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Laissez-faire Leadership versus Empowering Leadership in New Product Developing

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LAISSEZ-FAIRE LEADERSHIP VERSUS EMPOWERING LEADERSHIP IN NEW PRODUCT DEVELOPING

ABSTRACT
Successful research and development in high-tech units will require change in order to make progress in innovation and quality effectiveness. Empowering leadership, where leadership-power are deliberately and consciously delegated, organizational empowerment for the overall acceptance of this vision is produced. A deep understanding of work and personal experiences are central issues in these leadership practices.

Laissez-faire Leadership however, is a common, but unrealistic and immature way to encounter rapidly growing quality, innovation and effectiveness demands. Those leaders are inclined to delegate responsibility and authority, not in order to empower but to escape their own responsibility. This abdication from leadership is disempowering, effecting leadership behavior of change, relation and production negatively.

Key words: Employee empowerment, leadership, management styles, organizational behavior.

PASSIVE VERSUS ACTIVE LEADERSHIP
Bradford and Lippitt [4] saw laissez-faire leadership as being descriptive of leaders who avoid attempting to influence their subordinates and who shirk their supervisory duties. Such leaders instill no confidence in their ability to supervise. They bury themselves in paperwork, avoid situations that precludes any possibility of confrontation. They leave too much responsibility with subordinates, set no clear goals, and do not help their group to make decisions. They tend to let things drift, since their main aim is stay on good terms with everyone.

Laissez-faire leadership should not be confused with democratic leadership behavior. Nor should it be confused with empowering management [2]. Empowering implies the leader's active delegation of influence to a subordinate to take responsibility for some role or task. The empowering leader remains concerned and will follow up to see if the role has been enacted or the task has been successfully completed. The leader who practices empowering management allows the subordinate to continue on paths that the subordinate and the leader agree on until problems arise or standards are not met, at which time the leader intervenes to make corrections or adjustments.

The second and opposite approach, which has been studied extensively by McClelland [5] and Frischer [2], deals with the active end of the spectrum. They found successful leadership to be under girded by the need to empower and the absence of need for affiliation.

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**RESEARCH BEGINNINGS**

Democratic and authoritarian leadership was compared with laissez-faire leadership by adults who were instructed how to lead boys' clubs [6]. Laissez-faire leaders gave group members complete freedom of action, provided them with materials, refrained from participating except to answer questions when asked, and did not make evaluative remarks. This behavior was in contrast to that of autocratic leaders, who displayed a much greater frequency of order giving, disrupting commands, praise and approval, and non constructive criticism. It also contrasted with the behavior of democratic leaders, who gave suggestions and stimulated subordinates to guide themselves. Under laissez-faire conditions, the groups were less well organized, less efficient, and less satisfying to members than under democratic conditions. The work was of poorer quality and fewer assignments completed, and, there was more play, frustration, disorganization, discouragement, and aggression under laissez-faire than under democratic leadership. When groups of boys were required to carry out various projects under a high degree of laissez-faire leadership, they felt a lack of organization to get things done and did not know where they stood. When an autocratic leader was followed by a laissez-faire leader, the group exhibited an initial outburst of aggressive, uncontrolled behavior. This form of behavior subsided during the second and third meetings. Similar outbursts were not observed after the transition from laissez-faire to other forms of leadership. Although it did not stimulate as much aggression as did the autocratic condition, laissez-faire leadership was disliked because it was accompanied by less sense of accomplishment, less clarity about what to do, and less sense of group unity. The investigators [7; 8] concluded that laissez-faire leadership resulted in less concentration on work and a poorer quality of work than did democratic and autocratic leadership. There was less general satisfaction than from the democratic style, but still somewhat more satisfaction than from the autocratic style that was employed in their study.

**FOLLOW-UP STUDIES**

Subsequent research suggested that the satisfaction of followers will be lower under laissez-faire leadership than under autocratic leadership if the latter is non punitive, appropriate for the followers' levels of competence, or in keeping with the requirements of the situation. Most often, laissez-faire leadership has been consistently found to be the least satisfying and effective management style. The original observations of Lewin, Lippitt, and White [6] have been supported in a variety of survey and experimental investigations of the impact of laissez-faire leadership on subordinates' performance.

