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# Critical Evaluation of the Evolution of Traditional and Contemporary Leadership and Management Theories

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## *Abstract*
This paper will examine traditional, contemporary, and new leadership theories and the most successful strategies for sustaining an organization's success in the face of increased competition to account for the rising competitiveness of the market.

**Keywords:** Evolution, Traditional, Contemporary, Leadership, Management Theories

## Introduction

In today's economic context, effective leadership is a vital component of any organization's ability to achieve success. Regardless of how talented a company's employees are, it will not succeed unless a strong leader guide it through its operations. Leadership is defined as the capacity to persuade a group of people to work together toward a common objective to achieve that goal. In a corporate context, the role of the leader is to guide and steer personnel following a strategy to achieve the company's plans, which is known as strategic direction Baker, (2013, p.50). When it comes to achieving an organization's goals, effective leadership establishes a framework for cooperation among its personnel. Ancient leadership featured command and control organizations that recognized the leader's authority and delegated power to subordinates. Organizations have been obliged to change their leadership structures due to globalization to stay competitive globally, but this has been a difficult task

Owings, (2017, p.72). As a result of globalization, new ideas fit for use in today's business organizations have evolved and gained acceptance. Theories of leadership are schools of thought that attempt to explain how people become leaders by highlighting the qualities and behaviors that individuals must cultivate to improve their leadership abilities and skills in various situations. This example shows that leadership is a dynamic and constantly changing process.

Effective leadership is recognized as key to the success of any organisation. In fact, there has been a shift towards acknowledging the importance of human capital and organizational management.

The personality era firstly introduced the leadership theories, and these theories provided an understanding of the contexts of the leadership processes. The next era that meets the leadership theories' evolution is the behaviour era that completely took the leadership theories into a new direction. The situation era made an impact on the advanced leadership theory because it realised the necessity of other factors beyond leaders and subordinates. Following that, contingency theory emerged that impacted the leadership theories and presented a significant advance in the evolution of leadership theory. The previous theories in the earlier eras recognize that leadership was found in the pure forms Naranjo-Gil, Sánchez-Expósito and Gómez-Ruiz, (2016). Instead, the contingency era showed effective leadership is contingent. The following contingency era comes transactional era that emphasized that leadership is not confined to leaders only but more in the role of social interaction. Finally, the evolution of the leadership theories reaches the transformational era, which is the most promising era in the phase in the developments. Management is practiced in the civilization by applying advanced management principles. The thought of management practices requires philosophers to take a more holistic and formal approach. The evolution of the management practices four different stages needs to be addressed: The Pre-Scientific Management Period, The Classical Theory, The Neo-Classical Theory, and The Bureaucratic Model.

This paper will examine traditional, contemporary, and new leadership theories and the most successful strategies for sustaining an organization's success in the face of increased competition to account for the rising competitiveness of the market.

**Literature review**

The literature review involves the review of some works that have been done by different intellectuals and scholars in the area of inquiry. It also includes the presenting summaries, critical evaluations of the relevant work by indicating weakness and strength Soyombo, (2006).

Babbie, (2005) observe that the literature reviews specify where this work fits in the context of the general body of scientific knowledge, it also lay the groundwork for the main work and illustrate why the main study may have value.

The literature review covers the following sections: conceptual clarification, theoretical framework, evolution of leadership theories, evolutionary stages of leadership theory, the pre-scientific management period, **f**uture of traditional and contemporary leadership and management Practices **and** drivers that motivate future practices and the emerging leadership theories.

## THE EVOLUTION OF LEADERSHIP THEORIES

Figure 1 shows the Evolution stages of traditional and contemporary leadership theories in a chronological sequence. The table shows that a historical thought of leadership did occur within a short period, and these theories get recognition in the development of leadership theory Lee, et al., (2020). The discussion shortly presents the leadership eras that present the evolution of traditional and contemporary leadership theories.

**Table 1: Evolutionary Stages of Leadership Theory**

**Personality Era**

*Great Man Period*

Great Man Theory (Bowden, 1927; Carlyle, 1841; Galton, 1869)

*Trait Period*

Trait Theory (Bingham, 1927)

**Influence Era**

*Power Relations Period*

Five Bases of Power Approach (French, 1956; French and Raven, 1959)

*Persuasion Period*

Leader Dominance Approach (Schenk, 1928)

**Behaviour Era**

*Early Behaviour Period*

Reinforced Change Theory (Bass, 1960)

Ohio State Studies (Fleishman, Harris, and Burtt, 1955)

Michigan State Studies (Likert, 1961)

*Late Behaviour Period*

Managerial Grid Model (Blake and Mouton, 1964)

Four-Factor Theory (Bowers and Seashore, 1966)

Action Theory of Leadership (Argyris, 1976)

