**LESSON -7** **LEADERSHIP**

***Concept of Leadership***

Leadership is the ability to persuade others to seek defined objectives enthusiastically. Leadership is an important and necessary skill for achieving group performance. It is the art of influencing and inspiring the behavior of others in accordance with requirement. It is the personal quality of individual who organizes the efforts of individuals and directs them to achieve common objectives.

Leadership is applicable to the managers. And a successful manager must have leadership qualities to influence the behavior of his subordinates. He has to lead his subordinates in such manner that organizational and individual objectives can be achieved. Thus, the manager must have complete vision of how to operate resources and achieve organizational objectives.

" Leadership is the art of process of influencing people so that they will stripe willingly and enthusiastically toward the achievement of group goals."

**- Knootz and Weihrich**

***Nature/Characteristics of Leadership***

1. **Process of international influence**: Leadership is a process of interpersonal influence. A manager is said to be a leader when he is able to influence his subordinates in accordance with organizational requirements.
2. **Leaders and followers**: There should be mutual relation between a leader and followers. Followers are supposed to follow their leaders' foot/steps only by getting inspiration from his conduct, ability and behavior. Similarly, followers influence the leader through their performance, effort and behavior.
3. **Common goals**: Leadership aims at the pursuit of common goals, in other words, a leader and followers must have the common objectives. Leader directs and guides the followers to gain planned objectives. Followers also perform their activities accordance with the directions from the leader. Thus, the interests of individuals and those of organization should be same.
4. **Continuous exercise**: Leadership is a continuous managerial process till the existence of an organization. There managers have to influence the behavior and performance of subordinates on a regular basis. Hence, it is the responsibility of the manager to direct and guide the subordinates regularly.
5. **Leadership is situational**: The role of leadership assumes significance in critical situations. It is the duty of the leader to inspire subordinates to overcome the critical situation and help them to lead to the destination in a successful way. A leader must be innovative and creative to handle difficult and unexpected situations.
6. **Rest on power**: Leadership rests on power rather than formal authority. Here, power focuses on the personal outstanding qualities of the leader through which he influences the followers. In the context of the manager, some formal authority is rested due to managerial designation.
7. **Blend of inspiration, motivation and communication**: Leadership is a blend of inspiration, motivation and communication. It is the process of influencing the behavior and performance of followers by inspiring them. A leader has to apply appropriate motivational tools (incentives) to inspire subordinates. In the absence of any element, a leadership mission cannot be successful.

***Functions of Leadership***

1. **Goal determination**: This is a primary function of a manager. As a leader of the organization. It is the responsibility of the manager to establish organizational objectives. He determines both short-term and long-term goals of the organization. For setting goals, he might have to take technical and logical support from skilled persons.
2. **Coordinate organizational activities:** A leader plays the role of coordinator. Organizational are divided into different groups on the basis of these nature. A separate department is created for each work and handed over to a responsible person. It is the responsibility of the manager to maintain coordination among all the departments and their activities.
3. **Represent the organization:** As a leader, a manager represents his group and also the organization. He makes agreement and contract with outside organizations and authorities on behalf of the organization. He also represents the organization while participation in meetings, conferences, seminar and other programmes.
4. **Integrate objectives:** A manager plays an important role in integrating both individual and organizational objectives. In it the workers might see their best performance when they feel that their personal objectives will be fulfilled after the attainment of organizational objectives. This objective is a part of managerial functions of the leader to develop such an environment in the organizational. Thus, when employees perform their best effort and efficiency, it will become easy to gain organizational objectives.
5. **Direct and motivate staff:** The manager is responsible for implementing plans. After designing the organizational structure, a manager has to divide work among the staff and give clear instructions on how to discharge the given responsibilities.
6. **Organize activities:** As a head of the organization, a manager has to organize many activities of the enterprise. These activities involve production, distribution etc. which are essential to achieve planned objectives. At the initial stage, it is essential to identify various types of activities to be performed in the organization. And again on the basis of their nature, they should be divided into groups and delegated to responsible employees.
7. **Encourage teamwork:** the feeling of teamwork among all the authorities of the organization is a must to gain common objectives. It is the responsibility of leaders to encourage all the subordinates to work as a group. For this, he has to maintain coordination among all the departments and individuals working in the organization.
8. **Communication:** Communication is an important tool for the flow of information in and outside the organization. The manager provides instructions, guidance and suggestion to the subordinates through appropriate means of communication. In the similar manner, he gets feedback of output and problems also through the means of information. Thus, it is the responsibility of the manager to develop a proper communication system in the organization.
9. **Take initiation:** Change in organization structure, procedures and process of work is a must to adjust with the changing environment of business. Therefore, a successful leader always initiates changes in accordance with requirements. He should overcome the resistance of change by showing positive impact of changes on organizational affairs.
10. **Control and supervision:** Controlling is one of the important functions of manager to measure actual achievement of work with that of planned works and take corrective action. For this, it is the responsibility of the manager to supervise the performance of subordinates according to time and situation. But, a corrective action must be taken if any defect in the activities is found.

