

Study Note 9 - LEADERSHIP

According to **Koontz & Donnell**, "Leadership is the ability of a manager to induce subordinates to work with confidence and zeal".

Characteristics Of Leadership

- (1) Leadership is a personal quality.
- (2) There can be no leadership without followers.
- (3) Successful leaders are able to influence the behaviour, attitudes and beliefs of the follow:
- (4) Leadership arises out of functioning for a common goal.
- (5) Leadership is a continuous process of influencing behaviour.

Difference Between Leadership & Management

Leadership and management are different from each other. Following are the two points of distinction :

- (1) Leadership is a part of management. Leadership is one of the managerial functions.
- (2) Management is for the formal & organized groups while leadership can be of completely unorganized in informal groups. Leader can be formal as well as informal.

Qualities of a Successful Leader

Prof. Bernard has given four essential qualities of leadership –

Vitality (energy), decisiveness, power of endurance & foresight, and capacity to persuade others. In a broad way, the qualities which are necessary for a successful leader are discussed below:

- (1) Physical energy & stamina.
- (2) Dominance
- (3) Intelligence.
- (4) Vision & foresight.
- (5) Initiative.
- (6) Self-confidence.
- (7) Open mind or Flexibility.
- (8) Sense of Responsibility.
- (9) Human relations Attitude.



Types of leadership

On the basis of how leaders use their power, leadership styles can be classified into three broad categories -autocratic, consultative & free-rein.

1. Autocratic Or Authoritarian Leadership

An autocratic leader exercises complete control over the subordinates. He centralizes power in himself and takes all decisions without consulting the subordinates. He dominates and drives his group through coercion and command.

Advantages.

- (i) Autocratic leadership style permits quick decision making.
- (ii) It provides strong motivation and satisfaction to the leader who dictates terms.
- (iii) Less competent subordinates are needed at lower levels.
- (iv) The style may yield positive results when great speed is required.

Disadvantages.

- (i) Autocratic style leads to frustration, low morale and conflict among subordinates.
- (ii) Subordinates tend to shirk responsibility and initiative.
- (iii) Full potential of subordinates and their creative ideas are not utilized.
- (iv) Organisational continuity is threatened in the absence of the leader because subordinates get no opportunity for development.

Autocratic leadership style may be appropriate when subordinates are uneducated, unskilled & submissive. Lack of knowledge and experience on the part of subordinates make it necessary that the leader takes decisions himself.

Democratic Or Participative Leadership

A consultative or democratic leader takes decisions in consultation & participation with the subordinates. He decentralizes authority and allows the subordinates to share his power.

Advantages.

- (i) Consultative leadership improves the job satisfaction & morale of subordinates.
- (ii) It cultivates the decision-making ability of subordinates.
- (iii) It develops positive attitudes and reduces resistance to change.
- (iv) The quality of decisions is improved.
- (v) Labour absenteeism and labour turnover are reduced .

Disadvantages.

- (i) Democratic style is time-consuming & may result in delays in decision-making.
- (ii) It may not yield positive results when subordinates prefer minimum interaction with the leader.
- (iii) Over a period of time subordinates may develop the habit of expecting to be consulted.
- (iv) Consultation may be interpreted as a sign of incompetence on the part of the leader to deal with problems.
- (v) It may be used as a means of passing the buck to others and abdicating responsibility.
- (vi) It. requires considerable communicating and persuasive skills on the part of the leader.

Free-rein Or Laissez-fair Leadership

Free-rein leadership involves complete delegation of authority so that subordinates themselves take decisions. The free rein leader avoids power and relinquishes the leadership position.

Advantages.

- (i) Positive effect on job satisfaction & morale of subordinates.
- (ii) Maximum possible scope for development of subordinates,
- (iii) Full utilization of the potential of subordinates. Disadvantages.

Disadvantages.

- (i) Subordinates do not get the guidance and support of the leader.
 - (ii) It ignores the leaders contribution just as autocratic style ignores the contribution of the subordinates.
 - (iii) Subordinates may move in different direction hich may lead to chaos.
- Free rein style may be appropriate when the subordinates are well trained, highly knowledgeable, self motivated and ready to assume responsibility.

Likert's System of Management / System - 4

Rensis Likert and his associates of the University of Michigan, U.S.A. conducted an extensive survey of management style & patterns in large number of organizations. A brief description of the Likert's four management systems is given below -

System 1 - Exploitative Autocratic. The managers under this system make all workrelated decisions and order their subordinates to carry out the decisions. The subordinates have absolutely no say in the decision-making process. Managers believe in threats and punishments to get things done. They exercise strict supervision and control over the subordinates.

System 2 - Benevolent Autocratic. System 2 managers are also autocratic but they are not exploitative. They adopt a paternalistic approach towards the subordinates. They allow some freedom to subordinates to carry out their tasks within the prescribed limits. They are rewarded for accomplishment of goals. But the subordinates who do not their tasks are treated harshly. Thus **carrot and stick approach** to motivation is adopted under this system.

System 3- Consultative. Managers under this system set goals & issue orders after discussing them with the subordinates. Thus there is two-way communication in the organisation. Managers trust subordinates to carry out their tasks. Greater emphasis is placed on rewards than on penalties to motivate the subordinates.

