

Chapter Eight

Contingency and Path-Goal Theories of Leadership

Situational and Follower Differences

Research into leader traits and now leader behaviors (i.e., initiating structure and consideration) failed to reveal strong relationships with indicators of leader effectiveness. Frustration with this failure prompted an examination of the role played by the context (i.e., the situation) in which leader behavior was embedded. Also playing a significant role prompting an examination of situational differences was Stogdill's (1948) suggestion that *the context creates a unique set of group needs*, which then calls for a different approach to leadership.¹

We probe the issue of situational differences in this chapter. More specifically, we explore these three questions:

- Does the situation in which the leader and follower are embedded make a difference?
- What leader behaviors work and when?
- What is the process through which the situation produces its effects?

The importance of the situation has already been alluded to on numerous occasions through the first several chapters. Murphy (1941), for example, notes that situations in which people find themselves create needs, and it is the nature of those needs that defines the type of leadership that best serves the group.² Accordingly, Murphy sees leadership as a function (interaction) of (a) what it is that an individual has to offer and (b) the nature of the demands placed on followers by the situation in which they are embedded. In a similar fashion, Stogdill (1948) suggests that leadership is a working relationship—one in which different contexts create a unique set of group needs, and a group's emerging and effective leader is that individual who is capable of making meaningful contributions to the group.³

Leaders, according to Smircich and Morgan (1982), are those individuals who are capable of taking an ambiguous situation and framing it in a meaningful and

¹ R. M. Stogdill, "Personal Factors Associated with Leadership: A Survey of the Literature," *The Journal of Psychology* 28 (1948), pp. 35–71.

² A. J. Murphy, "A Study of the Leadership Process," *American Sociological Review* 6 (1941), pp. 674–687.

³ Stogdill, "Personal Factors Associated with Leadership," 35–71.

acceptable way for the followers.⁴ Smircich and Morgan also define leadership as a product of an interaction between the situation, the leader, and the followers.

In Salancik and Pfeffer's (1977) strategic contingencies model of leadership, the leader is a person who brings scarce resources to assist a group of individuals in overcoming a critical problem that they face.⁵ As the problems facing a group change, their leader may change because of his or her access to critical and scarce resources. Thus, Salancik and Pfeffer's work also serves to highlight the importance of the situation in defining leadership and the leadership process.

Chapter 7's overview of the leader behavior literature highlighted the fact that there are inconsistent relationships between the behaviors that leaders engage in and the effects of those behaviors on member attitudes, behavior, and group effectiveness. While these inconsistent observations (e.g., the relationship between initiating structure and performance is sometimes positive, while at other times there is no significant relationship, or the relationship is even negative in nature) can be frustrating, they underscore two very important facts. First, these behaviors (e.g., initiating structure and consideration) are *important* as witnessed by their occasionally significant relationship with follower attitudes and behavior. Second, the observation that these behaviors do not always produce significant and positive effects suggests that *something else is transpiring*, such that in one situation the particular leader behavior produces significant effects, in another situation that behavior is relatively unimportant, while at times this initiation of structure is seen as unnecessary and overly close supervision resulting in negative effects (e.g., dissatisfaction). The question that these observations raise is, What effects do situational differences produce in the leader-follower relationship?

Many decades ago Ralph Stogdill (1948) stated that "the qualities, characteristics, and skills required in a leader are determined to a large extent by the demands of the situation in which he [she] is to function as a leader" (p. 63).⁶ Chapter 8 provides an understanding of situational differences in the leadership process with a focus on some of the more popular contingency theories of leadership.

The simple theme of this chapter might well be "different strokes for different folks" or "different strokes for the same folks at different points in time." Put more directly, *as conditions change, so do the leadership needs that are created and the leader behaviors that will prove effective*. If team members know, for example, exactly what needs to be done, when, how, and why, it is unlikely that initiating structure will prove to be needed or to be effective if used. In contrast, when team members are operating under conditions of high levels of uncertainty—not knowing what the task is nor when or how to execute the task—a leader who is capable of initiating some structure should make a meaningful contribution.