***Leadership Styles***

Leadership is the process of influencing the subordinates so that they can perform their works willingly and enthusiastically to achieve common goals. The philosophy of leadership might either be superior oriented or subordinate oriented. The widely accepted leadership styles are as follows:

1. **Autocratic Leadership:** this is also known as authoritarian and dictatorial leadership. In this leadership, the leader has the sole authority to take a decision. In other words, a leader believes in centralized power and expects all decision from him without consultation with subordinates. He always expects subordinates to accept his decisions without any comment. In short, he behaves like a dictator.

As a leader, manager centralizes total power with him and enjoys full authority and bears responsibility of the organization. He determines plans and policies independently and implements them according to his knowledge and logic. He never takes any suggestion and guidance from his subordinates.

In autocratic leadership, there is the system of one-way communication. In it the information of instruction and guidance only flows from top level to the subordinate level. This autocratic leadership can be sub-classified into two group strict autocracy and benevolent autocracy.

In strict autocracy, a leader always uses negative motivation. He motivates the subordinates by threatening them with penalty, punishment, demotion etc. A leader is all in all in each and every activity of the organization. In benevolent autocracy, a leader uses positive motivation. He encourages the subordinates by giving incentives like promotion, more remuneration etc. in some situation, he also takes suggestions and guidance from subordinates.

1. **Democratic Leadership:** This is liberal type of leadership which is also known as participative leadership. Under this type of leadership, a leader believes in decentralization of power and invites subordinates in the decision making process. This leadership style is suitable and practicable where subordinates are trained, experienced and skilled. The upper level of management is responsible for the preparation of plans and policies whereas subordinates are responsible for their implementation. It emphasizes participative management.

In democratic leadership, a two-way communication system exists. There the information of instruction and guidance flows from the top level to the subordinates whereas the information of achievement, problems and suggestions flows from the subordinate level to the upper level. Here, a leader always uses positive motivation and encourages subordinates by providing rewards and incentives. The feeling of team is developed among all the employees.

1. **Laissez-Faire or Free Rein Leadership:** Under this style, leaders avoid power and responsibility. They grant authority and responsibility to groups. The role of the leader, here, is to provide advice and direction as requested by the subordinates. Group members perform everything themselves. Leader behaves primarily as a group and plays the role of a member only. The concept of management by exception promotes this type of style, where subordinates themselves plan, control, evaluate and decide and the manager interferes exceptionally. This style is suitable for highly trained and professional staff.
2. **Paternalistic Style:** Under this style, the leader assumes paternal or fatherly role. He works to guide, protect and keep followers, who work together as a member of a family happy. He makes provision for good working conditions and other necessary services. It is hoped that under such leadership, workers will work hard out of gratitude.

In fact, each leadership style is effective when it matches the needs of the situation, the attitude and belief of work group and leader. Practically, all leaders have to involve themselves actively in the work of a group.

***Approach to Leadership***

Broadly, there are three approaches to leadership which are described

Below:

1. ***Trait Approach to Leadership***

The trait approach to leadership is based on early research which assumes that a good leader is born and not made. It is a modification of the great man theory which assumes that leadership qualities can be acquired. The trait theory of leadership emphasizes that there are certain identifiable qualities that good leaders must possess. Trait approach considers leadership as a set of qualities possessed by an individual. Leadership qualities may be in-born or they may be acquired through higher education, training and practice. Trait theory is useful in developing training programmes for managers at various levels.

Some researchers on trait theory emphasizes on intelligence, initiative, self-confidence, and individually being superior ability for leadership. Others stress intelligence, scholarship, dependability, responsibility, social participation and socio-economic status as the requisites of leadership. However, the common traits necessary for successful leadership are intelligence, initiative, imagination, optimism, enthusiasm, courage, creativity, originality, communicative ability, self-confidence, human understanding and a sense of fair play.

Brief description of some common traits that an effective leader should possess are as follows:

1. **Achievement drive:** Leadership having such trait have clear vision about the objective of the organization and procedures of achieving predetermined objectives. They exhibit a high level of effort. They have a relatively high desire for achievement. They are ambitious, they have a lot of energy, they are tirelessly persistent in their activities and they show initiatives.
2. **Leadership motivation:** Leaders possess an intense desire to lead others to achieve common goals. They have skill to encourage subordinates to do the assigned job according to best of their ability. They have knowledge about the needs and requirements of subordinates and how to apply appropriate motivational tools at the right time.
3. **Honesty and integrity:** Successful leaders are trustworthy, reliable, and open. They build trustworthy relationship between themselves and with followers by showing true behavior. A trustworthy leader can win the confident of subordinates. Besides, leaders integrate both organizational objectives and individual objectives of the employees.
4. **Self-confidence:** Leaders belief in own-self and their ideas and ability. They have confidence for any kind of work they are doing. They have knowledge about the outcomes of decision and activities. They guide and lead the subordinates along with most enthusiastic lines of action. They take decision with full of confidence by showing the subordinates that they have ability to do things better.
5. **Cognitive ability:** Leaders are capable of exercising good judgement, strong analytical abilities, and conceptually skilled. They have the ability to maintain impartiality and judgement. They take various types of decisions in different situations. But they have ability to take the right decision at the right time.
6. J**ob related knowledge:** Leaders have technical knowledge on all the activities done in the organization. They have knowledge about how to start work, its procedures and accomplishment of task. They are experts and they can technically guide the subordinates towards the most efficient and economic completion of job.
7. **Emotional maturity:** Leaders are well adjusted and never suffer from severe psychological disorders. They are flexible and dynamic. It is well known that social environment is changeable according to time. Successful leaders need to adapt themselves with the changing environment. For this, they need to modify behavior on the basis of time and situation.
8. **Creativity and originality:** A leader must be creative in generating new ideas, concept, and knowledge for better performance of the organization. He should maintain keep in touch with the changing technology in the concerned areas of business. He should take decision and action on the basis of own originality. Imitation or copy from others must be avoided while taking any important decision.
9. **Organizing ability:** A leader must have an organizing ability. He must have the ability to make appropriate division of works among subordinates. Besides, he should possess ability to arrange physical facilities and modern technology on the basis of requirement. He needs to establish well defined productivity relations among all the subordinates. It is essential to maintain coordination output within minimum cost and efforts.
10. ***Behavioral Approach to Leadership***

Behavioral theory attempts to describe what an effective leader should perform in the day-to-day management. An effective leader is one who performs those acts, and who supports group to achieve objectives. The overall goal of the behavioral approach is to identify and measure relevant leadership actions and behavior that leads to enhance subordinates productivity and morale. Hence, the attention has shifted from who the leaders are to what the effective leaders do, how they delegate tasks, how they communicate try to motivate employees. The four leadership behavior studies that attempt to identify the leadership behavior are explained below:

1. ***The Ohio State Studies***

A group of researchers at Ohio State University conducted and extensive study of leadership behavior and effectiveness. The basic purpose of this study was to identify independent dimensions of leader behavior and to determine the effect of these dimensions on the work performance and satisfaction. After considerable research and analysis, the researchers concluded that there are two dimensions of leader's behavior: initiating structure and consideration.

1. **Initiating structure:** Initiating structure refers to the extent to which a leader is likely to set goals, define structure and organize task. In this dimension leader is task oriented and concerned with utilization of resources to accomplish group goals. The leader involved in planning, coordinating, directing, problem solving etc. Leaders scoring high initiating structure could achieve high productivity or performance.
2. **Consideration:** Consideration is described as the extent to which the leader has supportive work relationship. In this dimensions, leader is employee oriented and concerned with the quality of relationship with subordinates. The quality of leadership is characterized by warmth and mutual trust, good relations and a respect for feelings, ideas and suggestions of group members. There is a strong concern for followers' comfort, well-being, status and satisfaction. The leader is friendly, approachable and treats subordinates fairly.

The two leadership orientations discussed above are independent of each other. However, the studies concluded that the combination of high consideration and high initiating structure in leader behavior were likely to result in high productivity and satisfaction at the same time.

1. ***The University of Michigan Studies***

Researchers at the University of Michigan, leads by Rensis Likert began studying leadership in the late 1940s. the purpose of this study was to identify the behavior characteristics of leaders that were related to performance effectiveness. After studying a large number of supervisors in several factories, the Michigan group came up with two dimensions of leadership behavior employee oriented. They also identified three critical characteristics of effective leaders- task- oriented behavior, relationship- oriented behavior and participative leadership.

1. **Employee oriented:** In this dimensions, leader emphasized on interpersonal relations. Managers using employee oriented leader behavior allowed sufficient freedom and provided necessary assistance to subordinates. They take personal interest in the need of employees. They emphasize on interpersonal relations, and took a personal interest in the hands of their employees. Their primary concern is the welfare of subordinates. Managers having employee oriented belief that if good relation is maintained with employees they do assigned job by developing the feeling of self -responsibility.
2. **Production oriented:** In this dimension leader emphasizes on technical and task aspect of job. The main concern is to accomplish group task. Leader paid close attention to subordinates' work, explained work procedures and regarded group members as focal point. They provide necessary resources essential for smooth functioning of the organization. Managers having production oriented belief that task is the primary concern of subordinates and relationship is maintained with subordinates on the basis of task performance.

However, Michigan researchers strongly favored employee-oriented leadership behavior. Employee-oriented leaders are associated with high group productivity and higher job satisfaction. Production oriented leaders are associated with low group productivity and lower job satisfaction.

1. ***The Managerial Grid***

Industrial psychologists Robert R. Bake and Jane S. Mouton developed the managerial grid to explain leaders' behavior. They popularized the Ohio State Studies by restating manager-leader two major concerns as being for people and for production. According to this theory, leaders are most effective when they achieve a high and balanced concern for bot people and task.

