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Meaning of Leadership

Leadership is an important element of the directing function of management. Wherever, there is an organized group of people working towards a common goal, some type of leadership becomes essential. Leadership is the ability to build up confidence and zeal among people and to create an urge in them to be led. Different situations may demand different types of leadership.

According to Keith Davis, “Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals.”

According to Harry Truman, “Leadership is the ability to get other people to do what they don’t want to do and like it.”

According to Chester Barnard, “Leadership is the ability of a superior to influence the behavior of his subordinates and persuade them to follow a particular course of action.”

According to Koontz and O’Donnell, “Leadership is the ability of a manager to induce subordinates to work with confidence and zeal.”

According to George R. Terry, “Leadership is the activity of influencing people to strive willingly for mutual objectives.”

Importance/Significance of Leadership

- 1) **Initiating Action:** Leadership starts from the very beginning, even before the work actually starts. A leader is a person who communicates the policies and plans to the subordinates to start the work.
- 2) **Providing Motivation:** A leader motivates the employees by giving them financial and non-financial incentives and gets the work done efficiently. Motivation is the driving force in an individual’s life.
- 3) **Providing guidance:** A leader not only supervises the employees but also guides them in their work. He instructs the subordinates on how to perform their work effectively so that their efforts don’t get wasted.
- 4) **Creating confidence:** A leader acknowledges the efforts of the employees, explains to them their role clearly and guides them to achieve their goals. He also resolves the complaints and problems of the employees, thereby building confidence in them regarding the organization.
- 5) **Building work environment:** A good leader should maintain personal contacts with the employees and should hear their problems and solve them.
- 6) **Co-ordination:** A leader reconciles the personal interests of the employees with the organizational goals and achieves co-ordination in the entity.
- 7) **Creating Successors:** A leader trains his subordinates in such a manner that they can succeed him in future easily in his absence. He creates more leaders.
- 8) **Induces change:** A leader persuades, clarifies and inspires employees to accept any change in the organization without much resistance and discontentment. He makes sure that employees don’t feel insecure about the changes.

Quality/Skills of Leader

Leadership is an intangible quality and its effectiveness can best be judged by the behavior and attitudes of followers. However, some behavioral characteristics may be common to most of the successful and effective leaders. Some of these characteristics are:

- 1) **Ability to Inspire Others:** This ability may be due to an internal "charisma" that is an inborn trait and may not be a learnable factor.
- 2) **Problem Solving Skills:** An effective leader has developed the patience and ability to look at the problem from various angles and get down to the cause of the problem and he tries to solve the problem from its roots rather than the symptoms of the problem.
- 3) **Emotional Maturity:** Emotional stability and maturity is a major ingredient for effective leadership. It pertains to good adjustment to life, calm, cool and calculated reaction to undesirable situations and obstacles and normal acceptance of success as well as failure.
- 4) **Ability to Understand Human Behavior:** A leader must understand the needs, desires and behavior of his subordinates and show respect for such desires. He is emotionally supportive and is careful enough to avoid ego threatening behavior. He must give credit to subordinates when their efforts are successful.
- 5) **Willingness to Take Risks:** Successful leaders always charter the unknown. They must accept and seek new challenges. However, the risks must be calculated ones and outcomes of actions be reasonably predicted..
- 6) **Dedication to Organizational Goals:** A leader must demonstrate his dedication and commitment to the organization's mission, goals and objectives by hard work and self-sacrifice. He must make sure that his followers fully understand the organizational objectives and are equally dedicated and willing to work for these objectives.
- 7) **Intelligence:** A successful leader must have above average knowledge and intelligence. Mental ability to think precisely, analyzes accurately, interprets clearly and concisely are necessary to consider the problems in the right perspective.
- 8) **Sound Physique:** Sound physical and mental health is essential to bear the burden of leadership. Sound physique includes physical stamina, nervous energy, mental vigor and important leadership qualities.
- 9) **Foresight and Vision:** He should have the capability to look forward and anticipate the events. He should have a high degree of imagination, moral courage, breadth and determination.
- 10) **Responsibility:** A leader should be a responsible person and must be willing to assume responsibility for the consequences.