Influenced by Stogdill's (1948, 1974) reviews of the leader behavior literature and the emerging recognition of the importance of the leadership context, Steven Kerr, Chester A. Schriesheim, Charles J. Murphy, and Ralph M. Stogdill (1974), advance a number of situational propositions linking leader initiation of structure and consideration to leader effectiveness.⁷ They note that accumulated evidence suggests that leader effectiveness is not always associated with those who behave in a highly considerate and structuring manner. Among some of the situational factors that influence the effectiveness of leader consideration and initiating structure behavior are, for example, time urgency, amount of physical

⁴ L. Smircich & G. Morgan, "Leadership: The Management of Meaning," *Journal of Applied Behavioral Science* 18, 3 (1982), pp. 257-273.

⁵ G. R. Salancik & J. Pfeffer, "Who Gets Power—And How They Hold On to It: A Strategic-Contingency Model of Power," *Organizational Dynamics* 5, 3 (1977), pp. 3-21.

⁶ Stogdill, "Personal Factors Associated with Leadership," 35-71.

⁷ Stogdill, "Personal Factors Associated with Leadership," 35-71; R. M. Stogdill, *Handbook of Leadership: A Survey of the Literature* (New York: Free Press, 1974); S. Kerr, C. A. Schriesheim, C. J. Murphy, & R. M. Stogdill, "Toward a Contingency Theory of Leadership Based upon the Consideration and Initiating Structure Literature," *Organizational Behavior and Human Performance* 12 (1974), pp. 62-82.

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danger, presence of external stress, degree of autonomy, degree of job scope, and importance and meaningfulness of work.

In recognition of the powerful role played by situational forces, several contingency theories have appeared in the leadership literature. Several of these theories have gained widespread visibility. Among them is the Contingency Theory of Leadership (Fiedler, 1957), Path-Goal Theory of Leadership (House, 1971), Situational Theory of Leadership (Hersey & Blanchard, 1982) also known as the Life Cycle Theory, Multiple-Linkage Model (Yukl, 1989), Decision Process Theory (Vroom & Yetton, 1973) also known as the Normative and Descriptive Model of Leadership and Decision Making (Vroom & Jago, 2007), and Cognitive Resource Theory (Fiedler, 1995).⁸

Robert J. House (1971) contends that leader effectiveness is most appropriately examined in terms of the leader's *impact* on the performance of his or her followers.⁹ In the first reading in this chapter (Reading 19), House and Terence R. Mitchell (1974) assert that a leader's behavior will be motivational and subsequently have an impact on the attitudes and performance behavior of the follower to the extent that it makes the satisfaction of a subordinate's needs contingent upon his or her performance.¹⁰ The strategic functions of a leader, according to House and Mitchell, consist of

- (1) recognizing and/or arousing subordinates' needs for outcomes over which the leader has some control, (2) increasing personal payoffs to subordinates for work-goal attainment, (3) making the path to those payoffs easier to travel by coaching and direction, (4) helping subordinates clarify expectancies, (5) reducing frustrating barriers, and (6) increasing the opportunities for personal satisfaction contingent on effective performance. (p. 229)

Characteristics of the follower (e.g., locus of control) and the situation (e.g., task structure) in which the leader and follower are embedded tend to alter the nature of the leader-follower relationship. Thus, the effectiveness of a leader's behavior is a function of the influence that the leader exercises over the follower in interaction with attributes of the work environment.

According to House and Mitchell, there are four important dimensions to leader behavior—supportive (consideration), directive (initiating structure), participative, and achievement-oriented leadership—that are important under different situational (i.e., task-based) conditions. Their *path-goal model* addresses the leader's unique need to provide for follower satisfaction, motivation, and performance under four different task conditions: boring, ambiguous, unstructured, and lack of challenge. Role ambiguity, for example, calls for directive leadership to clarify the path to performance. The reduction of role ambiguity enables followers to see their way more clearly toward performance accomplishment. This role clarification, coupled with directive leadership, should prove to be motivating and satisfying for the followers, ultimately producing positive performance consequences.