Building on the work of the researchers at these Universities, Robert Blake and Jane Mouton (1990s) proposed a graphic representation of leadership styles through a managerial grid. The grid involved two dimensions of leader behavior, concern for people and concern for production. Each dimension is ranging from low (1) to high (9), thus creating 81 different positions in which the leader's style may fall. The following figure shows the five dimensions of leadership approach that is considered by the leaders:

**Managerial Grid**

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| **(1,9)** |  |  |  |  |  |  |  | **(9,9)** |
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|  |  |  |  | **(5,5)** |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |
| **(1,1)** |  |  |  |  |  |  |  | **(9,1)** |

High

**Concern for People**

**Low**   **High**

**Concern for Production**

1. **Impoverished leadership (1, 1):** Leaders with this approach are low on both for production and people dimensions and exercise minimum effort to get the work done from subordinates. The leaders are considered ineffective wherein their action is merely aimed at preserving job and seniority.
2. **Task management leadership (9, 1):** This leadership also called dictatorial or perishes style. The style is based on Douglas McGregor's theory X of motivation. Leaders focus only on task by planning and controlling the production environment. The leader believes that efficiency can result only through proper organization of work systems and through elimination of people wherever possible. This dimension can definitely increase the output of organization in short run but due to the strict policies and procedures, there is the possibility of high labor turnovers.
3. **Middle-of-the-Road leadership (5, 5):** This is basically a compromising style wherein the leader attempts to maintain a balance between goals of company and the need of people. Leaders give equal value both for production activities and maintaining good relation with employees. The leader does not push the boundaries of achievement due to which average performance is possible in the organization. Here neither employee satisfaction nor production targets are fully achieved.
4. **Country Club Leadership (1, 9):** This is a mutually respectful style of leadership which is characterized by low task and high people orientation. In this dimension, leader gives more attention to the needs of employees and provides them a friendly and comfortable working environment. The leader feels that such behavior with employees will lead to self-motivation and they do assigned job with full of enthusiasm.
5. **Team leadership (9, 9):** This dimension of leadership is characterized by high people and task focus. It is based on Douglas McGregor's theory Y of motivation. According to Blake and Mouton it is taken as most effective style of leadership. The leader feels that empowerment, commitment, trust, and respect are the key elements for developing good working environment.
6. ***The Scandinavian studies***

Swedish and Danish business leaders and academicians carried research on leadership pattern for effective functioning of the organization. The major foundation stone of Scandinavian leadership approach are respect for the individual, a holistic view, a humanistic and value based approach with a multiple stakeholder focus.

The Scandinavian studies resulted in the emergence of a new dimensions called development-oriented behavior. According to these studies, leaders who embrace change and encourage new ideas and practices are successful. These studies identified that in a changing world, effective leaders would exhibit development oriented behavior which consists of:

* Value experimentation
* Seeking new ideas
* Generating and implementingchange
* Respect for individual
* A holistic, humanistic and value based approach with a multiple stakeholder focus
* Empowering and enabling environment which stimulates creativity, innovation and collaboration
* Trust, care and concern as key values

1. ***Contingency Approach to Leadership***

Contingency approach assumes that appropriate leader behavior varies from one situation to another. The effectiveness of leadership depends on the interaction of the leader's personal characteristics, the leader's behavior and factors in the leadership situation. A successful leader must be adoptive and flexible. As the situation changes, the leader must change his style of leadership. The situation theory contends that there is no one best style of leadership universally applicable for all situations. The situational approach to leadership is based on the assumption that all instances of successful leadership are somewhat different and requires a unique combination of leaders, followers and situations. This interaction is commonly expressed in formula:

SL= f (L, F, S)

Where SL stands for successful leadership, F stands for function, and L, F and S are the leader, the follower and the situation respectively.

1. **Fiedler Model**

Fred E. Fiedler developed the first contingency model in 1967. Fiedler and his associates made an extensive research for more than thirty years and developed theory called Fiedler's Contingency Theory. He proposed that effective group performance depends on the proper match between the leader's style of interacting with his followers and the degree to which the situation allowed the leader to control and influence. The basic characteristics of Fiedler's contingency theory are as follows:

1. **Classification of leaders:** Leaders have either a relationship-oriented style or a task-oriented style.

* **Relationship-oriented leaders** are most effective in moderately favorable situations.
* **Task-oriented leaders** are most effective in extremely favorable or unfavorable situations.

1. **Classification of situation:** The situation is contingency dimension. It is classified into:

* Very favorable situation
* Very unfavorable situation
* Moderately favorable situation

Fiedler identified three variables to determine the ideal leadership style given below:

1. **Leader-member Relations**: They are the degree of confidence, trust, and respect members have in their leader. The relations can be good or bad depending upon the degree of cohesion, co-operation and level of conflict prevailing between the leader and led. Good relations contribute to very favorable situation to the leader.
2. **Task Structure:** It is the degree to which the job assignments are procedurized. It can be structured or unstructured. High task structure is related to a task where all actions required to taken are explained in sequential manner and employees understand and anticipate what is coming next. On the contrary when a task is unstructured, the employees do not know as to how to handle the work and group-member's role became ambiguous.
3. **Position Power:** In this situation power derived by the leader from his formal position and other power bases are not considered. Fiedler feels that a leader having a strong power position can obtain (wield) followership more easily than a leader not having a formal power base.
4. **Matching leaders and situations:** Fiedler's theory concludes that leaders and situation should be matched to achieve maximum leadership effectiveness. Leadership effectiveness is determined by the fit between leader and the situation. Based on his research, Fiedler concluded that:

* Task-oriented leaders tend to perform better in very favorable situations and very unfavorable situations.
* Relationship-oriented leaders tend to perform best in moderately favorable situations.

