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## **Theoretical Leadership Models**

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**Abstract:**

**Purpose:** The objective of this study is to define leadership and describe leadership styles.

**Design/Methodology/Approach:** The study defines the styles of leadership as presented in the literature and then performs an analysis of the efficiency and motivation they offer to the employees, as yielded by a secondary literature review.

**Findings:** Leadership can influence the attitudes and behavior of a small or large, formal or informal group of people by an individual in such a way that they voluntarily, willingly and with the appropriate cooperation try to achieve goals arising from its mission team, as efficiently as possible.

**Practical Implications:** By efficiently practicing a leadership style suited to the employees, the employees can find themselves to be motivated and more productive, which in turn yields greater efficiency and benefits for the organization.

**Originality/Value:** The present study allows for a contemporary view on the literature and leadership styles, as well as an examination of the view on leadership styles and how they evolved from their founding to their current form.

**Keywords:** Leadership styles, leader, leadership theory, motivation.

**JEL Codes:** M12.

**Paper Type:** Research article.

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## **1. Introduction**

The issue of leadership has been discussed in the world literature through many definitions, such as classical leadership, leadership, visionary, innovative, inventive, creative, inspirational, ethical, transformational, emerging, risky leadership, uncertainty or the edge of chaos, self-leadership, etc. But all researchers and scholars agree on the distinction between managers and leaders. The former is involved in solving organizational problems, while the latter seek opportunities to overcome them.

But we could agree that a leader is a person who, through a complex process, uses his/her elements (faith, beliefs, values, ethos, character, knowledge, skills), to influence others to succeed in a mission, task, or goal and to lead an organization or community understandably and coherently. Leadership is based on mobilizing other people, which is achieved by ensuring and maintaining the needs of employees.

Leadership is a relationship (and function) between the leader, the follower, the situation that exists, and the goal to be achieved. The elements that differentiate the different types of leadership relate to the way this relationship is defined and operated. Its operation unfolds within the environment, which significantly influences its standards, values, strategies, goals, and philosophy, as well as the people it collaborates with. The values reflect the interest of the system for all parties involved in its operation, inside and outside it. They determine how the work is performed and the type of other trading organizations and individuals. The personality of the system determines the roles, relationships, rewards, and rituals that occur within the organization.

Of course, the motivation of people in general (human needs and motivations) plays an important role in Business-Organizations and in particular in this work the most important theories or models of employee motivation are presented. It is the art of motivating subordinates to perform their duties with zeal and confidence, thus contributing to the organizational - business goals and objectives, their maximum potential. It is also the ability to see and use the right motivations for each and everyone and the ability to inspire.

## **2. Research Aim**

The objective of this study is not just to define leadership but to describe leadership styles at the same time. An extensive analysis of leadership styles is made based on the analysis of motivations. For this reason, a reference is made to the term leadership and then the various leadership styles are presented as well as the theory of motivation or otherwise the theory of motivation and motivation. A comparative analysis of leadership styles reveals that no one leadership style is effective in all situations and for all managers, but each leadership style is appropriate in different

periods and under different conditions. In addition, based on the theory of motivation, different leadership skills are required.

### **3. Literature Review**

Taking into account specific criteria, reference is made to the most well-known theoretical models of leadership. The classification of these models is determined by the respective study variable which is considered the most imperative. Therefore, theoretical leadership schemes can be categorized according to the gender of the leader, his particular personality traits, his behavior, and the current economic and social conditions in which any leadership behavior exists, and the theoretical trends of the time that determine his identification of its characteristics.

The so-called genetic theories claimed that leadership was the result of a charismatic legacy. Montana and Charnov (1993) considered this to be a process that was born from birth and which of course was based on the genetic gifts inherited from one of the previous generations. This is one of the oldest theories based on heredity and found an excellent basis in the question of the succession of royal families. This theoretical pattern prevailed for many years until the First World War when it gradually began to soften, as it was realized that people of non-polite and blue-blooded backgrounds could display leadership talents (Montana and Charnov, 2008).