Indvik's (1986) meta-analysis of the research conducted on the theory is largely supportive of its key propositions.¹¹ Yet the current evidence is somewhat

⁸ F. E. Fiedler, "A Note on Leadership Theory: The Effect of Social Barriers Between Leaders and Followers," *Sociometry* 20 (1957), pp. 87–94; R. J. House, "A Path-Goal Theory of Leader Effectiveness," *Administrative Science Quarterly* 16 (1971), pp. 321–338; P. Hersey & K. H. Blanchard, "Leadership Style: Attitudes and Behaviors," *Training & Development Journal* 36, 5 (1982), pp. 50–52; G. Yukl, *Leadership in Organizations* (Upper Saddle River, NJ: Prentice Hall, 1989); V. H. Vroom & P. H. Yetton, *Leadership and Decision Making* (Pittsburgh, PA: University of Pittsburgh Press, 1973); V. H. Vroom & A. G. Jago, "The Role of the Situation in Leadership," *American Psychologist* 62, 1 (2007), pp. 17–24; F. E. Fiedler, "Cognitive Resources and Leader Performance," *Applied Psychology: An International Review* 44 (1995), pp. 5–28.

⁹ House, "A Path-Goal Theory of Leader Effectiveness," 321–338.

¹⁰ R. J. House & T. R. Mitchell, "Path-Goal Theory of Leadership," *Journal of Contemporary Business* (Autumn 1974), pp. 81–97.

¹¹ J. Indvik, "Path-Goal Theory of Leadership: A Meta-Analysis," *Proceedings of the Academy of Management Meeting* 46 (1986), pp. 189–192.

mixed. Reviews of this research have led some to contend that the theory has yet to be adequately tested. This is in part due to the complexity of the theory, and therefore the difficulty of designing and executing an adequate test.¹²

The second reading in this chapter (Reading 20) presents Fred E. Fiedler's (1972) *contingency theory of leadership*.¹³ Fiedler argues that situations vary in the degree to which they are favorable to the leader. Some situations are simply more favorable for a leader than other situations. Three factors that have a major influence on situation favorability are *leader-member relations* (i.e., the quality of the relationship between the leader and followers, as might be reflected by the degree to which the group accepts the leader and member loyalty to the leader); *task structure* (i.e., the degree of structure of the task to be performed, as might be reflected by the presence of a clear and unambiguous goal and a well-defined procedure that details how to proceed); and *position power* (i.e., the leader's ability to influence the followers, as might be achieved through the exercise of legitimate, reward, coercive, expert, or referent power).

An important part of the leadership process, according to Fiedler, is the interaction of the leader's orientation toward others and the favorability of the leadership situation. Some leaders have a strong interpersonal orientation. These individuals need to develop and maintain close interpersonal relationships. Task accomplishment is of secondary importance and becomes important only after their relationship needs have been reasonably well satisfied. Other leaders have a strong task orientation. Their first motivational concern centers on task accomplishment, with the development of good interpersonal relationships being a secondary interest. According to the contingency theory of leadership, leaders' motivational orientation toward others can be captured by the attitudes they express about their *least preferred co-worker (LPC)*. (The first self-assessment presented at the end of this chapter opener enables you to profile yourself according to your own least preferred co-worker.)

Leaders with a high LPC score tend to see their least preferred co-workers in fairly favorable terms. These leaders tend to be relationship-oriented, and they are most effective as leaders in situations of intermediate favorability. Leaders with a low LPC score are more task-oriented, and they tend to evaluate their least preferred co-worker fairly negatively. These individuals and their directive leadership styles tend to be associated with effective group performance under highly favorable and unfavorable situations.

Reviews of the major studies that have tested Fiedler's theory are generally supportive of the theory. While the theory has undergone very little modification since it was first introduced, some confusion remains as to exactly what it is that LPC is measuring. Yukl (2002,) citing the work of Ashour (1973) states that "The model is not really a theory, since it doesn't explain **how** [emphasis added] a leader's LPC score affects group performance."¹⁴ In recent years Fiedler has collapsed the eight cells of the original model into three—reflecting low, medium, and high control situations.¹⁵ The low LPC (i.e., task-oriented) leader is seen as performing best under low and high control situations (previously referred to as low and high favorable situations), while the high LPC (i.e., relationship-oriented) leader performs best in moderate control situations.