1. **Improving implications:** Leaders cannot easily change their style, so Fiedler recommends changing situations to fit the leader or assigning leaders to situations which they will be most effective. There are two ways to improve leadership effectiveness:

* Change the leader to fit the situation.
* Change the situation to fit the leader.

1. ***Path Goal Theory***

Path goal Theory was developed by Robert House in 1971. It is based on expectancy theory of motivation. Like other situational models, the Path Goal Theory attempts to predict leadership effectiveness in different situations. The term path goal is derived from the belief that effective leaders clarify the path to help their followers get from where they are to achieve their work goal and make the journey along the path easier by reducing road blocks. Path Goal Theory states that effective leaders influence employees 's satisfactions and performance by making their need satisfaction contingent on effective job performance.

Employees make optimum contribution to the organizational goals where they perceive that their personal satisfaction is dependent on their effective performance. He should provide guidance and support to remove difficulties in achieving the goals. Path Goal Theory identifies four types of leader behavior to motivate and satisfy employees.

1. **Directive behavior:** The leader clarifies performance goals of employees. He specifies the means and procedures of achieving those goals. He also specifies the minimum standard need to be maintained in performance. It is the same as task-oriented and initiating structure behavior. The leader tells subordinates what is expected of them and provide specific guidance, rules, regulation and standards.
2. **Supportive behavior:** Such behavior provides psychological support for subordinates. It refers to the degree of support that a leader wants to extend to his subordinates to achieve goals. The leader is friendly and approachable, makes the work more pleasant, treat employees equally and shows concern for the status, needs, and well-being of employees. The style is similar to the consideration in Ohio State Studies.
3. **Participative behavior:** It refers to the degree of encouragement that a leader provides to subordinates to participate in decision making and problem solving. Participative leaders actively consult with employees, ask for their suggestions and take these ideas into serious consideration before making a decision.
4. **Oriented behavior:** it refers to the degree of encouragement that a leader a leader provides to subordinates to reach their goals. In order to make achievement in the organization, the leader sets challenging goals, expects employees to perform at the highest level to achieve predetermined goals. He believes that employees do their best to achieve these goals. Leader expects continuous improvement in employees' performance to maintain predetermined standard.

Path Goal Theory proposes two classes of situational variables- personal characteristics of group members and environmental conditions. An effective leader is one who understands the characteristics of subordinates and environmental situation and who matches his behavior accordingly.

Path Goal Theory is more elaborate than Fiedler's contingency theory because it takes into account both the personality characteristics of subordinates as well as situational variables. It not only suggests what type of leader may be effective in a given situation but also explains why the leader is effective.

1. ***Hersey and Blanchard's Situational Theory (Life Cycle Theory)***

One of the most widely followed leadership model is the situational leadership theory developed by Paul Hersey and Kenneth Blanchard. Situational leadership is a contingency theory that focuses on followers. Successful leadership is achieved by selecting the right leadership style, which they argue is contingent on the level of the followers' maturity. It was originally known as "life-cycle-theory".

The theory is based on the inter-play among three major variables. They are:

1. **Task behavior:** it is the extent to which a leader spells out to subordinates what to do, where to do it, how to do it. Leaders who use precise direction and light controls are engaged in close supervision of their subordinates.
2. **Relationship behavior:** It is the extent to which a leader listens, provides support and encouragement, and involves subordinates in the decision making process.
3. **Followers readiness (maturity):** It is the follower's ability and willingness to perform the prescribed tasks.

**Four Leadership Styles and Followers Readiness (Maturity)**

Hersey and Blanchard explain four styles of leadership that match different maturity levels of subordinates telling (S1), selling (S2), participating (S3) and delegating (S4). Similarly, the maturity level of subordinates is divided into four levels: Low (M1), Low to moderate (M2), Moderate to high (M3), and High (M4).

|  |  |
| --- | --- |
| **Leadership Styles Appropriate for Various Maturity Levels** | |
| **Maturity Level** | **Appropriate Style** |
| M1  Low maturity  Unable and unwilling  Or insecure. | S1  Telling.  High task and  Low relationship behavior. |
| M2  Low to  Moderate maturity  Unable but willing or  Confident. | S2  Selling  High task  And High  Relationship behavior. |
| M3  Moderate to  High maturity  Able but willing or  Insecure. | S3  Participating.  High relationship  And  Low task behavior. |
| M4  High maturity  Able competent  And willing/confident. | S4  Delegating  Low relationship  and  Low task behavior. |

