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122

123

OPENING CASE Application

4. Which path-goal leadership styles does Indra Nooyi tend to use at PepsiCo?

Nooyi tends to use the achievement-oriented and participative styles. She sets high standards and expects everyone around her to measure up. She has red, green, and purple pens and uses them liberally to mark up everything that crosses her desk. Her scribbles are legendary and include the following: “I have never seen such gross incompetence,” and “This is unacceptable,” with “unacceptable” underlined three times. Nooyi believes in people; you give them an objective and get them all to buy into it, and they can move mountains. She uses input from others, including her second-in-command, whom she treats like a partner, and her “Team Pepsi” members.

Learning Outcome **6** *State the normative leadership model styles and the number of variables.*

Normative Leadership Theory and Models

An important leadership question today is, “When should the manager take charge and when should the manager let the group make the decision?” In 1973, Victor Vroom (yes, the same guy who developed expectancy theory) and Philip Yetton published a decision-making model to answer this question while improving decision-making effectiveness. Vroom and Arthur Jago refined the model and expanded it to four models in 1988. In 2000, Victor Vroom published a revised version titled “Leadership and the Decision-Making Process.” We present the latest.³⁸

*The **normative leadership model** has a time-driven and development-driven decision tree that enables the user to select one of five leadership styles (decide,*

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123

124

To use the normative model, you must have a specific decision to make, have the authority to make the decision, and have specific potential followers to participate in the decision.

Leadership Participation Styles

Vroom identified five leadership styles based on the level of participation in the decision by the followers. Vroom's five leadership styles follow.

Decide

The leader makes the decision alone and announces it, or sells it, to the followers.

Consult Individually

The leader tells followers individually about the problem, gets information and suggestions, and then makes the decision.

Consult Group

The leader holds a group meeting and tells followers the problem, gets information and suggestions, and then makes the decision.

Facilitate

The leader holds a group meeting and acts as a facilitator to define the problem and the limits within which a decision must be made. Leaders seek participation and concurrence on the decision without pushing their ideas.

Delegate

The leader lets the group diagnose the problem and make the decision within stated limits. The role of the leader is to answer questions and provide encouragement and resources.

Model Questions to Determine the Appropriate Leadership Style

To determine which of the five leadership styles is the most appropriate for a given situation, you answer a series of diagnostic questions based on seven variables. The seven variables presented in [Exhibit 4.8](#) are repeated in [Exhibit 4.9](#) and in [Exhibit 4.10](#).

We now explain how to answer the questions, based on the variables, when using the two models.

1. *Decision Significance.* How important is the decision to the success of the project or organization? Is the decision of high (H) importance or low (L) importance to the success? When making highly important decisions, leaders need to be involved.
2. *Importance of Commitment.* How important is follower commitment to implement the decision? If acceptance of the decision is critical to effective implementation, importance is high (H). If commitment is not important, it's low (L). When making highly important commitment decisions that followers may not like and may not implement, followers generally need to be involved in making the decision.
3. *Leader Expertise.* How much knowledge and expertise does the leader have with this specific decision? Is expertise high (H) or low (L)? The more expertise the leader has, the less need there is for follower participation.
4. *Likelihood of Commitment.* If the leader were to make the decision alone, is the certainty that the followers would be committed to the decision high (H) or low (L)? When making decisions that followers will like and want to implement, there is less need to involve them in the decision.

5. *Group Support for Objectives.* Do followers have high (H) or low (L) support for the team or organizational goals to be attained in solving the problem? Higher levels of participation are acceptable with high levels of support.