System 4 - Democratic. Under this system, goals are set & work related decisions are taken by the subordinates. Supervision & control are group oriented. Managers are friendly & supportive in their attitudes towards the subordinates. In addition to economic rewards, subordinates are given a sense of purpose & feeling of worth. The communication system is completely open. Likert suggested that System 4 is the ideal system towards which organizations should Work.

‘Motivation’

The term ‘motivation’ has been derived from the word ‘motive’. Motive means the urge to do something.. Motive is the reflection of needs & wants. A manager offers some incentives to motivate employees. When the incentives satisfy their need & they feel inspired to work hard for achieving the desired goals, the employees are said to be motivated.

Motivation may be **DEFINED** as the process of inducing or inspiring people to take the desired course of action. It means a process of stimulating people to action to accomplish desired goals.

The process of motivation begins with the awareness of a need. Feeling of an unsatisfied need causes tension. A person takes some action to satisfy his need. If the action succeeds to satisfy the need, the person feels motivated. In case the action fails, the person takes a different action. When the present need is satisfied, a new need arises & the process is repeated.

Characteristics of motivation

1. Motivation is a psychological concept.
2. Motivation is total, not piece-meal. A person cannot be motivated in parts.
3. Motivation is a continuous process.
4. Motivation causes goal-directed behaviour.
5. Motivation may be financial or non-financial.
6. Motivation is a complex process.

Importance of Motivation

1. Higher efficiency.
2. Optimum utilisation of resources.
3. Reduction in labour turnover..
4. Better industrial relations.
5. Easier selection. An enterprise that offers abundant financial and non-financial incentives enjoys reputation in the labour market. Therefore, it can easily attract competent persons for filling various vacancies
6. Facilitates change.



Theories of Motivation

There are several theories of motivation.

Abraham Maslow's Need Hierarchy Theory

Abraham H. Maslow, an eminent American psychologist, developed a general theory of motivation, known as the 'Need hierarchy theory'. The salient features of this theory are as follows:

1. Physiological needs.
2. Safety needs.
3. Social needs.
4. Esteem needs..
5. Self-actualization needs



Physiological needs— These are biological needs required to preserve human life. Therefore, these needs are also known as *survival needs*. They include needs for food, drink, house, sleep, etc. These needs must be satisfied first of all. Physiological needs must be satisfied repeatedly. For example, an individual requires a limited amount of food but he requires it everyday.

Safety needs— Once physiological needs are reasonably satisfied, a person wants protection from physical dangers & economic security. Safety needs are thus concerned with protection from danger, deprivation & threat. These needs are finite but they may serve as motivators in case of arbitrary & unpredictable management actions. Such actions create uncertainty & people seek job security. Organisations can influence these needs through pension schemes, insurance plans, fear of dismissal, etc.

3. Social needs— Man is a social animal as he seeks affiliation (association) with others. Social needs refer to need for belonging, need for acceptance, need for love and affection, etc. Such needs are infinite as they are considered as secondary needs because they are not essential to preserve human life. They represent needs of the mind and spirit rather than of the physical body. Organisations can influence these needs through supervision, communication

system, work groups, etc.

4. Esteem needs— Esteem needs are of two types: self-esteem & esteem of others. Self-esteem needs include self-respect, self-confidence, competence, achievement, knowledge and independence. Esteem of others includes reputation, status, recognition. These needs are infinite & results in feelings of inferiority, weaknesses & helplessness.

5. Self-actualization needs— These are the needs for realising one's full potential, for continued self development, for being creative. It is the desire of becoming what one is capable of becoming. It is an infinite & growth need. It is psychological in nature & very few persons satisfy it. The conditions of modern industrial life provide limited opportunity for the satisfaction of self-actualisation. However, the theory is widely **CRITICISED** for the following reasons:

(i) Needs are not the only determinant of behaviour. People seek objects and engage in behavior that are in no way connected with the gratification of needs. There are other motivating factors like perceptions, expectations, experiences, etc.

(ii) Need classification cannot be classified into watertight compartments. Therefore, the theory may not have universal validity.

(iii) The hierarchy of needs is not always fixed. Different people may have different orders. For example, in case of creative people like singers, painters, etc., self-actualisation need may become a dominant motivating force even before the lower order needs are satisfied. Similarly, the need priorities of the same individual may change over time. As a result, a manager cannot keep up with a continuously revolving set of needs. Thus, Maslow's model presents a somewhat static picture of need structure. The theory does not recognise individual differences. Individuals differ in the relative intensity of their different needs.

Some persons will not aspire after their lower-order needs have been satisfied. Human behavior is the outcome of several needs acting simultaneously.

Despite these limitations, Maslow's theory has a common sense appeal for managers. It is still relevant because needs are important for understanding behaviour.

HERZBERG'S MODEL

In the late fifties, Frederick Herzberg & his associates conducted interviews of 200 engineers and accountants in the Pittsburgh area of the United States. These persons were asked to relate elements of their jobs which made them happy or unhappy. An analysis of their answers revealed that feelings of unhappiness or dissatisfaction were related to the environment in which people were working. On the contrary, feelings of happiness or satisfaction were related to their jobs.