Difference between Leader and Manager

Basis for Comparison	Leader	Manager
Meaning	A leader is a person who influences his subordinates to achieve a specified goal.	A manager is a person who manages the organisation and is responsible for planning, direction, coordination and control
Approach	Sets Direction	Plans details
Attribute	Foresightedness	Mind
Subordinate	Followers	Employees
Style	Transformational	Transactional
Decision	Facilitates decision	Makes decision
Aim	Growth and development.	Attainment of the required result.
Focus	People	Process and Procedure

Basis for Comparison	Leader	Manager
Change	Leaders promotes change.	Managers react to change.
Conflict	Uses conflict as an asset	Avoid conflict
People	Aligns people	Organizes people
Strives	For effectiveness	For efficiency

Leadership Style (Likert's Four Styles)

Rensis Likert and his associates studied the patterns and styles of managers for three decades at the University of Michigan, USA, and identified a four-fold model of management systems. The model was developed on the basis of a questionnaire administered to managers in over 200 organizations and research into the performance characteristics of different types of organizations. The four systems of management system or the four leadership styles identified by Likert are:

- 1) **Exploitative Authoritative:** Responsibility lies in the hands of the people at the upper echelons of the hierarchy. The superior has no trust and confidence in subordinates. The decisions are imposed on subordinates and they do not feel free at all to discuss things about the job with their superior. The teamwork or communication is very little and the motivation is based on threats.
- 2) **Benevolent Authoritative:** The responsibility lies at the managerial levels but not at the lower levels of the organizational hierarchy. The superior has condescending confidence and trust in subordinates (master-servant relationship). Here again, the subordinates do not feel free to discuss things about the job with their superior. The teamwork or communication is very little and motivation is based on a system of rewards.
- 3) **Consultative:** Responsibility is spread widely through the organizational hierarchy. The superior has substantial but not complete confidence in subordinates. Some amount of discussion about job related things takes place between the superior and subordinates. There is a fair amount of teamwork, and communication takes place vertically and horizontally. The motivation is based on rewards and involvement in the job.
- 4) **Participative:** Responsibility for achieving the organizational goals is widespread throughout the organizational hierarchy. There is a high level of confidence that the superior has in his subordinates. There is a high level of teamwork, communication, and participation.

Styles Based on Authority Retained

This is the classical approach to classifying the leadership styles and is useful even today. Different types of Leadership styles are:

- 1) **Autocratic or Authoritarian Leader:** The autocratic leader gives orders, which must be obeyed by the subordinates. He determines policies for the group without consulting them, and does not give detailed information about future plans, but simply tells the group what immediate steps they must take. Thus, under this style, all decision-making power is centralized in the leader.
- 2) **Participative or Democratic Leader:** A democratic leader is one who gives instructions only after consulting the group. He sees to it that policies are worked out in group discussions and with the acceptance of the group. He makes it clear that praise or blame is a matter for the group and participates in the group as a member. Participative leadership style favors decision-making by the group.
- 3) **Free Rein or Laissez Faire Leader:** A free rein leader does not lead, but leaves the group entirely to itself. He is represented by the chairman of the board who does not manage, but leaves all responsibility for most of the work to his subordinates. The free rein leader avoids power. He depends largely upon the group to establish its own goals and work out its own problems. Group members work themselves and provide their own motivation.

Approaches of Leadership

There are several approaches to the study of leadership, but we will classify our discussion into two categories:

- 1) Trait
- 2) Behavioral

Traits Approach

The trait approach to leadership concentrates on the idea that great leaders are born with the given abilities, and not a learned ability. Individuals are brought into this world with all of the characteristics needed to become a great leader.