**LOW PRODUCTIVITY.**

In a study of railroad-section groups, Katz, Maccoby, Gurin, and Floor [9] found that the groups were unproductive if their supervisors avoided exercising the leadership role and relinquished it to members of the work group. These supervisors also did not differentiate their own role from the role of worker. Like their subordinates, they engaged in production work rather than spend their time in supervisory functions. Berrien [10] studied groups that differed in their adaptation to changes in work. Poorly adapted groups felt little pressure from their superiors and appeared to attribute their poor performance to lax discipline. In the same way, Murnighan and Leung's [11] experiment found that undergraduate participants who were led by uninvolved leaders were less productive in the quality and quantity of the problems they solved and lower in satisfaction in comparison to participants who were led by involved leaders. Argyris [12] conducted
a case study in a bank in which the management recruited supervisors who disliked conflicts, hostility and aggression, and wanted to be left alone. The bank's recruitment policy fostered in employees a norm of low work standards and unexpressed dissatisfaction.

UNPRODUCTIVE ATTITUDES AND BEHAVIOR.

Pelz [13] reported that the laissez-faire pattern of leadership was negatively related to productivity in a research organization. Similarly, Farris [14] demonstrated that the less innovative of 21 scientific groups at the National Aeronautics and Space Administration had less peer and managerial leadership. In addition, the leadership of these groups was less task- or relations-oriented as well as less empowering.

Baumgartel [15] studied authoritarian, laissez-faire, and empowering patterns of leadership behavior. Group members under laissez-faire leadership reported more isolation from the leader and less empowerment in decision making than did those under directive leadership. The results suggested that laissez-faire leadership contributed to low cohesiveness of the group. Aspegren [16] compared laissez-faire, and empowering patterns of leadership and showed that laissez-faire leadership was associated with lower task motivation and lower satisfaction with superiors. Similarly, W. S. MacDonald's [17] study of three styles of leadership (laissez-faire, autocratic, and democratic) in the Job Corps found that laissez-faire leadership was associated with the highest rates of truancy and delinquency and with the slowest modifications in performance. Wehman, Goldstein, and Williams [18] reported results from an experiment in which four leadership styles were varied to study their effects on 80 undergraduates' individual risk-taking behavior in group settings and the shift in risk-taking behavior when the responsibility for making decisions moved from the individuals to groups. They found that the shift in such behavior was more likely to occur in laissez-faire-led groups than in groups led by a democratic or autocratic leader. The consensus seems to state a disassociation of laissez-faire leadership with leadership in general since it enhances unproductive attitudes and disempowerment of subordinates.

SUBORDINATES ' AUTONOMY AND LAISSEZ FAIRE LEADERSHIP

Subordinates' favor autonomy. Laissez-faire leadership provides it but is dissatisfying to subordinates. Is there a contradiction?

Freedom is a mixed blessing. If it means anarchy; the absence of control of oneself or others; the absence of needed organizational sanctions; the concentration of organizational control at the bottom so that individual goals take precedence over organizational goals; and an internally unregulated, leaderless, competitive marketplace for resources in which each member is trying to maximize his or her own self-interests, it is likely to generate organizational ineffectiveness [19, 20, 21]. If freedom implies the lack of systematic processes in problem solving, it also will result in ineffectiveness of outcomes. Thus, when Maier and Solem [22] experimented with discussions under free and more systematic styles of leadership, they found that free discussion produced decisions of lower quality than did systematic, controlled, step-by-step discussion. They also noted that the more free approaches to problem solving were less effective and less satisfying and yielded less commitment from participants than did systematic problem solving. Thus, when comparing 50 free-discussion groups with 96 groups of 4 participants each who used problem solving in systematic steps, the quality of the solutions of the free discussion groups was likely to be lower than that of the systematic groups. Only 12 percent of the free-discussion groups created integrated
solutions that met the criteria of success, whereas almost half the systematic groups did so. Maier and Thurber [23] reported similar results. Nonetheless, evidence can be mustered to support the contention that employees who feel a great deal of freedom to do their work as they like tend to be more satisfied and productive.

Pelz and Andrews [25, 26] studied scientists and engineers in several laboratories. They found that the most successful scientists were self directed and valued freedom, but that these scientists still welcomed coordination and guidance from other members of the organization. Similar results were reported by Weschler, Kahane, and Tannenbaum [27] and by Tannenbaum, Weschler, and Massarik [28] for two divisions of a research laboratory.