¹² R. J. House & P. M. Podsakoff, "Leadership Effectiveness." In L. Greenberg (ed.), *Organizational Behavior: The State of the Science* (Hillsdale, NJ: Erlbaum, 1994), pp. 45–82; C. A. Schriesheim & L. Neider, "Path-Goal Leadership Theory: The Long and Winding Road," *Leadership Quarterly* 7 (1996), pp. 317–321.

¹³ F. E. Fiedler, "How Do You Make Leaders More Effective? New Answers to an Old Puzzle," *Organizational Dynamics* 1, 2 (1972), pp. 1, 2, 3–18.

¹⁴ G. Yukl, *Leadership in Organizations* (Upper Saddle River, NJ: Prentice Hall, 2002), p. 211.

¹⁵ R. J. House & R. N. Aditya, "The Social Scientific Study of Leadership: Quo Vadis," *Journal of Management* 23 (1997), pp. 409–473.

Paul Hersey and Kenneth Blanchard's (1988) *situational leadership model* has received a high level of visibility among management practitioners.¹⁶ Their theory has also been referred to as the life cycle theory. House and Aditya (1997) write that the theory's emphasis on four evolving leadership styles (i.e., telling, selling, participating, and delegating) is "analogous to a parent-child relationship where the parent gradually relinquishes control as the child matures" (p. 423).¹⁷

Hersey (1988) tends to see both the situation facing the leader and follower, and the follower, as significant components of the context facing the leader and his or her choice as to the appropriate style of leadership.¹⁸ According to their situational theory of leadership, appropriate leader behavior is defined by (a) situational demands for direction (task behavior) and for socioemotional support (relationship behavior) and (b) the level of maturity of the follower or group relative to the task or objective that the leader is attempting to accomplish through the follower's efforts. Attempts to test and validate the theory have been limited and somewhat disappointing.¹⁹

It should be noted that there are inconsistent views as to whether or not there is "one best style" of leadership. Bass (1997) notes that there is very little empirical evidence that supports Hersey and Blanchard's (1969) model of situational leadership based on follower maturity.²⁰ In addition, Bass (1997) notes that, after several hundred investigations, controversy still surrounds Fiedler's (1983) contingency theory.²¹ Contingencies do, however, provide important insight into leadership. Bass (1997) contends that evidence supports the notion that "better leaders integrate a task-oriented and a relations-oriented approach" (p. 132). In addition, effective leaders also "demonstrate the ability to clarify the path to the goals" (p. 132).²² Blake and Mouton (1981) advocate (in their managerial grid) that the "ideal" is a leader who exhibits high levels of task- and relationship-oriented behavior.²³ The work of many leadership scholars (e.g., House & Mitchell, 1974; Fiedler, 1972) suggest that *any one of a number of different styles of leadership is effective, so long as it is appropriately matched with the task (situation) facing the group.*²⁴

Robert Hooijberg (1996) notes that the significant changes that have come about in organizations during the past couple of decades have given birth to a number of new roles (e.g., leading cross-functional teams).²⁵ Hooijberg suggests that accompanying these changes is an increasing pressure on the leader to

¹⁶ P. Hersey & K. H. Blanchard, *Management of Organizational Behavior: Utilizing Human Resources* (Englewood Cliffs, NJ: Prentice-Hall, 1988).

¹⁷ House & Aditya, "The Social Scientific Study of Leadership," 409-473.

¹⁸ P. Hersey, "Situational Leadership®," *Management of Organizational Behavior: Utilizing Human Resources* (Englewood Cliffs, NJ: Prentice-Hall, 1988).

¹⁹ C. L. Graeff, "Evolution of Situational Leadership Theory: A Critical Review," *Leadership Quarterly* 8 (1997), pp. 153-170; House & Aditya, "The Social Scientific Study of Leadership," 409-473; J.-C. Chen & C. Silverthorne, "Leadership Effectiveness, Leadership Style and Employee Readiness," *Leadership & Organization Development Journal* 26, 4 (2005), pp. 280-288.