Theories of the leader's characteristics are followed which are focused on the innate characteristics of the leader and the concept of individuality that are important factors in the success of an individual as a leader. Of paramount importance are the ingenuity and personality of the individual which is interrelated with sociability and social characteristics and is a trademark of a leading person. Therefore, a basic principle, in this case, is that some people are leaders by nature as they are endowed with some traits that others inevitably possess (Montana and Charnov, 2008; Stogdill, 1948). During the present researcher a critique of the theories of atomic characteristics he could point out the following:

1. these theories don't take into account the decisive role of the social environment in shaping an individual's personality;
2. they are an arrogant approach to leadership, as they claim that it derives from naturally determined terms, which doesn't correspond to reality since nature isn't subject to premium rules;
3. they support the consolidation of racist approaches to leadership, as there are people who are born gifted with leadership skills and therefore should be given power and people who by nature will always be followers of the former, without the possibility of changing their position.

Studies showed that 40 characteristics should distinguish a leader. Stogdill (1948) based on his study of personalities with political, religious, and strategic abilities, classified these characteristics into 6 main categories, which are:

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- ✓ Spiritual (Intelligence)
  - ✓ Natural (Appearance, weight, age)
  - ✓ Personality (Confidence)
  - ✓ Sociability
  - ✓ Ethics (Reliability)
  - ✓ Celebration (Determination).

This theory contains several vulnerabilities. First, the multiplicity of characteristics is not tangible as it is a subjective assessment that does not come from reliable scientific research. In addition, the conditions in which a leader is called to operate, the work environment, and the people he works with are overshadowed, while the leadership role is overemphasized.

Researchers with modern studies have concluded that there are no specific and unique individual characteristics that distinguish a leader. However, research has shown that the specific characteristics mentioned above can only affect the chances of creating a leader (Kirkpatrick and Locke, 1991). Therefore, in the flourishing of a leadership behavior not only the positive traits of one's personality play a role but also exercise and study are of great importance (Montana and Charnov, 2008). Fotopoulos (2013) focuses on the discussion that arises around whether the aforementioned leadership characteristics are natural or shaped by the influence of individual social factors.

In the style approach, the focus is on the leadership behavior and how it is exercised, considering the personal characteristics of the leader (Trait Approach) inferior. At the same time, this leadership approach takes into account the actions of the leader towards his subordinates when faced with a variety of situations (Northouse, 1997).

Leadership scholars have concluded that the fundamental directions of leadership behavior are two (2):

- (a) task-oriented behaviors: they focus on achieving objectives and facilitating teams to achieve them;
- (b) relationship-oriented behaviors, these focus on building healthy relationships and establishing a friendly, welcoming environment that motivates employees to behave in solidarity, responsibly, and work together to achieve achievable goals.

Work on the behavior of leaders began in the early 1950s. The basic idea of the theoretical behavioral scheme is that successful leadership figures exhibit specific behaviors that aim to realize the visions of the company or organization. The great increase in production and the maintenance of a high level of morale of the subordinates result in the realization of the visions of leadership. There are various types of behavioral theories of effective leadership style.

One formula is D. McGregor's Theory X and Y (Arslan and Staub, 2012; Chatzipanteli, 1999; Stogdill, 1974). It is a behavioral theory that aims to interpret the characteristics of successful leaders who operate within a common behavioral work environment that is effective and enjoyable. McGregor classifies leaders into two categories, X and Y. This theory is based on the assumption that:

- ✓ Most employees enjoy mentoring.
- ✓ They tend to avoid further work effort.
- ✓ They avoid effort and do not easily take responsibility.
- ✓ They put security above everything else.
- ✓ Financial gains and the threat of punishment are the driving forces for their activation.

This pessimistic case is the basis of the various authoritarian systems, as well as certain systems of centralized organization in which the provision of rewards or sanctions is common (Panta and Karagiannis, 1997). This view does not first study the true nature of motivation and does not take into account the fact that when immature and irresponsible people work in an organization, the external control may be the only way to motivate them.