Theory X and Y (McGregor, 1960, 1966)

*Operant Period (Sims, 1977; Ashour and Johns, 1983)*

**Situation Era**

*Environment Period*

Environment Approach (Hook, 1943)

Open-Systems Model (Katz and Kahn, 1978)

*Social Status Period*

Role Attainment Theory (Stogdill, 1959)

Leader Role Theory (Homans, 1959)

*Sociotechnical Period*

Sociotechnical Systems (Trist and Bamforth, 1951)

**Contingency Era**

Contingency Theory (Fiedler, 1964)

Path-Goal Theory (Evans, 1970; House, 1971)

Situational Theory (Hersey and Blanchard, 1969; 1977)

Multiple Linkage Model (Yukl, 1971; 1989)

Normative Theory (Vroom and Yetton, 1973; Vroom and Jago, 1988)

**Transactional Era**

*Exchange Period*

Vertical Dyad Linkage / Leader Member Exchange Theory

(Dansereau, Graen, and Haga, 1975)

Reciprocal Influence Approach (Greene, 1975)

Emergent Leadership (Hollander, 1958)

*Role Development Period*

Social Exchange Theory (Hollander, 1979; Jacobs, 1970)

Role Making Model (Graen and Cashman, 1975)

**Anti-Leadership Era**

*Ambiguity Period*

Attribution Approach (Pfeffer, 1977)

*Substitute Period*

Leadership Substitute Theory (Kerr and Jermier, 1978)

**Culture Era**

McKinsey 7-S Framework (Pascale and Athos, 1981)

Theory Z (Ouch and Jaeger, 1978)

In Search of Excellence Approach (Peters and Waterman, 1982)

Schein (1985)

Self-Leadership (Manz and Sims, 1987)

**Transformational Era**

*Charisma Period*

Charismatic Theory (House, 1977)

Transforming Leadership Theory (Burns, 1978)

*Self-Fulfilling Prophecy Period*

SFP Leader Theory (Field, 1989; Eden, 1984)

Performance Beyond Expectations Approach (Bass, 1985)

Figure 1
(Source: Lee, et al., 2020)

**Personality eras**

The personality era includes Trait period in which leadership theory advanced slightly from the previous thoughts Khan and Nawaz, (2016). In this period, leadership theories developed a number of traits and analyzed the leadership potential and performance for the leaders. In the personality era, the theories were too simplistic and moved to next era which is the influence era Ghasabeh, Soosay and Reaiche, (2015). In this era, the leadership theories recognized leadership has a relationship with individuals in terms of addressing the power and influence of the individuals. The influence era included the power relation period in which leader effectiveness is considered Naranjo-Gil, Sánchez-Expósito and Gómez-Ruiz, (2016). A paternalistic leadership corporate downsizing, hypercompetitive market and increasing globalization shifted the long-term relationship. This involves loyalty to economic exchange. The paternalistic leaders work in a friendly atmosphere and works to the needs of the employees of the organisation Collinson, Smolović Jones and Grint, (2018). The evolution of leadership theories requires the philosophers to identify the gaps in paternalistic leadership. The paternalistic leadership sometimes reprimand employees in unconventional ways. Besides, the reliance of the employees increases on the employers so the staff motivation can hamper. So, the drawbacks of the paternalistic leadership pave the way for philosophers to emphasize other issues related to leadership moving to next leadership theories.

**Behaviour eras**

The previous eras are not considered here because leadership theories are defined as a subset of human behaviour in this era. The early behaviour period is the extension of the trait period and this emphasized developing personality traits Olley, (2021). Following that, the late behaviour period came which advanced the early behaviour period. In this period, Management Grid Model which uses 9 multiply 9 grids. This model considered behaviour on one axis and initiating structure on the other axis. The most considerable contribution in this era in leadership theories is that of Manager Grid Model and McGregor's X and Y theory.

**Situation Era**

The situation era acknowledged the factors including type of tasks, relative positive power and social status of the leaders and subordinates Do and Mai, (2021). This era recognizes situational aspect as a key consideration and formulates the traits, skills, influence and behaviours of the individuals to bring effective leadership into existence Van Wart, (2013). This situation era included a social status period in which the behaviours and interactions of leaders and subordinates are considered to contribute

to the group. The following leadership theory that emerged in the contemporary world is that of digital leadership. The digital leadership mostly discusses the ability to use company`s digital assets to achieve the objective of the organisation Olley, (2021). The emergence of digital leadership comes to maintain competitive edge. The previous theory of paternalistic leadership did not address the exploration of technologies helping the business to become responsive. Digital leadership theories imply that the organisation needs to apply digital transformation by building a digital culture.