²⁰ B. Bass, "Does the Transactional-Transformational Leadership Paradigm Transcend Organizational and National Boundaries?" *American Psychologist* 52, 2 (1997), pp. 130-139; P. Hersey & K. H. Blanchard, *Management of Organizational Behavior* (Englewood Cliffs, NJ: Prentice-Hall, 1969).

²¹ Bass, "Does the Transactional-Transformational Leadership Paradigm Transcend Organizational and National Boundaries?" 130-139; F. E. Fiedler, "The Contingency Model—A Reply to Ashour," *Organizational Behavior and Human Performance* 9, (1983), pp. 356-368.

²² Bass, "Does the Transactional-Transformational Leadership Paradigm Transcend Organizational and National Boundaries?" 130-139.

²³ R. R. Blake & J. S. Mouton, *The Versatile Manager: A Grid Profile* (Homewood, IL: Dow-Jones/Irwin, 1981).

²⁴ House & Mitchell, "Path-Goal Theory of Leadership," 81-97; Fiedler, "How Do You Make Leaders More Effective?" 1, 2, 3-18.

²⁵ R. Hooijberg, "A Multidirectional Approach Toward Leadership: An Extension of the Concept of Behavioral Complexity," *Human Relations* 49, 7 (1996), pp. 917-946.

have a wide range of behaviors on which to call as needs arise. He proposes that *leaders with behavioral complexity will be more effective than those managers who are behaviorally restricted to a limited number of leadership functions*. Hooijberg's work parallels the implicit call for a leader to possess the ability to shift between supportive, directive, participative, and achievement-oriented leadership, as outlined in House and Mitchell's path-goal theory of leadership. In addition, Hooijberg's behavioral complexity construct runs counter to the assumption in Fiedler's work, which suggests that it may be easier to match the leader with the situation or reengineer the situation—since changing a person's leadership orientation is extremely difficult.

When Hersey and Blanchard talk about the follower's readiness (i.e., job readiness—the ability to perform the task at hand—and psychological readiness—the motivation and commitment to accomplish the task at hand), they hint at the notion of the follower's need for leadership. This concept was addressed by Reinout E. de Vries, Robert A. Roe, and Tharsi C. B. Taillieu when they suggest that the follower and his or her need for leadership play a critical role influencing the leader-outcome relationship. The need for leadership is defined in terms of the "extent to which an [individual] wishes the leader to facilitate the paths toward individual, group, and/or organizational goals" (p. 122).²⁶ A follower will be open to a person's attempt at leadership when it is perceived as instrumental to the achievement of the goals important to the follower. When this leadership attempt is experienced as an unwanted intervention, it is unlikely to be favorably received. The second self-assessment in this chapter provides you with an opportunity to profile your need for leadership.