THERE IS NO CONTRADICTION

Laissez-faire leadership does not necessarily imply autonomy for subordinates. How does one reconcile the two sets of findings that (1) laissez-faire leadership is detrimental to the performance of subordinates, and, (2) the autonomy of subordinates enhances the subordinates' performance? The answer lies in what the subordinates need to do their job well. If the subordinates are skilled, professional, or self-starting salespeople, they may need consultation, empowering or delegation, with the directive boundary conditions specified by the leader, the organization, or even the task itself. Within these boundaries, the leader should permit the already competent and motivated subordinates to complete their work in the manner they think best. This kind of leadership paradoxically requires that the leader exercise authority to permit such freedom of action [2]. Active and consistent follow-up by the leader is also important because it provides evidence that the subordinates' performance is as expected and shows the subordinates that the leader cares about what they are doing. This type of leadership is not related in any way to laissez-faire leadership, in which the leader does nothing unless asked by colleagues and even then may procrastinate or fail to respond. The laissez-faire leader is inactive, rather than reactive or proactive. He or she does not provide clear boundary conditions; may work alongside subordinates or withdraw into paperwork; and avoids, rather than shares, the process of decision-making. Under this type of leadership, the subordinates do not feel free to carry out their jobs as they see fit; instead, they feel uncertain about their own authority, responsibilities, and duties. Supporting this distinction between working under laissez-faire leadership and being provided with freedom are the results reported by Farris [14]. In a study of 21 research teams, Farris found that the provision of freedom to subordinates was highly related to innovation when the superiors preceded their decision-making with supervision with their subordinates. But, when supervisors made little use of consultation beforehand, their provision of freedom was uncorrelated with innovation by their subordinates.

Further indirect support comes from a review of leaderless groups by Desmond and Seligman [30]. In the 28 studies that were reviewed, those groups with more intelligent participants obtained positive results and were likely to be more highly structured by specially prepared audio tapes, preprinted instruction, and instrumented feedback of group opinion, which substituted for the missing leaders. That is, the freedom of the leaderless group could result in productivity if the participants had the competence and information to deal with the situation and obtained the necessary instructions to clarify the boundary conditions within which they could carry on.

WHAT ABOUT EMPOWERING LEADERSHIP?

The contrary consequences for the effectiveness of their own freedom and autonomy, on the one hand, and the ineffectiveness of laissez-faire leadership, on the other hand, reside, to
some extent, in the confusion of the laissez-faire leadership with the practices of delegation, and empowering leadership.

The laissez-faire leader tends not to delineate the problem that needs to be solved or the requirements that must be met, as does the leader who delegates power (empower). Further the laissez-faire leader does not search for deviations from standards or intervene when they are found, as does a leader who practices empowering management. He or she does not engage in extended discussions with subordinates to achieve a consensual decision, as does the empowering leader, nor does he/she offer the "template of resistance" [2, 31] necessary for the honing of innovative ideas.

The inactivity of the laissez-faire leader, his or her unwillingness to accept responsibility, give directions, provide support, and so on, has been consistently negatively related to productivity, satisfaction, cohesiveness and maximum goal achievement. Sheer energization, drive, motivation to succeed, and activity are likely to be correlated with successful leadership and influence. A further examination of the qualities that are important to active leaders, in contrast to laissez-faire leaders, is seen in much of the Leadership Motive Pattern studies [2, 5]

**EFFECTS ON FOLLOWERS OF ACTIVE, EMPOWERING LEADERSHIP**

Consonant with these conclusions, more activity by leaders is usually associated with the greater satisfaction and effectiveness of their followers. Conversely, more often than not, less activity in any of these active styles is negatively related to the performance and satisfaction of the followers. Thus, for instance, the structuring of expectations contributes positively to the productivity, cohesiveness, and satisfaction of the group. As General Patton stated [32]: "If you tell people where to go, but not how to get there, you will be amazed at the results". This pattern of behavior is the central factor in empowering leadership that must involve the leader taking **action**. From time in memorial, the one distinguishing property of outstanding leadership has been action [32]; - subordinates crave action. It is doubtful that leaders in most situations can be of positive value to the group's performance, satisfaction, and cohesiveness without this kind of active structuring.

Stogdill [33] reviewed an array of surveys and experiments, mostly containing concurrent analyses of leadership behavior and outcomes, more often than not in temporary, short-term groups and without reference to possible contingent conditions. He concluded that both the democratic leadership cluster (relations orientation) and the authoritarian related cluster (task orientation,) were more likely to be positively than negatively related to the productivity, satisfaction, and cohesiveness of the group. Blake and Mouton [34] argued that 9,9 leadership, which is concerned both with maximum task orientation as well as maximum relations orientation, is optimal. As was noted earlier, Hall and Donnell [35] confirmed this contention by showing that the 190 out of 1,878 managers who were the fastest in their career advancement were likely to be high in both task orientation and relations orientation, according to their subordinates. And the slowest advancing 445 managers were clearly 1,1, a laissez-faire style, that is, low in both task orientation and relationship orientation. In an experiment with 80 undergraduates, Medcof and Evans [36] demonstrated that plodders are the least desirable leaders that agreed with Blake and Mouton's [34] argument.