According to Herzberg, **MAINTENANCE OR HYGIENE FACTORS** are necessary to maintain a reasonable level of satisfaction among employees. These factors do not provide satisfaction to the employees but their absence will dissatisfy them. Therefore, these factors are called dissatisfiers.

Table

Maintenance Factors	Motivating Factors
Company Policy and Administration	Achievement
Technical Supervision	Technical Supervision Recognition
Inter-personal relationship with peers	Advancement
Inter-relationship with supervisors	Opportunity for growth
Inter-relationship with subordinates	Responsibility
Salary	Work itself
Job Security Personal life	
Working conditions	
Status	

On the other hand, **MOTIVATIONAL FACTORS** are intrinsic parts of the job. Any increase in these factors will satisfy the employees & help to improve performance. But a decrease in these factors will not cause dissatisfaction. Herzberg's theory has received a great deal of attention & it has become popular among managers.

One striking conclusion of Herzberg's theory is that one cannot achieve higher performance simply by improving wages & working conditions. The conclusion should be an eye opener to managers who go on improving wages & fringe benefits with the hope of improving efficiency.

Herzberg stressed upon the job as an intrinsic motivating factor. The key to job satisfaction and high performance lies in job enrichment. Herzberg's two factor theory has made a significant contribution towards improving manager's basic understanding of human behaviour. His theory is simple and based on empirical data. It offers specific actions for managers to improve motivation & performance.

Criticisms of the theory – Herzberg's theory has been criticised on the following grounds:

(i) The theory is based on a small sample of 200 accountants & engineers which

is not representative of the work force in general. Other researchers have drawn different results from similar studies. The theory is most applicable to knowledge workers. Studies of manual workers are less supportive of the theory.

Therefore, the theory is not universally applicable.

(ii) The theory focuses too much attention on satisfaction rather than on performance level. There is no direct link between satisfaction, motivation & performance. Therefore, Herzberg's two-factor theory is an oversimplified presentation of the process of motivation.

(iii) The distinction between maintenance factors & motivating factors is not fixed. The same factor may be motivating for some people & maintenance factor for other people.

McGregor's Model

Prof. Douglas McGregor has developed a theory of motivation on the basis of hypotheses relating to human behaviour.

According to McGregor, the function of motivating people involves certain assumptions about human nature. There are 2 **ALTERNATIVE SETS OF ASSUMPTIONS** which McGregor described as **Theory X and Theory Y**.

1. **THEORY X** / conventional / traditional approach of motivation is based on the following **ASSUMPTIONS**:

- (1) The average individual is by nature indolent/ lazy & will avoid work.
- (2) The average person lacks ambition, dislikes responsibility.
- (3) An average human being is inherently self-centred, and indifferent to organisational goals.
- (4) Most people are by nature resistant to change & want security above all.

On the basis of these assumptions, the conventional view of management puts forward the following propositions:

- (1) With respect to people, management involves directing their efforts, motivating them, controlling their actions & modifying their behaviour to fit the needs of the organisation.
- (2) Without active intervention by management, people would be passive—even resistant to organizational needs. They must, therefore, be persuaded, rewarded, punished and controlled.

The above assumptions are **NEGATIVE** in nature. Therefore, Theory X is a conventional or **traditional approach** to motivation. Theory X implies use of '**carrot & stick approach**'.

THEORY Y –

The theory proposes that:

- (1) Management is responsible for organising the elements of productive enterprise in the interest of economic and social ends.
- (2) People are not by nature passive or resistant to organisational needs. They become so as a result of experience.
- (3) Motivation, potential for development are present in people. It is the responsibility of management to make it possible for people to recognise and develop these characteristics for themselves.

Theory Y is based upon the following **assumptions**:

- (1) The average human being has no inherent dislike for work.
- (2) Man will exercise self-control and self-direction.
External control or threat of punishment is not the only means of motivating people to work & achieve organisational goals.
- (3) They work even without close supervision & control .
- (4) The average human being, under proper conditions, does not shun responsibility.
- (5) People have unlimited potential.

Theory Y represents a modern & dynamic nature of human beings. An organisation designed on the basis of Theory Y is characterised by decentralisation of authority, job enrichment, participative leadership & two-way communication system. The focus is on self-control and responsible jobs.

Comparison between Theory X and Theory Y

	Theory X	Theory Y
1	Inherent dislike for work	Work is natural like rest or play
2	Prefer to be directed by others	Capable of directing their own behaviour
3	Avoid responsibility	Accept responsibility
4	Lack creativity & resist change	Creative & do not resist change
5	External control & close supervision required	Self-direction and self-control
6	People lack self-motivation	People are self-motivated

Maslow Vs. Herzberg Models

Point of Difference	Maslow's Model	Herzberg's Model
Formulation	In terms of needs	In terms of rewards or incentives
Order of needs	Hierarchical arrangement of needs	No such arrangement
Nature of theory	Descriptive	Prescriptive
Essence of theory	Unsatisfied needs motivate individuals	Gratified needs regulate. behaviour and performance