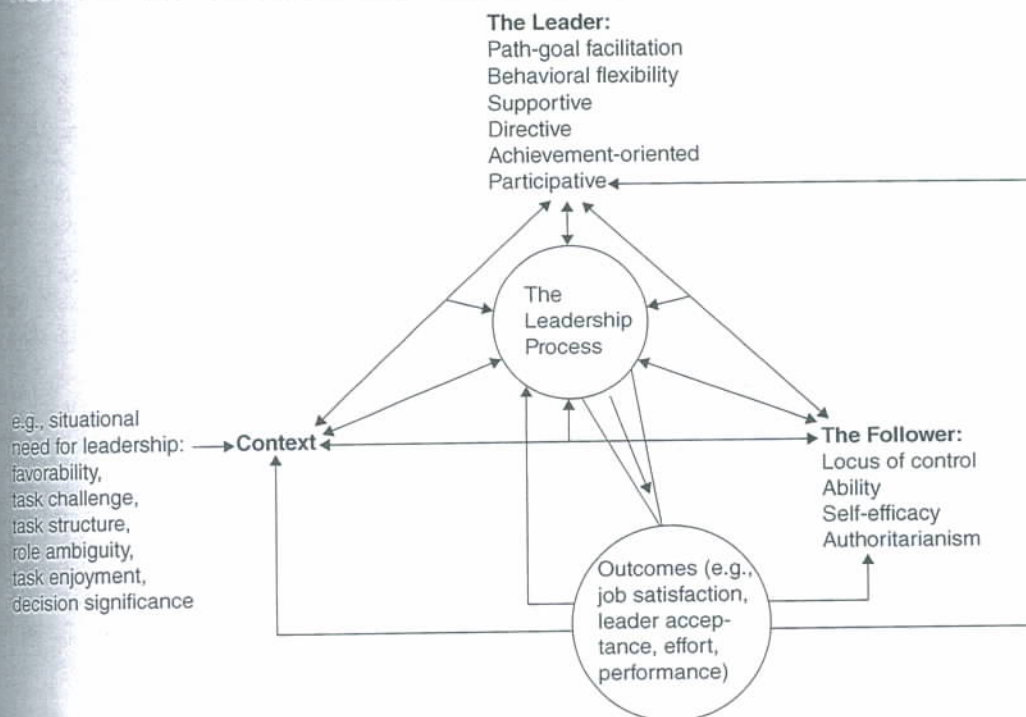
Vroom and Yetton (1973) offered yet another contingency model of leadership. The focus of their theory is limited to the role of the leader and his/her followers in decision-making situations.²⁷ Building upon the work of Tannenbaum and Schmidt's (1958) model which depicts varying degrees of influence exercised by the leader and the amount of freedom experienced by the follower they identified five distinct styles of leadership and follower involvement in the decision-making process ranging from autocratic to group.²⁸ Simultaneously, their model identified a set of situational forces (e.g., need for commitment, goal alignment, information availability and location, potential for conflict) that should dictate which leadership style would, from a normative perspective, be most appropriate (effective). Building upon the work of Vroom and Yetton (1973), Vroom and Jago (2007) defined leadership as "*the process of motivating people to work together collaboratively to accomplish great things*" (p. 18).²⁹ Elaborating upon their definition they call to our attention the notion that leadership is a process and not a property of a person, incentives (intrinsic and extrinsic) are not a part of the definition, the consequence of the leader's influence is collaboration in pursuit of a common goal, and reference to "great things" is in the minds of the leader and his/her followers and not necessarily from the perspective of others. In addition, they further emphasized the importance of the situation in leadership by proposing a partially mediated model. This model highlighted three important relationships that extend beyond the leader-follower relationship in the decision-making context. This mediational model suggests that (1) situational forces often shape leader behaviors, (2) leader behaviors influence team effectiveness, while (3) team

²⁶ R. E. de Vries, R. A. Roe, & T. C. B. Taillieu, "Need for Leadership as a Moderator of the Relationships between Leadership and Individual Outcomes," *Leadership Quarterly* 13 (2002), pp. 121–137.

²⁷ V. H. Vroom & P. H. Yetton, *Leadership and Decision Making* (Pittsburgh, PA: University of Pittsburgh Press, 1973).

²⁸ R. Tannenbaum & W. Schmidt, "How to Choose a Leadership Pattern," *Harvard Business Review* (May–June 1958), pp. 99–101.

²⁹ Vroom & Yetton, *Leadership and Decision Making*; V. H. Vroom & A. G. Jago, "The Role of the Situation in Leadership," *American Psychologist* 62, 1 (2007), pp. 17–24.

FIGURE 8.1 The Leadership Process: Critical Contextual Factors

effectiveness is also shaped by situational forces that are not under the control of the leader (pp. 22–23).

In sum, the work of Vroom and his colleagues highlights the fact that neither the autocratic nor participative nor delegated style of leadership is universally the most appropriate. Beyond that, their normative model provides, via a decision tree model, leaders with a framework that details the type of leader behavior and the amount of follower participation that should be employed in different types of decision-making situations.

According to House and Aditya (1997), nine studies have empirically tested the work of Vroom and his colleagues.³⁰ While there are limitations to the field and laboratory tests that have been conducted, there appears to be reasonable support for the model that stems from the field tests conducted to date.

Figure 8.1 highlights several important components that now contribute to the leadership mosaic. Situational conditions (i.e., attributes of the task being performed) and follower attributes (e.g., task frustration, experienced ambiguity, expertise, ability to exercise self-direction and self-control) interact with the leader, shaping what might be effective leadership behavior.

³⁰ House & Aditya, "The Social Scientific Study of Leadership," 409–473.