In agreement, Karmel [37] concluded that the combination of -task and relation-the total activity of leaders in contrast to their inactivity-may be the most important dimensions to investigate.
Leadership activity, as such, does not always guarantee the performance, satisfaction, and cohesion of a group. Highly active but autocratic leadership will contribute more to a group's dissatisfaction and lack of cohesiveness than to a group's productivity. The qualities of the leadership activity must be taken into account. For the leader, doing something is usually, but not always, better than doing nothing. A calm, steady hand at the tiller may be required rather than an impulsive change of course. McClelland's [5] Leadership Motive Pattern (LMP) is high for individuals who score high in their need for power but who score low in their need for affiliation. A high LMP index was seen to forecast success in management. Thus, McClelland and Burnham [38] as well as Frischer [2] found that successful managers—whose subordinates perceived themselves as more influential (empowered), were higher in innovative morale. Their leaders had a need for power that were above and higher than their need for affiliation. Again, in a follow-up study of 237 AT&T managers, McClelland and Boyatzis [39] high need for power, the low need for affiliation the LMP-predicted the success of most other managers. Progress over 16 years at AT&T correlated an estimated .33 with LMP [40].

In the study of management in new product development units as mentioned above [2], we compared managers who primarily intend empowering subordinates for the benefit of the whole organization (managers with the leadership motive pattern) with those who essentially are concerned with the establishment, and maintenance of a friendly relationship with subordinates (managers high in need for affiliation). Thirty five managers, heading new product development functions or units in four high-technology plants were assessed. The assessment, on the basis of a survey questionnaire studying the managers' leadership motive pattern was found to be related to measures of empowerment and the innovative climate of the organization for which they worked. The results furthermore revealed that those in subordinate positions to managers showing the leadership motive pattern, in contrast to those in subordinate positions to managers high in need for affiliation, perceived their managers, their own work groups and themselves as more influential (empowered). They also conceived the innovative climate more enhanced as compared to subordinates to managers high in need for affiliation. Beside, those in a subordinate positions who were affected by the empowering managers, were given the opportunity to successfully influence and manage the turbulence and complexity arising from the development of new products. At the same time they established an organizational climate that supports innovative pursuits.

RESEARCH METHODOLOGY

The Samples

A random sample of thirty-five line managers heading new product development units and another random sample of three individuals in immediate subordinate positions to each of those managers were drawn from four large internationally successful companies. In all cases the development of new products was important to the companies' long-run viability. Further, the development projects these managers were leading was knowledge- and cost-intensive, lasting from several months to several years. All the respondents in the samples, managers as well as subordinates, were highly educated with backgrounds in such professions as engineering, medicine, chemistry, and pharmacy. Their age ranged from the early 30s to mid 50s. Eight of the thirty-five managers were women.
Although the companies in our study were drawn from a variety of industries, including chemical (2), mechanical (1), and drug-industry (1). The type of work these companies are engaged in is technologically sophisticated and each of the products under development had a significant technological component. The companies are all localized in urban environments in the south-western part of Sweden.

In this study the same subordinates described their manager's leadership style using a questionnaire [43] consisting of 36 items, covering three dimensions: Change centred-, Employee centred- and Production centred-leadership styles.

RESULTS

In table 1 average scores for subordinates to managers with the leadership motive pattern (empowering managers) and subordinates to managers that primarily want to please others are compared. The scores are presented for each of the three main dimensions in each case followed by items in which P-values approaching significance (p<.08) are reported.

On Change- and relation-centred leadership styles the subordinates to managers with leadership motive patterns rated their managers more positive than subordinates to managers with a dominating need for affiliation. The change orientation refer to a forceful, dynamic leadership and the relation depict a straight, open, perhaps confrontative leadership behavior.

On the Production-centred leadership style, the difference between the groups is non-significant. However on three out of ten items the differences reached or approached significance. "is controlling in his/her supervision of the work" and "sets clear goals". The managers with leadership motive patterns (empowering) are seen as more active in putting boundaries however not blindly "making a point in following rules and principles" as compared to the affiliative leaders.
Table 1. Comparison of leadership style between subordinates to managers with leadership motive pattern, and subordinates to managers with a dominating need for Affiliation. Average scores are presented on a scale ranging from 0 to 4 for each leadership style respectively. The score "4" is equivalent to most positive and "0" to most negative.