According to Theory X, the leader must create such conditions in which the staff will be forced to work, while in the other case if he had the choice not to work, he would prefer more entertaining activities. For this reason, the leader must stand vigilantly, be pushing to produce work, and never rest, as any relaxation will likely lead employees to treat their work unconsciously. Also, it is considered self-evident the use of threats and the imposition of penalties to make their operation more efficient and consequently the impersonal relationship between boss and subordinate (Chytiris, 2006).

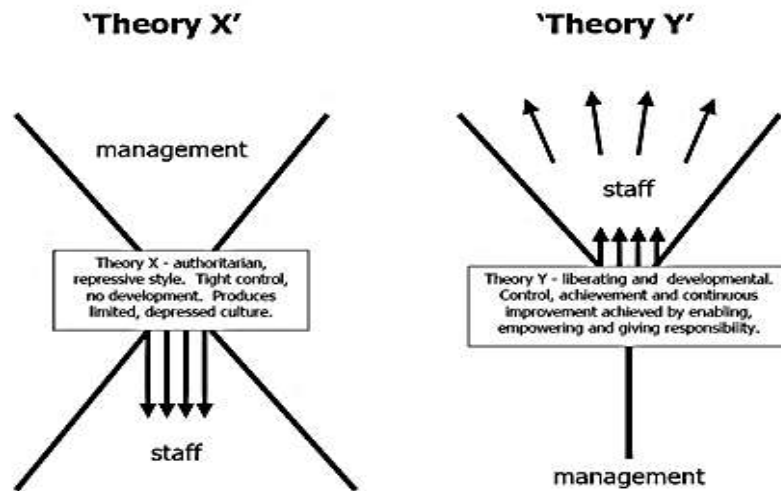
After the introduction of Theory X, McGregor questioned whether this view of human nature was the most correct and whether administrative practices based on it were the most appropriate for several current applications. The two (2) main concerns raised by McGregor are (Mantas, Kakounis, and Danos, 1992):

- a) Whether in a democratically structured society one can achieve a more mature behavior due to both the ever-improving education system and the ever-promising improved standard of living.
- b) If people perform better when there is a threat of punishment or when social construction enables its interest to be equated with the satisfaction of people's deeper motivations and goals.

On the contrary, the theory Y interprets human behavior positively and is an optimistic perspective. According to this, business executives should trust their subordinates and not take the threat of punishment and coercion. In particular, this theory is based on the following hypotheses:

- ✓ Human resources have the ability to self-control under the right guidance and motivation and even if the identification of personal aspirations with those of the company is achieved.
- ✓ The person in the business space is capable (when he is in the right environment), not only to accept but also to ask for responsibilities.
- ✓ A man by nature makes an effort and work doesn't stand in his way.
- ✓ When a person feels involved in the success of a predetermined and determined common goal, he is imbued with self-confidence and pride, which act as promoters in the manifestation of positive behaviors. Therefore, coercion and deprivation of privileges to mobilize energy and creative imagination are anachronistic methods in a collaborative climate. Employees' self-control is best achieved when allowed to participate and encouraged to submit their views.

*Figure 1. McGregor's theoretical model*

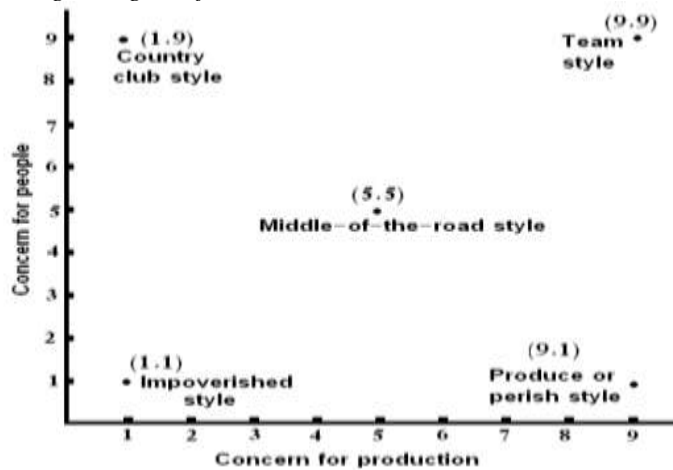


*Source: Own study.*

Therefore, the ideal leader for this leadership is the democratic one. The most popular and widely used approach to leadership behavior is known as the "Managerial Grid" by Blake and Mouton (1964). This theory is based on a leadership typology that combines an interest in production and interest in people, using two converging gradients that delimit the scope of a leader's behavior.

