at the other end of the category are conventional and find comfort in the familiar.
- **The conscientiousness** – dimension is a measure of reliability. A highly conscientious person is responsible, organized, dependable, and persistent. Those who score low on this dimension are easily distracted, disorganized, and unreliable.
- **The extraversion** – dimension captures our comfort level with relationships. Extraverts tend to be gregarious, assertive, and sociable. Introverts tend to be reserved, timid, and quiet.
- **The agreeableness** – dimension refers to an individual’s propensity to defer to others. Highly agreeable people are cooperative, warm, and trusting. People who score low on agreeableness are cold, disagreeable, and antagonistic.
- **The neuroticism** – or the emotional stability dimension often labeled by its converse neuroticism taps a person’s ability to withstand stress. People with positive emotional stability tend to be calm, self-confident, and secure. Those with high negative scores tend to be nervous, anxious, depressed, and insecure. Model of how big five traits influence OB Criteria is as follow;

Table 1: Big five personality trait Model

<i>Big five traits</i>	<i>Why it is relevant?</i>	<i>What does it affect?</i>
Emotional stability	-Less negative thinking and fewer negative emotions -Less hyper vigilant	-Higher job and life satisfaction -Lower stress levels
Extroversion	-Better interpersonal skills -Greater social dominance -More emotionally expressive	-Higher performance -Enhanced leadership -Higher job and life satisfaction
Openness	-Increased learning -More creative -More flexible and autonomous	-Training performance -Enhanced leadership -More adaptable to change
Agreeableness	-Better liked -More compliant and conforming	-Higher performance -Lower levels of deviant behavior
Conscientiousness	-Greater effort and persistence -More drive and discipline - Better organized and planning	-Higher performance -Enhanced leadership -Greater longevity

2.7.2 Great man theory

Early research on leadership was based on the study of people who were already great leaders. These people were often from the aristocracy, as few from lower classes had the opportunity to lead. This contributed to the notion that leadership had something to do with breeding.

The idea of the Great Man also strayed into the mythic domain, with notions that in times of need, a Great Man would arise, almost by magic. This was easy to verify, by pointing to people such as Eisenhower and Churchill, let alone those further back along the timeline, even to Jesus, Moses, Mohammed and the Buddha.

2.7.3 Behavioral theory

Leaders can be made, rather than are born. Successful leadership is based in definable, learnable behavior. Behavioral theories of leadership do not seek inborn traits or capabilities. Rather, they look at what leaders actually *do*.

If success can be defined in terms of describable actions, then it should be relatively easy for other people to act in the same way. This is easier to teach and learn than to adopt the more ephemeral 'traits' or 'capabilities'. A behavioral theory is relatively easy to develop, as you simply assess both leadership success and the actions of leaders. With a large enough study, you can then correlate statistically significant behaviors with success. You can also identify behaviors which contribute to failure, thus adding a second layer of understanding.

2.7.4 Participative theory

Involvement in decision-making improves the understanding of the issues involved by those who must carry out the decisions. People are more committed to actions where they have involved in the relevant decision-making (Coch, L. and French, J.R.P., 1948).

People are less competitive and more collaborative when they are working on joint goals. When people make decisions together, the social commitment to one another is greater and thus increases their commitment to the decision. Several people deciding together make better decisions than one person alone.

2.7.5 Contingency theory

The leader's ability to lead is contingent upon various situational factors, including the leader's preferred style, the capabilities and behaviors of followers and also various other situational factors. Contingency theories are a class of behavioral theory that contends that there is no one best way of leading and that a leadership style that is effective in some situations may not be successful in others.

An effect of this is that leaders who are very effective at one place and time may become unsuccessful either when transplanted to another situation or when the factors around them

change. This helps to explain how some leaders who seem for a while to have the 'Midas touch' suddenly appear to go off the boil and make very unsuccessful decisions.

2.7.6 Situational theory

The best results or action could be done by a leader depended on situation. One of leadership theories well-known is situational leadership theory. It has been founded by researcher focuses on the results of different situations and its development is depending on situation. According to this theory, everyone has a leaders potential. Those who have knowledge, good characters, and humble, are always possible to become a leader in different condition of situations. Therefore, (Herbert Spencer, 1884) said that the times produce the person and not the other way around.