<table>
<thead>
<tr>
<th>Motive Pattern</th>
<th>(mean of 10 items)</th>
<th>Subordinates (n=18)</th>
<th>Subordinates (n=60)</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(SD)</td>
<td>(SD)</td>
<td></td>
</tr>
<tr>
<td><strong>Change-centred style</strong></td>
<td></td>
<td>2.80 .66</td>
<td>2.21 .82</td>
<td>&lt;.01</td>
</tr>
<tr>
<td><strong>ITEMS (5)</strong> My manager:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-pushes for growth</td>
<td>2.94 .97</td>
<td>2.24 1.08</td>
<td>&lt;.05</td>
<td></td>
</tr>
<tr>
<td>-offer ideas about new &amp; different ways of doing things</td>
<td>3.06 .83</td>
<td>2.44 1.11</td>
<td>&lt;.05</td>
<td></td>
</tr>
<tr>
<td>-makes quick decisions when necessary</td>
<td>2.88 .93</td>
<td>2.14 1.17</td>
<td>&lt;.05</td>
<td></td>
</tr>
<tr>
<td>-is willing to take risks in decisions</td>
<td>3.00 .87</td>
<td>2.26 1.13</td>
<td>&lt;.05</td>
<td></td>
</tr>
<tr>
<td>-sees possibilities rather than problems</td>
<td>3.06 .83</td>
<td>2.49 1.04</td>
<td>&lt;.05</td>
<td></td>
</tr>
<tr>
<td><strong>Relations-centred style</strong></td>
<td></td>
<td>3.33 .60</td>
<td>2.68 .88</td>
<td>&lt;.01</td>
</tr>
<tr>
<td><strong>ITEMS(6)</strong> My manager:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-is considerate</td>
<td>3.47 .72</td>
<td>2.62 1.06</td>
<td>&lt;.01</td>
<td></td>
</tr>
</tbody>
</table>
nates & 2.56 & 1.19 & <.05 \\
-creates an atmosphere free & 3.29 & .99 \\
 of conflict & 2.11 & 1.28 & <.001 \\
-is flexible and ready to & 3.24 & 1.15 & 2.42 \\
 rethink his/her point of view & 1.12 & <.01 \\
-has an open and honest style & 3.29 & .77 \\
 & 2.66 & 1.23 & <.05 \\
-criticizes in a & 2.88 & .93 \\
 constructive way & 2.08 & 1.22 & <.05 \\

**Production-centred style** & 2.27 & .69 & 2.11 \\
(mean of 10 items) & .76 & N.S

ITEMS(3) My manager:

-makes a point in following & 1.88 & .99 \\
rules and principles & 2.49 & 1.01 & <.05 \\
-is controlling in his/her & 2.18 & .88 \\
supervision of the work & 1.45 & 1.08 & <.05 \\
-sets clear goals & 2.35 & .86 \\
 & 1.86 & 1.07 & <.08 \\

**CONCLUSION**

Uniformly, laissez-faire leaders are downgraded by their subordinates. Productivity, relations, and change suffer under such leadership. But laissez-faire leadership should not be confused with the positive effects of legitimate autonomy for subordinates. The least efficacious is a
combination of low production - and relations orientation or a personal need to please others (need for affiliation), -an equivalent of laissez-faire leadership.

In light of major corporate restructuring, like downsizing even the most successful companies in new product development, are bound to disrupt innovation efforts. Apparently, inadequate human resources have a more negative impact on speed rather than on technology, funding, or process consistency [1]. With "instant fix" tendencies and other short term solutions to manage innovation, some managers of innovation might shirk their responsibilities and leadership duties (laissez-faire leadership).

The re-engineered restructured corporation is very much alive. To cope with it, companies may try to re-innovate the new product development process by more long term and empowering leadership.

The term empowerment is often used in this context. Leaders make the empowerment of subordinates seem quite simple. To expect high performance, the leader shows employees that he has confidence in their ability to reach certain predetermined sometimes long termed goals. Given the needed resources and a facilitating structure (the instrumental part of the leadership role), empowered subordinates will do the utmost to oblige. This is an obvious way to build commitment. Unfortunately, however, empowerment is difficult for some leaders, given their relationship to power [2]. It might be hard for them to delegate power down in the organization. They lack the perspective to realize and mature understanding that by empowering their followers, they are in fact strengthening their organization and thus their own hold of power. In the domain of the psychology of power, the desire for short term gains tends to dominate the consideration of long term benefits.

With a more mature understanding of leadership that is required to accomplish successful innovation, managers will be better equipped to deal with many of the key innovation issues for the year 2000 and beyond. Management may begin to more readily value change-centred leadership behavior as an outcome of empowering leadership, where innovation is considered an investment in their future and a tool for conquering competition. A leadership that can manage change processes, that can mobilize people and that pays attention to values is what is needed now.

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