Stogdill's Trait Factors

In the late 1940s, **Ralph Stogdill** reported on the basis of at least fifteen studies that leaders possess intelligence, scholarship, dependability in exercising responsibilities, activity and social participation and socio-economic status. He also found traits such as sociability, persistence, initiative, knowing how to get things done, self-confidence, alertness, insight, cooperativeness, popularity, adaptability and verbal facility in ten leadership studies. Persons who are leaders are presumed to display better judgment and engage themselves in social activities. The study of the lives of successful leaders reveals that they possessed many of these traits. Some of the important traits of an effective leader are discussed below:

- i) **Intelligence:** This trait seems to hold up better than any other. Leaders generally have some what higher level of intelligence than the average of their followers. They possess the ability to think scientifically, analyze accurately and interpret clearly and precisely the problems before them in terms of different aspects and perspectives.
- ii) **Physical Features:** Physical characteristics and level of maturity determine personality of an individual, which is an important factor in determining success of leadership. Height, weight, physique, health and appearance of an individual are important for leadership to some extent.
- iii) **Inner Motivation Drive:** Leaders have relatively intense achievement type motivational drives. They have the inner urge to keep accomplishing something. To initiate suitable activities at proper time is the habit of a leader. He works hard more for the satisfaction of inner drives than for extrinsic material rewards.
- iv) **Maturity:** Leaders generally have broad interests and activities. They are emotionally mature and have balanced temperaments avoiding menacing extremes so that they may not become thoughtless victims of the circumstances. They also have high frustration tolerance
- v) **Vision and Foresight:** A leader cannot maintain his influence unless he exhibits his trait of looking forward well in advice and imagination for handling his followers. So he should imaginatively visualize trends and devise his policies and programmes with foresight based on logical programmes.
- vi) **Acceptance of Responsibility:** A reliable leader is one who is prepared to shoulder the responsibility for the consequences of any steps he contemplates or takes. He is always aware of the duties and obligations associated with the position he holds.
- vii) **Open-mind and Adaptability:** A leader is ready to absorb and adopt new ideas and views of others as may be demanded by the situation. He is not critical of others. He is prepared to accommodate others' viewpoints and modify his decision, if need be. Flexibility is another name for open-mindedness, which makes the leader more identified with the group.
- viii) **Self-Confidence:** A good leader has conceptual clarity about the things he is going to do. He has confidence in himself whenever he initiates any course of action. Self-confidence is essential to motivate the followers and boost up their morale.

- ix) **Human Relations Attitude:** A good leader is considerate of the followers as his success as a leader largely depends on the cooperation of the people. Thus, a successful leader possesses the human relations attitude. He always tries to develop social understanding with other people.