**Contingency era**

The recognizable theories in this era include the (Contingency Theory Fiedler 1964, 1967) (Path-Goal Theory Evans 1970) and (Normative Theory Vroom and Yet ton, 1973). The contingency theory given by Fiedler emphasized placing the leaders in situations that the leader mostly suitable and the theory also emphasizes training the leaders to attain the changes with their style (Do and Mai, 2021). However, Path Goal theory mentioned a different angle of contingency theory. The path goal theory focused on the subordinate's success rather than training the leaders and leader`s behaviour Collinson, Smolović Jones and Grint, (2018).

On the other hand, the Normative Model proclaimed a different contingency thought that advises the leader to have decision-making behaviour depending on the situation and need to emphasize the quality of the decisions. The evolution of leadership theories with Normative Model approach generated appeal. The model suited the applicability of leaders because this model directed that changing behaviour can increase leader effectiveness to perform in different situations DOLAN, (2021). But the contingency era resulted some of the controversies that being supported by empirical evidence.

**Transactional Era**

The era revitalized the influence between the leaders and subordinates. This era recognized emergent leadership. In this era Vertical Dyad Linkage Theory, Reciprocal Influence Approach and Leader/Member Exchange theory emerged Collinson, Smolović Jones and Grint, (2018). To this aspect the theories emphasized that leader's increase participation of less able members within the organisation.

**Transformational era**

The improvements in this era suggested that intrinsic motivation is the factor that was not addressed in the previous theories Collinson, Smolović Jones and Grint, (2018). Transformational leadership brings the issue of becoming proactive in thinking, radical in approach and open to new ideas. The evolutionary process scrutinized the

earlier theories in the previous era Korejan and Shahbazi, (2016). However, Transformational leadership theories are not yet endured rigorous scrutiny.

## THE PRE-SCIENTIFIC MANAGEMENT PERIOD

The period took place in the 18th Century following the industrial revolution and the impact of the period was significant. This is because the businesses consider how individual, capital, labour, and production work in achieving the organization's target Hussain, HAQUE and Baloch, (2019). For example, Professor Charles Babbage urged the manufacturers to use mathematics and science to become more productive. However, Robert Owens focused on employee welfare and he was known as father of personnel management. In this period, the contributors in management emphasized training the employees and educating the workers to improve the performances Thingalaya, (2015).

### The Classical Theory

The following is the developments of classical theory that brings the contribution to the evolution of the management. The period brings the context of science of management and the emergence of philosophers like Emerson, F.W. Taylor and H.L. Grant showed the ways to scientific management. The theories of F.W. Taylor focused on making people efficient and optimized for work and proposed that simplifying the jobs can increase productivity Hussain, HAQUE and Baloch, (2019). These developments result in scientific management theory that helps in improving an organization's level of task completion. However, the criticism did apply to scientific management theory because the theory can be harsh Thingalaya, (2015). However, the evolution in management practices bring the understanding of scientific management developed by Henri Fayol allowing humans to be humans.

### The Neo-Classical Theory

The following period brings further evolution of the management approaches because the Neo-Classical theories modified and improved upon the Classical Theory. Neo classical theory evolved the management approaches because it gave focus on employee relationships within the working environment Tozan and Ertürk eds., (2015). This was significantly missing in the classical theory approach that focus on job contents and management of physical resources. Meanwhile, the Neo-Classical Theory has criticism that led to evolution of management theories afterwards. The criticism come in the sense that neoclassical theory is overly dependence on mathematical approaches. So, the theory does not recognize empirical science.

**The Bureaucratic Model**

The evolution of the management practices reaches another stage with the introduction of Bureaucratic Model that was proposed by Max Webber. The model proposes division of labour, hierarchy of authority and improving the performance of the employees in the technical competence Wren and Bedeian, (2020). In Bureaucratic model, the emphasis on delegating tasks to individuals and departments. This model is added to the context of evolution of management theories and is popular in terms of private and public institutions Tozan and Ertürk eds., (2015). The model is also popular and hailed because it recognizes the division of labour which is a critical factor in the approaches of the management theories.

To that extent, the future of leadership and management practices can result in emphasize on technique rather than ethics Ghasabeh, Soosay and Reaiche, (2015).

## EMERGING LEADERSHIP THEORIES

**Path-Goal Theory**

According to this view, effective leaders are those who participate in behaviors and talents that are appropriate for the workplace to achieve a certain objective. When it comes to selecting behaviors for their staff, leaders make decisions based on their own needs and the environment in which they do business. They may need to steer their colleagues appropriately to achieve their daily job goals Clarke, (2018, p.97). Employer enthusiasm, employee happiness, and employee empowerment are all important goals for leaders to achieve for employees to contribute to the firm's success as productive members of the workforce. It was expectation theory that inspired the development of the path-goal hypothesis, which holds that leaders behave in a certain manner in the hope of accomplishing a particular objective.