The first dimension is reflected in the vertical axis and focuses on the leader's effort to satisfy his employees in the workplace while the second concerns the leader's care for a production process as well as ensuring the formal exercise of duties (Islam and Bhattachar, 2019; Kanellopoulos, 1990).

**Figure 2.** *The Managerial grid of Blake and Mouton 1964.*



*Source:* Own study.

The model, called the “Managerial Grid”, supports the existence of five basic leader behaviors that are within the grid while there are 81 intermediate grades. The five (5) ways of leadership behavior are the following (Chytiris, 2006):

- ✓ Position (1,1): *The indifferent or irresponsible leader.* This position implies equally little interest in both production and man. It relies heavily on McGregor’s Theory X (Bourantas, 1992). This is the style of bankrupt administration. Its main tools are obedience and the proper design of work systems.
- ✓ Position (1,9): *The fellow leader.* An executive who chooses this leadership behavior shows great interest in employees (in humans) and little in production. This results in the creation of a friendly environment for the employee in the workplace but the efficiency of project production is unsatisfactory. This leader has high levels of popularity among his subordinates and is a fan of the view that the consolidation of a team-based climate is based on the trust that must be provided by him to his employees. This will result in the high satisfaction of the existing and at the same time the fulfillment of the company’s goals (Montana and Charnov, 2008). This is the style of club management, a way of management that is characterized by teamwork and minimal interest in production.
- ✓ Position (9,1): *The authoritarian leader.* In contrast to the previous position, here the highest priority is given to the effective realization of the goals of the organization (production) and the lowest to the human factor. The leader who chooses this behavior can be efficient and bring positive results to the organization, but he isn’t at all popular as a leader. It’s about the style of management of tasks.
- ✓ Position (9,9): *The democratic leader.* In this position, the manager shows equally great interest in production and man. This type is more theoretical

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and it is difficult to find it in reality. It is about the style of team management.

- ✓ Position (5.5): *The mediocre leader*. This type of management shows equally moderate interest in people and production. According to Blake-Mouton, he is the most common executive and that is why he was named the man of the company. This is a compromising management style where employees do not perform well, as they are not motivated.

Blake-Mouton concluded that leaders adopt two (2) ways of leading behavior. They follow a “dominant grid-style” in the management of the organization, and at the same time have a “backup style” which they use depending on the circumstances (Montana and Charvon, 1987).

There are leadership theories that take into account the current environmental conditions in which leadership behavior is manifested. It is leadership in which leadership style must take into account the situation and specific circumstances of the organization to establish an effective environment (Hofstede, 1997).

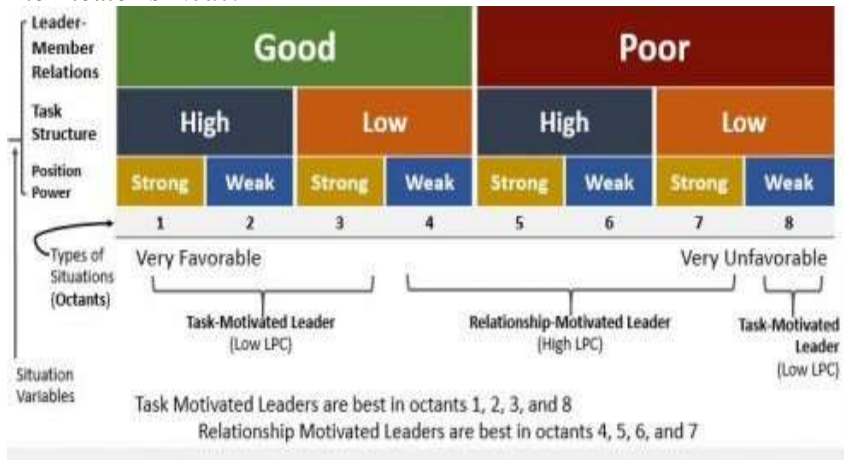
Situational leadership was the forerunner of Fiedler’s (1978) Contingency theory. After studies, he developed the Contingency Theory of leadership, or as it is otherwise called the Fiedler Dependency Model, which is mentioned as one of the first models of the case study approach. It is characterized as a dependency model as it presents the effectiveness of a leader as a dependent variable of his behavior and the way it interacts with the individual conditions of a situation. In other words, Fiedler’s theory emphasizes that effective leadership depends not only on the characteristics and leadership style of a leader but also on the control of a situation (Montana and Charvon 1987; Schermerhorn, 2011).