Behavioral Approach

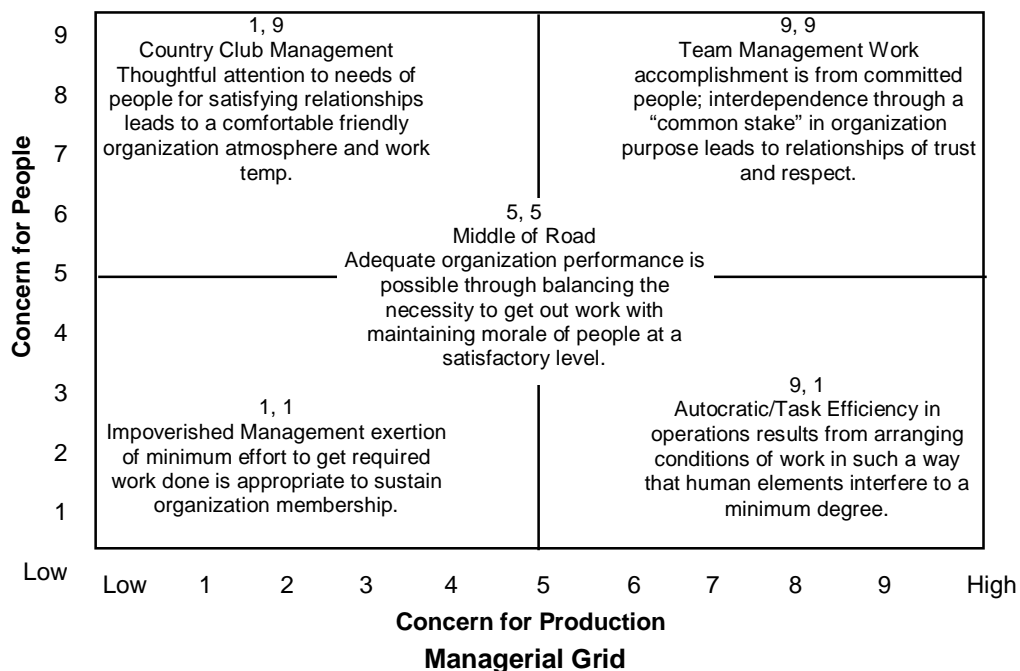
Behavioral Theory of Leadership is a leadership theory that considers the observable actions and reactions of leaders and followers in a given situation. Behavioral theories focus on how leaders behave and assume that leaders can be made, rather than born and successful leadership is based on definable, learnable behavior. Behavioral theories of leadership are classified as such because they focus on the study of specific behaviors of a leader. For behavioral theorists, a leader behavior is the best predictor of his leadership influences and as a result, is the best determinant of his or her leadership success.

These theories concentrate on what leaders actually do rather than on their qualities. Different patterns of behavior are observed and categorized as 'styles of leadership'. This area has probably attracted most attention from practicing managers. One of the most important behavior theories is Managerial Grid Theory.

Managerial Grid Theory

The concept of managerial grid was created by **R.R. Blake** and **Jane S. Mouton** of USA. They emphasized that leadership style consists of facts of both task oriented and relation oriented behavior in varying degrees. They have used two phrases:

- i) **Concern for Production:** Concern for production means the attitude of the superiors towards a variety of factors concerning production, such as products, procedures, processes, quality of staff service, work load, efficiency and quantity of production.
- ii) **Concern for People:** Concern for people includes degree of personal commitment towards goal achievement, maintaining the self esteem of workers, responsibility and conductivity based on trust rather than on force and satisfying inter-personal relations.



The five resulting leadership styles are as follows:

1. **Impoverished Management (1, 1):** Managers with this approach are low on both the dimensions and exercise minimum effort to get the work done from subordinates. The leader has low concern for employee satisfaction and work deadlines and as a result disharmony and

disorganization prevail within the organization. The leaders are termed ineffective wherein their action is merely aimed at preserving job and seniority.

2. **Task management (9, 1):** Also called dictatorial or perish style. Here leaders are more concerned about production and have less concern for people. The style is based on theory X of McGregor. The employees' needs are not taken care of and they are simply a means to an end. The leader believes that efficiency can result only through proper organization of work systems and through elimination of people wherever possible. Such a style can definitely increase the output of organization in short run but due to the strict policies and procedures, high labour turnover is inevitable.
3. **Middle-of-the-Road (5, 5):** This is basically a compromising style wherein the leader tries to maintain a balance between goals of company and the needs of people. The leader does not push the boundaries of achievement resulting in average performance for organization. Here neither employee nor production needs are fully met.
4. **Country Club (1, 9):** This is a collegial style characterized by low task and high people orientation where the leader gives thoughtful attention to the needs of people thus providing them with a friendly and comfortable environment. The leader feels that such a treatment with employees will lead to self-motivation and will find people working hard on their own. However, a low focus on tasks can hamper production and lead to questionable results.
5. **Team Management (9, 9):** Characterized by high people and task focus, the style is based on the theory Y of McGregor and has been termed as most effective style according to Blake and Mouton. The leader feels that empowerment, commitment, trust, and respect are the key elements in creating a team atmosphere which will automatically result in high employee satisfaction and production.

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