The task that leader have to take responsibility must focus on the gold of his or her organization or society. The gold through each objective to be achieved, leaders take care of healthy training being strong in mental and psychical. In the other hand, a responsibility of leader is that new leaders are to be created. This theory step by step has been developing, is still useful for the leader in different condition of situation. In 1960, it developed with challenges of economic crisis, political crisis, and natural disaster throughout Paul Hersey and Ken Blanchard (2001, Shawn Grimsley)

Situational leadership theory is a part of contingency theories well known as group theories. It is generally speaking contingency theories which are related to the traits theory or behavior leadership theory in different situation factors. This type of leader depends on his or her effectiveness, strength, and ability to enhance oneself and staffs' subordinates maturity or sophistication. This leadership style is based on combining functions of directive behavior and supportive behavior. It is to give leaders guidance due to sustainable development of the society.

There are four directive and supportive behavior tools founded as follow;

- Telling is where the leader demonstrates high directive behavior and low supportive behavior.
- Selling is where the leader demonstrates high directive behavior and high supportive behavior.
- Participating is where the leader demonstrates low directive behavior and high supportive behavior.
- Delegating is where the leader demonstrates low directive behavior and low supportive behavior (2001, Shawn Grimsley).

2.7.7 Transitional theory

The transactional leader works through creating clear structures whereby it is clear what is required of their subordinates, and the rewards that they get for following orders. Punishments are not always mentioned, but they are also well-understood and formal systems of discipline are usually in place.

When the Transactional Leader allocates work to a subordinate, they are considered to be fully responsible for it, whether or not they have the resources or capability to carry it out. When things go wrong, then the subordinate is considered to be personally at fault, and is punished for their failure (just as they are rewarded for succeeding). The transactional leader often uses management by exception, working on the principle that if something is operating to defined (and hence expected) performance then it does not need attention. Exceptions to expectation require praise and reward for exceeding expectation, whilst some kind of corrective action is applied for performance below expectation.

Whereas Transformational Leadership has more of a selling style, Transactional Leadership, once the contract is in place, takes a 'telling' style.

2.7.8 Transformational theory

Working for a Transformational Leader can be a wonderful and uplifting experience. They put passion and energy into everything. They care about you and want you to succeed. Transformational Leadership starts with the development of a vision, a view of the future that will excite and convert potential followers. This vision may be developed by the leader, by the senior team or may emerge from a broad series of discussions. The important factor is the leader buys into it, hook, line and sinker.

The next step, which in fact never stops, is to constantly sell the vision. This takes energy and commitment, as few people will immediately buy into a radical vision, and some will join the show much more slowly than others. The Transformational Leader thus takes every opportunity and will use whatever works to convince others to climb on board the bandwagon.

In order to create followers, the Transformational Leader has to be very careful in creating trust, and their personal integrity is a critical part of the package that they are selling. In effect, they are selling themselves as well as the vision.

2.8 Five leadership style models

There are five leadership styles models such as *model the way*, *inspire shared vision*, *challenge the process*, *enable to act*, and *encourage the heart* Kouzes done research by Kouzes, J. M., &

Posner, B. Z. (2007). These are very common to all leaders to get things done. The Five Practices of Exemplary Leadership model continues to prove its effectiveness as a clear, evidence-based path to achieving the extraordinary for individuals, teams, organizations, and communities. It turns the abstract concept of leadership into easy-to-grasp Practices and behaviors that can be taught and learned by anyone willing to step up and accept the challenge to lead. As measured and validated by the Leadership Practices Inventory (LPI).

2.8.1 Model the way

Leaders establish principles concerning the way people should be treated and the way goals should be pursued. They create standards of excellence and then set an example for others to follow. Because the prospect of complex change can overwhelm people and stifle action, they set interim goals so that people can achieve small wins as they work toward larger objectives. They unravel bureaucracy when it impedes action; they put up signposts when people are unsure of where to go or how to get there; and they create opportunities for victory.

2.8.2 Inspire shared vision

Leaders passionately believe that they can make a difference. They envision the future, creating an ideal and unique image of what the organization can become. Through their magnetism and quiet persuasion, leaders enlist others in their dreams. They breathe life into their visions and get people to see exciting possibilities for the future.

2.8.3 Challenge the Process

Leaders search for opportunities to change the status quo. They look for innovative ways to improve the organization. In doing so, they experiment and take risks. And because leaders know that risk taking involves mistakes and failures, they accept the inevitable disappointments as learning opportunities.

2.8.4 Enable Others to Act

Leaders foster collaboration and build spirited teams. They actively involve others. Leaders understand that mutual respect is what sustains extraordinary efforts; they strive to create an atmosphere of trust and human dignity. They strengthen others, making each person feel capable and powerful.

2.8.5 Encourage the Heart

Accomplishing extraordinary things in organizations is hard work. To keep hope and determination alive, leaders recognize contributions that individuals make. In every winning team, the members need to share in the rewards of their efforts, so leaders celebrate accomplishments. They make people feel like heroes.