The right leader should combine three (3) key factors that are responsible for a situation and indicate the appropriateness or not of the conditions:

1. The relationship between the boss and subordinates is very important, as they first determine the degree of cooperation and trust between them and are a cornerstone of building trust in the leader;
2. The structure of the tasks, which describes the analysis of the individual tasks/activities of the subordinates of the leader;
3. The leader himself in combination with his social status deriving from his position (Daft, 2003).

The lack of these three factors in the right combination and context will lead to leadership failure (Panta and Karagiannis 1997). As a conclusion of Fiedler’s approach theory, there are eight (8) combinations of the above factors that can suggest the most appropriate type of leadership depending on the prevailing conditions. Figure 3 below presents in detail the 8 options for selecting the effective type of leadership.



**Figure 3.** *The Fiedler's model*

**Source:** *Own study.*

The above three variables-factors present three grades according to which various situations are created and from which the leadership styles are chosen depending on the conditions in which the leader moves. These variables are a) strong-weak, b) high - low and c) good - bad. Respectively, there are three environmental conditions which are a) the very favorable, b) the average suitability value and c) the unfavorable. Through the correlation of the above variables and situations, the appropriate style emerges each time which has two directions, towards the person and the work. Fiedler's theory takes into account the importance of the role that the environment plays as its nature is diverse, in determining leadership behavior.

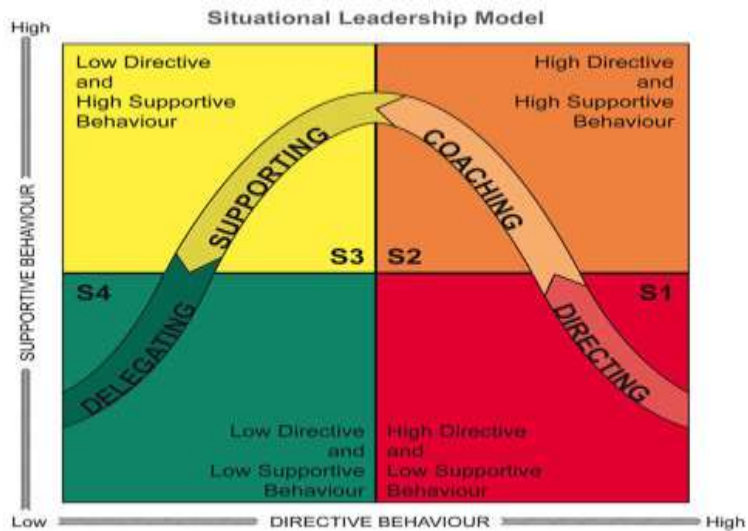
Another occasional leadership model is the life cycle theory of Hersey and Blanchard. This is a theoretical scheme created in the mid-1970s according to which leadership behavior is characterized by two dimensions: a) task orientation and b) human relationship orientation. Based on tasks and human relationships, four leadership styles emerge:

- ✓ The managerial style of management with task orientation.
- ✓ Management consulting style with a focus on both tasks and human relations.
- ✓ Supportive management style oriented towards human relationships and
- ✓ the empowering leadership style in which there is a relaxation towards both duties and human relationships (Hersey and Blanchard, 1993).

The effectiveness of the above ways of leadership is determined by the degree of maturity of the existing subordinates. We could say that the relationship between these two variables is inversely proportional, since the more mature the current ones show, the more the leaders leave the leadership and give more freedom of movement

to the employees, taking on the role of advisor themselves. Support levels increase and relationships become more friendly (Chytiris, 2006).

