Chapter 3

Contingency Approaches to Leadership
Your Leadership Challenge

• Understand how leadership is often contingent on people and situations.
• Apply Fiedler’s contingency model to key relationships among leader style, situational favorability, and group task performance.
• Apply Hersey and Blanchard’s situational theory of leader style to the level of follower readiness.
• Explain the path-goal theory of leadership.

• Use the Vroom-Jago model to identify the correct amount of follower participation in specific decision situations.

• Know how to use the power of situational variables to substitute for or neutralize the need for leadership.
Contingency

A theory meaning one thing depends on other things.
Ex. 3.1 Comparing the Universalistic and Contingency Approaches to Leadership

Universalistic Approach

Leadership Traits/behaviors

Outcomes (Performance, satisfaction, etc.)

Contingency Approach

Leader

Style Traits Behavior Position

Outcomes (Performance, satisfaction, etc.)

Followers

Needs Maturity Training Cohesion

Task Structure Systems Env.

Situation
Ex. 3.2 Meta-Categories of Leader Behavior and Four Leader Styles
Contingency Approaches

Contingency approaches: approaches that seek to delineate the characteristics of situations and followers and examine the leadership styles that can be used effectively.

Fiedler’s contingency model: a model designed to diagnose whether a leader is task-oriented or relationship-oriented and match leader style to the situation.
Ex. 3.3 Fiedler’s Classification: How Leader Style Fits the Situation

The graph illustrates Fiedler’s classification system for leader style and its relationship with the situation. The graph shows a curve that peaks at the extremes of task-oriented and relationship-oriented leadership styles, with performance varying depending on the leader-member relations, task structure, and leader position power.

1. **Leader-Member Relations**
   - **Very Favorable**: Good, Good
   - **Intermediate**: Good, Good, Poor, Poor
   - **Very Unfavorable**: Poor, Poor

2. **Task Structure**
   - **Very Favorable**: Structured
   - **Intermediate**: Unstructured, Structured
   - **Very Unfavorable**: Unstructured

3. **Leader Position Power**
   - **Very Favorable**: Strong, Weak
   - **Intermediate**: Strong, Weak, Strong, Weak
   - **Very Unfavorable**: Strong, Weak

The diagram categorizes situations into eight types (I-VIII) based on the combination of these factors, with varying degrees of performance.
Situational Theory

Hersey and Blanchard’s extension of the Leadership Grid focusing on the characteristics of followers as the important element of the situation, and consequently, of determining effective leader behavior.
Ex. 3.4 Hersey and Blanchard’s Situational Theory of Leadership (adapted)

<table>
<thead>
<tr>
<th>Follower Characteristics</th>
<th>Appropriate Leader Style</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low readiness level</td>
<td>Telling (high task-low relationship)</td>
</tr>
<tr>
<td>Moderate readiness level</td>
<td>Selling (high task-high relationship)</td>
</tr>
<tr>
<td>High readiness level</td>
<td>Participating (low task-high rel.)</td>
</tr>
<tr>
<td>Very high readiness level</td>
<td>Delegating (low task-low relationship)</td>
</tr>
</tbody>
</table>
Path-Goal Theory

A contingency approach to leadership in which the leader’s responsibility is to increase subordinates’ motivation by clarifying the behaviors necessary for task accomplishment and rewards.
Ex. 3.5 Leader Roles in the Path-Goal Model

Path Clarification

Leader defines what follower must do to attain work outcomes

Leader clarifies follower’s work role

Follower has increased knowledge & confidence to accomplish outcomes

Increase Rewards

Leader learns follower’s needs

Leader matches follower’s needs to rewards if work outcomes are accomplished

Leader increases value of work outcomes for follower

Follower displays increased effort and motivation

Organizational work outcomes are accomplished

12

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Ex. 3.6 Path-Goal Situations and Preferred Leader Behaviors

<table>
<thead>
<tr>
<th>Situation</th>
<th>Leader Behavior</th>
<th>Impact on Follower</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Followers lack self-confidence</td>
<td>Supportive Leadership</td>
<td>Increases confidence to achieve work outcomes</td>
<td></td>
</tr>
<tr>
<td>Ambiguous job</td>
<td>Directive Leadership</td>
<td>Clarifies path to reward</td>
<td>Increased effort; improved satisfaction and performance</td>
</tr>
<tr>
<td>Lack of job challenge</td>
<td>Achievement-Oriented Leadership</td>
<td>Set and strive for high goals</td>
<td></td>
</tr>
<tr>
<td>Incorrect reward</td>
<td>Participative Leadership</td>
<td>Clarifies followers’ needs to change rewards</td>
<td></td>
</tr>
</tbody>
</table>
The Vroom-Jago Contingency Model

A contingency model that focuses on varying degrees of participative leadership, and how each level of participation influences quality and accountability of decisions.
Ex. 3.7 Five Leader Decision Styles

Area of Influence by Leader

Area of Freedom for Group

Decide
Consult Individually
Consult Group
Facilitate
Delegate
Substitute and Neutralizer

Substitute: a situational variable that makes leadership unnecessary or redundant

Neutralizer: a situational characteristic that counteracts the leadership style and prevents the leader from displaying certain behaviors
### Ex. 3.10 Substitutes and Neutralizers for Leadership

<table>
<thead>
<tr>
<th>Variable</th>
<th>Task-Oriented Leadership</th>
<th>People-Oriented Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational variables</strong></td>
<td>Substitutes for</td>
<td>Substitutes for</td>
</tr>
<tr>
<td>Group cohesiveness</td>
<td>Neutralizes</td>
<td>No effect on</td>
</tr>
<tr>
<td>Formalization</td>
<td>Neutralizes</td>
<td></td>
</tr>
<tr>
<td>Inflexibility</td>
<td>Neutralizes</td>
<td></td>
</tr>
<tr>
<td>Low positional power</td>
<td>Neutralizes</td>
<td></td>
</tr>
<tr>
<td>Physical separation</td>
<td>Neutralizes</td>
<td></td>
</tr>
<tr>
<td><strong>Task characteristics</strong></td>
<td>Substitutes for</td>
<td>Substitutes for</td>
</tr>
<tr>
<td>Highly struct. task</td>
<td>Neutralizes</td>
<td>No effect on</td>
</tr>
<tr>
<td>Automatic feedback</td>
<td>Neutralizes</td>
<td></td>
</tr>
<tr>
<td>Intrinsic satisfaction</td>
<td>Neutralizes</td>
<td></td>
</tr>
<tr>
<td><strong>Follower characteristics</strong></td>
<td>Substitutes for</td>
<td>Substitutes for</td>
</tr>
<tr>
<td>Professionalism</td>
<td>Neutralizes</td>
<td>No effect on</td>
</tr>
<tr>
<td>Training/experience</td>
<td>Neutralizes</td>
<td></td>
</tr>
<tr>
<td>Low value of rewards</td>
<td>Neutralizes</td>
<td></td>
</tr>
</tbody>
</table>