*consult individually, consult group, facilitate, and delegate) appropriate for the situation (seven questions/variables) to maximize decisions. See Exhibit 4.8 to see how the normative leadership model fits into the contingency leadership framework variables. It is called a *normative model* because it provides a sequential set of questions that are rules (norms) to follow to determine the best leadership style for the given situation.*

EXHIBIT 4.8 Normative Leadership Model Variables within the Contingency Leadership Framework

FOLLOWERS	LEADER	SITUATION
<i>Development-Driven</i>	3. Leader expertise	<i>Time-Driven</i>
<i>Decision Model</i>		<i>Decision Model</i>
2. Importance of commitment	LEADERSHIP STYLES	1. Decision significance
4. Likelihood of commitment	Decide	
5. Group support for objectives	Consult individually	
6. Group expertise	Consult group	
7. Team competence	Facilitate	
	Delegate	

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6. *Group Expertise.* How much knowledge and expertise do the individual followers have with this specific decision? Is expertise high (H) or low (L)? The more expertise the followers have, the greater the individual or group participation can be.

EXHIBIT 4.10 Normative Leadership Development-Driven Model

Instructions: The model is a decision tree that works like a funnel. Define the problem statement, then answer the questions from left to right as high (H) or low (L), skipping questions when not appropriate to the situation and avoiding crossing any horizontal lines. The last column you come to contains the appropriate leadership participation decision-making style for the situation.

		→										
		1.	2.	3.	4.	5.	6.	7.	Leadership Style			
		Decision Significance?	Importance of Commitment?	Leader Expertise?	Likelihood of Commitment?	Group Support?	Group Expertise?	Team Competence?				
P R O B L E M S T A T E M E N T	H	H	H	-	H	H	H	H	Delegate			
							L	L	Facilitate			
						L	-	-	Consult (Group)			
					L	-	-	L	H	H	H	Delegate
										L	L	Facilitate
									L	-	-	Consult (Group)
	L	-	-	-	H	H	H	H	Delegate			
							L	L	Facilitate			
					L	-	-	L	-	-	Consult (Group)	
											Consult (Group)	

L	H	-	H	-	-	-	Decide
			L	-	-	-	Delegate
	L	-	-	-	-	-	Decide

Source: Adapted from *Organizational Dynamics* 28, Victor H. Vroom, "Leadership and the Decision-Making Process," p. 88.

7. *Team Competence*. Is the ability of the individuals to work together as a team to solve the problem high (H) or low (L)? With high team competence, more participation can be used.

Not all seven variables/questions are relevant to all decisions. All seven or as few as two questions are needed to select the most appropriate leadership style in a given situation. The great thing about the models is that they tie the relevant variables together for us as we answer the questions to determine the most appropriate leadership style for the given situation.

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EXHIBIT 4.9 Normative Leadership Time-Driven Model

Instructions: The model is a decision tree that works like a funnel. Define the problem statement and then answer the questions from left to right as high (H) or low (L), skipping questions when not appropriate to the situation and avoiding crossing any horizontal lines. The last column you come to contains the appropriate leadership participation decision-making style for the situation.

		→									
		1.	2.	3.	4.	5.	6.	7.	Leadership Style		
		Decision Significance?	Importance of Commitment?	Leader Expertise?	Likelihood of Commitment?	Group Support?	Group Expertise?	Team Competence?			
P R O B L E M S T A T E M E N T	H	H	H	H	H	-	-	-	Decide		
					L	H	H	H	Delegate		
					L	L	L	-	Consult (Group)		
					L	L	-	-			
				L	L	H	H	H	H	H	Facilitate
				L			L	L	-	Consult (Individually)	
				L			L	-	-		
				L			L	H	H	H	H
	L	L	L	L	L	-	Consult (Group)				
	L	L	-	-	-						
	L	L	L	L	-	H	-	-	-	Decide	
						L	H	H	H	Facilitate	
						L	L	L	-	Consult (Individually)	
						L	L	-	-		
L						L	L	L	L	-	-
L						L	L	L	L	-	-

	L	H	-	H	-	-	-	Decide
				L	-	-	H	Delegate
		L	-	-	-	-	L	Facilitate
							-	Decide

Source: Adapted from *Organizational Dynamics* 28, Victor H. Vroom, "Leadership and the Decision-Making Process," p. 87.