**Value-Based Theory**

Value-based leadership theory holds that individuals are more likely to be motivated by values they meet in an organizational environment than by other types of deals Busch & Murdock, (2014, p.116). Consequently, practically all people are constantly preoccupied with their values and strive to live up to them due to this underlying assumption. When it comes to making organizational choices or developing its vision, C.E.O.s often rely on their perspectives as guidance. Because values are generally attractive to the general public, leaders may learn how to do so from their subordinates due to this phenomenon. Employing simple decision-making techniques helps build trust among employees and customers, which is essential for value-based leadership to grow Busch & Murdock, (2014, p.118). According to this hypothesis, organizations

established on shared ideals are more productive and adaptable than organizations founded on individual members' or investors' values.

**Transformational Theory**

Transformational leadership is concerned with bringing about change inside a company's organizational structure. These leaders are sometimes referred to as change agents in the workplace since they urge their subordinates to adopt new behavioral patterns in the workplace. According to their job description, they are responsible for reorienting workers' perceptions on current concerns via the process of reflecting on previous obstacles in a fresh light Avolio & Yammarino, (2013, p.108). These leaders must instill the ideals and motivation of their subordinates for them to work together to achieve the organization's shared objective. Transformational leaders work hard to bring everyone together rather than being just concerned with themselves and their interests. This results in increased trust, loyalty, and respect for the leader, resulting in a higher willingness to work even more in the coming years. According to Clarke, (2018, p.99), this group of executives can see the need for change and, as a result, design a vision that serves as a guide for the organization's transformative process.

**Responsible Leadership Theory**

According to this approach, leadership and stakeholders should be driven by values and ethical standards in their interactions with one another. Leaders ensure that the same aim and understanding unify all stakeholders in their companies. After extensive study and analysis, responsible leader bases their righteous judgments and decisions on current norms and standards Clarke, (2018, p.104). The courage to criticize erroneous organizational traditions is a trait that ethical C.E.O.s should demand. Their job is to take a stand and speak out when these folks violate the law.

**The most effective theory to keep an organization competitive**

After analyzing and evaluating all theories, the transformational leadership theory is the most successful for maintaining an organization's competitiveness in a changing competitive environment. As a result, transformational leaders have the charm and passion essential to inspire their people to innovate and implement the change necessary to ignite the organization's development and long-term success Avolio & Yammarino, (2013, p.122). This is only possible if the executive level leader provides a positive example by, for example, developing a strong corporate culture, supporting employee ownership, and increasing employee freedom in the workplace. As seen by the following criteria, transformative leadership maintains a high degree of confidence and belief in its trained employees' abilities to assume significant assignments and

make critical choices for the firm's benefit. Consequently, workers are empowered to innovate, placing them on the cutting edge of identifying solutions to internal business difficulties Baker, (2013, p.60). Due to the availability of highly competent, imaginative, and driven personnel, it is much simpler for a business to swiftly integrate and adapt new and changing technologies into its operations system.

**Conclusion**

All leadership theories emphasize the critical role of leadership in an organization by emphasizing that leaders serve as the heads of institutions tasked with the primary responsibility of steering the organization in the proper direction. The success of an organization is contingent upon the efforts of its leaders, which indicates that it cannot function well without them.

The critical factors and drivers in developing leadership theories and practices are discussed. The overview of these factors come from the aspect that leadership theories and management practices began from a one-dimensional perspective. But the factors and drivers impact the changes in theories and practices and thus evolved significantly. For example, leadership theories began with identifying leadership traits and behaviours. As a result, theories evolved significantly. Contingency theories evolved from uni-dimensional to multidimensional arena. The evolving nature of leadership theories regarded that leadership is complex, mostly found in the organizational culture and occurs internally within the leader-subordinate interactions. So, these factors impacted the leadership theories.

However, the management practices evolved over the periods, emphasizing authority and structure Tozan and Ertürk eds., (2015). So, factors include the focus on employees to redesign the organization's structure. The discussion in the report suggests that management practices evolved in two competition orientations, including Theory X and Theory Y. It means that managers needed to employ disciplinary structure into the considerations. The report identified and considered the socio-economic and technical aspects in the business context to account for the recent studies in management practices. The human capital and human conditions within the organisation are considered factors to assess the evolution of the management practices.

After evaluating the evolution of the leadership theories, it can be said that transformational leadership is the best possible way an organisation can impact its changes. Besides, Max Webber, the founding father of sociology, brings the context of the action approach to developing social change by introducing the theory related to management approaches. So, the review and evaluation of the leadership and management practices reveal some of the critical new directions to future

developments. L&M practices a leader's visionary nature and forms policies and governance to manage people within the organisation.

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