**Figure 4.** *The Hersey & Blanchard's model*



*Source: Own study.*

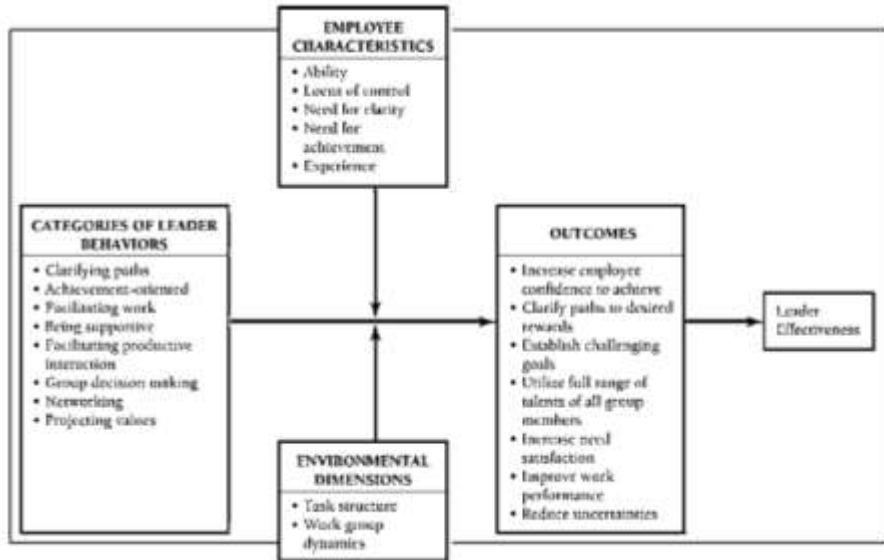
Robert House's leading theory takes into account environmental conditions. This is an evolution of Martin Evans's theory. The theoretical model is based on the assumption that employee mobility increases when their wishes are met by the leader. The hierarchically superior can reinforce the expectations of his subordinates for them to achieve their goals. This is done through the method of reward by the leader who by directing the behavior of the employees, helps them to achieve their goal and be effective. This leadership behavior is characterized by two status variables, which are the personal characteristics of the employee and the characteristics of the task (Northhouse, 2013).

In House's theory four different leadership styles are executed depending on the situation:

- ✓ *The leadership style:* the leader informs the employees about the expected result and directs them to its realization.
- ✓ *The supportive style:* the leader is friendly and open to the needs of employees.
- ✓ *The participatory style:* the leader listens to the ideas of his employees, takes them into account, and makes a positive evaluation when they are worthwhile.
- ✓ *The achievement-oriented style:* the leader in consultation with the employees accepts the challenge of achieving demanding goals, but with the help and trust in them. The goals set must be commensurate with the

capabilities of the employees because a possible failure to achieve them will result in frustration for the employee (Michail, 2002).

**Figure 5.** The path-goal model of Robert House



*Source:* Own study.

#### 4. Conclusions

A critical component of a successful business is leadership. By this term, we mean the process of influencing the attitudes and behavior of a small or large, formal or informal group of people by an individual in such a way that they voluntarily, willingly and with the appropriate cooperation try to achieve goals arising from its mission. team, as efficiently as possible. Of course, what should be noted at this point is that leadership is an art and therefore is not allowed and can not be limited and standardized in terms of mission, methods, and form.

Business is a social entity and therefore it is the people who are its dominant component. The right people are the main source of competitive advantage for the business. In today's conditions, the rare resource for wealth creation is the right people, their ideas, knowledge, and efforts, and not capital. The critical market is that of ideas, knowledge, creativity, and innovation and not the market of capital and products. The strategic importance of people for the success of the business lies in the fact that they can create in the business opportunities such as innovation, continuous learning and change, entrepreneurship, etc. not duplicated by competition as strategies, structures, systems, and technology can duplicate.

The ability of the company to attract, retain, develop and make full use of the right people is a hidden value that is not copied and transferred to the competition. Therefore, senior management must prioritize the management of human resources.

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<sup>2</sup>The transliteration of the Greek characters into Latin was done in accordance with ELOT 743 (which is identical to the International Standard ISO 843).

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