***Emerging Approaches to Leadership***

Leadership is the skill or art of influencing and inspiring the behavior of others in accordance with requirement. Several new approaches to leadership are emerging which provide a new perspective on leadership. Some of the common approaches are as follows:

1. **Charismatic leadership:** In charismatic leadership followers make attributions of heroic or extraordinary abilities when they observe certain behavior of leader. They are found to have extremely high confidence, dominance and strong convictions in his beliefs. It is a leadership characteristic that inspires and influences followers toward actions to carry out a vision. The behavior attributions of charismatic leader are vision and articulation, sensitivity to environment, sensitivity to members' needs, personal risk taking, and performing unconventional behavior. Subordinates believe that leader has vision, communicate high performance expectation, convey new set of values, and self-sacrifices. Some examples of charismatic leaders are Abraham Lincoln, Mahatma Gandhi, Nelson Mandela, Steve Jobs etc.
2. **Transformational leadership:** This approach consists of leaders who provide individualized consideration and intellectual stimulation, and who possess charisma. Transformational leaders guide and motivate followers in the direction of established goals and clarifying role and task requirements. They inspire follower to put extra effort to achieve group goals. They shift values, belief and needs of their followers. They are change agents who energies employees and direct them to a new set of corporate values and behavior.
3. **Visionary leadership:** Visionary approach is the ability of leaders to create and articulate a realistic, credible, attractive vision for future objectives and functioning of the organization. Leaders have clear vision that can propose an innovative way to improve organizational performance. They are optimistic and always see new opportunities to improve performance. Leaders are clear about where they are going and what they will have to do to get there. They accept personal responsibility for success or failure of performance.
4. **Substitutes for leadership:** Substitutes for leadership theory states that different situational factors can enhance, neutralize, or substitute for leader behaviors. Substitutes are variables that make leadership unnecessary for subordinates and reduce the extent to which subordinates trust on their leader. Self-leadership can serve as a substitute for leadership. This approach supports the subordinates to become self-leaders. For this, purpose subordinates should be able and professional oriented. In organization there should be the provision of employee empowerment and self-managed work teams that reduce leadership needs.
5. **Coaching approach:** coaching approach of leadership is becoming recognized as a most effective method for developing of new leaders. Individual coaching creates an open and accepting climate for employees to solve tough problems, take decisions, learn more about themselves, and develop their leadership skills. It is suitable for senior employees because of their need for the most efficient, confidential and personalized approach.

Coaching provides the level of confidentially that allows the real issues to be tackled. Senior executives have very limited time available to focus on their own development. It facilitates to reduce conflict, open communication, more job satisfaction and an increased overall level of job satisfaction and productivity.

***Team Management***

***Concept of Team***

A team is a small number of people with complementary skills who are committed to a common purpose, common performance goals, and an approach for which they hold themselves mutually accountable. A work team generates positive synergy through coordinated effort. Their individual efforts result in a level of performance that is greater than the sum of those individual inputs.

Thus, team refers to a special type of group. Its members have complementary skills and are committed to a common purpose or set of goals for which they hold themselves mutually accountable.

Types of Team

Work teams are responsible for a specific set of task. Based on their objectives teams may be classified as problem-solving team, cross-functional team, virtual team and self-managed team.

1. **Problem-solving Teams:** Problem solving teams are temporary teams established to solve specific problems in the workplace. These teams typically composed of 5 to 12 employees from the same department who meet each week to discuss ways of improving quality, efficiency, and the work environment. An example of problem solving team is 'quality circle'. Quality circle is a team of 8 to 10 employees and supervisors who share an area of responsibility. They meet regularly to discuss their quality problems, investigate causes of the problems, recommend solutions, and take corrective actions.
2. **Cross-functional Teams:** Cross- functional teams are made up of employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task. Such teams are an effective way to allow people from diverse areas within an organization (or even between organization) to exchange information, develop new ideas and solve problems and coordinate complex projects. Their early stages of development are often very time consuming as members learn to work with diversity and complexity. There are two types of cross-functional teams. They are:

* **Task force:** It is nothing other than a temporary cross-functional team.
* **Committees:** Composed of groups made up of members from across departmental lines.

1. **Virtual Teams:** With the introduction of advanced information technology, the requirement that groups be made up of members in face-to-face interaction is no longer necessary. Members can now communicate at a distance through electronic means, such as e-mail, chat rooms, phone conference, faxes, satellite transmission, and websites. Also, those performing in telecommuting jobs often include responsibilities to serve on virtual teams.
2. **Self-managed Teams:** Another type of teams commonly being used in organizations is the self-directed or self-managed team. Self-managed teams (SMTS), which are sometimes called process teams, are responsible for producing an entire product, component, or services. Employees are assigned to them on a full-time basis and they have a longer duration. Team members combine skills to produce an important organizational outcome, such as an automobile engine (production process) or the installation of a computer system for a customer (customer service process).

***Conflict***

**Meaning and Concept of Conflict**

Conflict is a common occurrence in organizations. It is a process that involves people disagreeing. Conflict is a process in which one party perceives that its interests are being opposed or adversely affected by one or more other parties. It is the result of misunderstanding among person, among groups and among organizations.

**Ricky W. Griffin:** "Conflict is a disagreement among two or more individuals, groups, or organizations."

***Types of Conflicts***

Conflict may broadly be classified into the following categories:

1. ***Functional and Dysfunctional Conflict***
2. **Functional Conflict:** Conflicts that supports the individual and group goals, which leads to higher performance is called functional conflict. functional conflict is also known as **constructive conflict.** This conflict is issue-oriented. It is of administrative or technical nature. It will have positive effects on individuals, groups and organizations. Such conflict surfaces during crucial organizational problems and helps decision makes to work on these problems.
3. **Dysfunctional Conflict:** The conflict that hinders individual or group performance is called dysfunctional conflict. It is the **destructive form of the conflict** that affects individuals, groups and the organization as a whole. This conflict is personality-oriented. It is based on animosities and deep-rooted personal feeling and attitudes among members.
4. ***Task, Process and Relationship Conflict***
5. **Task Conflict:** Task conflict refers to conflict regarding the goals and content of the work. It results from task interdependence, task ambiguity and the differences in work orientation. Task conflict can be good in certain circumstances, such as in the early stages of decision making, because it stimulates creativity. However, it can interface with complex tasks in the long run.
6. **Process Conflict:** Process conflict occurs when the parties agree on the goals and content of work but disagree on how to achieve the goals and actually do the work.
7. Relationship Conflict: Relationship conflict occurs when the parties have interpersonal issues. It is based on interpersonal relationship. It involves frictions and interpersonal hostilities.
8. **Vertical, Horizontal and Line and Staff Conflict**
9. **Vertical Conflict:** It refers to conflict that might take place between different levels of hierarchy. Conflicts between subordinates and superior occur due to incompatibility. It is generally caused because of differences in perception, value systems, goals that may be assigned, cognition and difference in individual behavior.
10. **Horizontal Conflict:** It is caused due to incompatibility of goals, sharing limited resources and differences in time orientation. It leads to tension, misunderstanding and frustration on the part of both the parties. Horizontal conflict relates to employees or group at the same level.
11. **Line and Staff Conflict:** This conflict has been tradition. Line authority creates product and services and contributes directly towards the revenue generation. While staff authority assists line authority and acts in advisory capacity. Staff and line authority have a different predispositions and goals. So, conflict occurs when there is encroachment in each other's authority.

***Managing Conflict in Organization***

Conflict is a fact of organizational life. It is situational that arises when one party perceives that its interests are being opposed or negatively influenced by other parties.

Conflict has both negative and positive consequences in organization. Management of conflict thus, involves conflict stimulation technique and conflict resolution techniques.

1. ***Conflict Stimulation***

Conflict stimulation is the creation and constructive use of conflict by manager. Its purpose is to bring about situation where differences of opinions are exposed for examination by all. The presence of too much satisfaction, low rate of turnover, shortage of new ideas, strong resistance to change, concentration on compromise in decision making and excessive efforts at avoiding conflict is indicative of the need for conflict provocation. In such situations, the management would adopt a policy of conflict stimulation. The techniques for stimulating functional conflict are as follows:

1. **Communication**: Communication can be used to stimulate conflict in organization. Ambiguous or threatening messages can be used to increase conflict levels. Sometimes, managers can also repress information or bypass traditional channels to encourage potential conflicts.
2. **Bringing in outsiders**: Another useful method for stimulating conflict is to bring in one or more outsiders who will shake things up and present a new perspective on organizational practices. Outsiders may be new employees. Current employees assigned to an existing work group, or consultants or advisors hired on a temporary basis.
3. **Firing an insider**: Manager can fire current member of the group. It creates employee dissatisfaction and that leads to conflict in organization.
4. **Organizational restructuring**: Organization can be restructured to stimulate conflict. Organizational restructuring can be done through realigning work groups, altering rules and regulation, increasing job interdependence, making structural changes through downsizing to disrupt the status quo.
5. **Appointing a Devil's Advocate**: A 'devil's advocate' is a person who purposely presents arguments that run counter to those proposed by the majority or against current practice. Such a person plays the role of critic in order to stimulate discussion.
6. **Rewarding dissent**: Rewarding the dissent can stimulate conflict in organization. Individuals, who challenge the status quo, suggest innovative ideas, offer divergent opinions, and demonstrate original thinking need to be rewarded visibly with promotion, salary increase, and other positive reinforces.
7. ***Conflict Resolution***

When a potentially harmful situation exists, a manager needs to engage in conflict resolution. The techniques for resolving conflicts are as follows:

1. **Accommodating:** The accommodating approach emphasizes cooperation instead of forcefulness. A person places his interests last and allows the other party to put his interests. Sharing of opinions removes misunderstanding and both parties realize that they are not far apart. It may be useful when the conflict is associated with aggressive feelings among the parties and temporary solutions are needed in the short run.
2. **Collaborating:** the collaboration style involves parties working together to resolve issues and problems themselves. Both parties come to the table with win-win attitudes. This win-win approach favored when both sides have important differences but everyone agrees to work together. Manager may choose to collaborate by showing a high degree of assertiveness and cooperativeness.
3. **Avoiding:** this approach involves one of the conflicted parties avoiding communicating about or confronting the problem. This approach is considered by hoping that it will be resolved automatically passing of time. In certain situations, it may be appropriate to avoid a conflict. This technique is useful when issues involved in conflict are of very minor nature or when more important issues deserve attention.
4. **Compromise:** This is the traditional method of conflict resolution. It is a process of bargaining where the parties negotiate on the basis of give and take principle to arrive at a mutually acceptable agreement. It is commonly used where the conflict involves differences in goals, attitudes or values. There is no distinct winner or loser because each party is expected to sacrifice something in exchange for a concession.
5. **Confrontation:** Conflict can be faced directly. In this approach, management directly handles the situation and deals with conflicting parties. Assertiveness is the main aspect of this approach. A mutually satisfactory solution is found through face to face meeting of the parties concerned. However, the specific techniques can be organizational redesign and interactive problem solving through open discussion.

***Concept of Motivation***

Motivational is a human psychological aspect. It is the process of encouraging and stimulating the individuals to do the assigned job according to the best of their ability. It is the process of creating willingness among the employees to do the assigned work in the best possible way. It is the act of inspiring employees to devote maximum effort to achieve organizational objectives.

" Motivation can be defined as a willingness to work to expand energy to achieve a goal or reward." - Dale S Beach

Therefore, motivation is the art of inspiring and encouraging subordinates to do work in an effective way so that both organizational and individual goals can be achieved.

***Process of Motivation***

The process of motivation is defined as:

1. **Unsatisfied Need:** Unsatisfied need is a state of having unfulfilled needs which create tension. The process of motivation begins with an unsatisfied need, which are anything that employee want and do not have.
2. **Tension:** In common usages, the work tension has a negative connotation. But some tension is absolutely necessary. For motivation to occur, we must have functional tension. This is what gives us the energy to perform.
3. **Action:** Action refers to the outward action of individuals directed towards some goal. These actions performed so that the required goals can be achieved.
4. **Need Satisfaction**: It is by satisfaction of needs. It can be through reward and punishment. This achieves goals.
5. **Feedback:** Feedback indicates how well the goal is achieved and needs are satisfied.

It can be shown on diagram which is as:

**Needs Satisfaction**

**Action**

**Tension**

**Unsatisfied Need**

**Feedback**

***Strategies for Motivating Employees***

Management can use a variety of strategies and techniques to motivate employees. Some important strategies to motivate employees are given below:

1. **Financial incentives:** Money is regarded as a symbol of social prestige, recognition and achievement in the materialistic world. People satisfy their higher order needs by money. Wages, salary, profit sharing, leave with pay, medical reimbursement etc. motivates employees to perform better. These facilities help to retain productive employees.
2. **Participation:** Participation refers to involvement of employees in planning and decision making. This helps to fulfill esteem needs to employees. Participation is one way of developing initiatives among employees. Participation encourages brainstorming which helps for developing innovative ideas to solve complex problems.
3. **Delegating of authority:** Delegation of authority is assigning certain part of work to subordinates and giving them the required authority the assigned task effectively. It helps for training and development of subordinates. It helps to develop high moral and motivation of subordinates.
4. **Job security:** Job security implies that employees would continue on the same job in the same organization. They enjoy economic and social security through health and welfare programs, security against sickness, disability and old age provision. Employees will be motivated towards their job if they have a feeling of job security and future provision.
5. **Job enlargement:** Job enlargement is concerned with addition of extra job responsibility of same level to the employee. It refers to mounting complexity of the job. Job enlargement allows opportunity to make use of their minds and makes them able to perform varieties of task independently.
6. **Job enrichment:** Job enrichment is concerned providing higher level job responsibility to employees. In other words, it refers to vertical expansion of a job by adding planning and evaluating responsibilities. Employees are empowered to assume some tasks typically done by their managers. It increases freedom, responsibilities and independence.
7. **Job rotation:** Job rotation refers to shifting an employee from one job to another job. It reduces the boredom and disinterest through diversifying the employees' activities. The basic purpose of job rotation is to increase the skill and knowledge of employee about related jobs.
8. **Reinforcement:** Reinforcement is a formal and powerful tool for motivation. Behavior which appears to lead a positive consequence needs to be repeated while behavior that leads negative consequence not to be repeated. Reinforcement can be positive and negative. People' s behavior can be motivated by providing rewards.
9. **Quality of work life:** Quality of work life is an attempt to develop a formal program to integrate employee needs and well-beings with the intension to improve productivity. Quality of work life ensures greater worker empowerment, adequate and fair compensation, safe and healthy working conditions and higher level of job satisfaction.
10. **Competition:** Competition is widely used tool for motivation. Employees in organization compete with each other to fulfill their ego needs. The person who is considered the best is awarded with the popular prize. Competition may be in terms of sales, production, safety measures and so on.