

CHAPTER 1 LEADERSHIP OVERVIEW AND CONCEPT

1. Introduction to Leadership

“Leadership is the ability to adapt the setting so everyone feels empowered to contribute creatively to solving the problems.”

Leadership is the ability, meaning a leader has a capacity to do something through talent and skill. Talent is natural ability and skill is proficiency gained through training and experience. Talent certainly helps, but it isn't required. Many people whose natural leadership ability was close to zero but through training, experience, and most of all, persistence, became great leaders. Leadership is *adaptive*, meaning that the leader makes adjustments. A leader who fails to adjust to the territory will lose their way. Only fools willingly follow someone who is lost.

Leadership acts on a *setting*, meaning a leader adjusts the state of the surroundings and people. A leader carefully observes those states and discerns significance looking for how to adapt the setting most effectively.

Leadership *empowers*, meaning a leader inspires confidence and self-esteem. And that inspiration comes in many flavors. Some leaders inspire by bold talk; others by soft talk; and others by their example. There are many ways to empower rather than a single way.

Leadership acts on people's *feelings*, meaning a leader finds ways to link to people's instinct or intuition. Leaders help everyone feel empowered, which in many organizations with bad histories is a leap of faith. If a leader can also provide concrete evidence that helps the empowerment, wonderful. But evidence usually comes after the leadership actions produce the desired results.

Leadership creates *contribution*, which means every member gives something. Sometimes that may be sharing an idea. And sometimes that may be holding ideas in reserve and allowing someone else to arrive at the same idea and share it.

Leadership is about *solving the problems*, which means closing the gap between things as desired and things as perceived. Everyone works on the solution to intermediary problems while keeping in mind the ultimate problem — closing a gap for the client or customer.

Leadership fosters *creativity*, meaning imaginative use of limited resources. A leader that enables people to use their imagination is a step closer to solving problems faster, better and cheaper.

Leadership is often attributed to a single individual. It's easier to communicate success stories that way. People like simple stories that contain cause and effect even when they are wrong.

The more complex story reinforces that everyone on a team can be a leader. The most successful teams create chain reactions of leadership. Adaptation triggers long chains of further adaptations that ultimately solve seemingly impossible problems.

2. Definitions of Leadership

- "Leadership is the ability to not only understand and utilize your innate talents, but to also effectively leverage the natural strengths of your team to accomplish the mission. There is no one-size fits all approach, answer key or formula to leadership.
- Leadership should be the humble, authentic expression of your unique personality in pursuit of bettering whatever environment you are in." – Katie Christy, founder, Activate Your Talent
- "Leadership is about having a selfless heart and always being willing to reach out and lend a helping hand." – Bob Reina, CEO and founder, Talk Fusion
- "Leadership is about playing to strengths and addressing weaknesses in the most productive and efficient way possible. It's about knowing your team and yourself, and doing your best job to set both up for success." – Sammy Cohen, co-founder, Neon Bandits
- "Leadership is the ability to see a problem and be the solution. So many people are willing to talk about problems or can even empathize, but not many can see the problem or challenge and rise to it. It takes a leader to truly see a problem as a challenge and want to drive toward it. That is what causes people to want to follow, and a true leader has a following." – Andrea Walker-Leidy, owner, Walker Publicity Consulting.
- "Leadership is having the humility to put your employees first so that the company can grow. Leaders should invest time in employees and make sure that they feel comfortable in the workplace. This increases the functionality and efficiency of the company." – Matthew Adams, director of communications, Tru-Colour Bandages.
- "Leadership is serving the people that work for you by giving them the tools they need to succeed. Your workers should be looking forward to the customer and not backwards, over their shoulders, at you. It also means genuine praise for what goes well and leading

by taking responsibility early and immediately if things go bad." – Jordan French, president, BNB Shield.

- "Leadership is the ability to help people achieve things they don't think are possible. Leaders are coaches with a passion for developing people, not players; they get satisfaction from achieving objectives through others. Leaders inspire people through a shared vision and create an environment where people feel valued and fulfilled." – Randy Stocklin, co-founder and CEO, Readers.com.
- "Leadership is having a vision, sharing that vision and inspiring others to support your vision while creating their own." – Mindy Gibbins-Klein, founder, REAL Thought Leaders.
- "Leadership is the ability to guide others without force into a direction or decision that leaves them still feeling empowered and accomplished." – Lisa Cash Hanson, CEO, Snuggwugg.
- "Leadership is the art of serving others by equipping them with training, tools and people as well as your time, energy and emotional intelligence so that they can realize their full potential, both personally and professionally." – Daphne Mallory, family business expert, The Daphne Mallory Company.
- "Leadership is being bold enough to have vision and humble enough to recognize achieving it will take the efforts of many people — people who are most fulfilled when they share their gifts and talents, rather than just work. Leaders create that culture, serve that greater good and let others soar." – Kathy Heasley, founder and president, Heasley & Partners

So, by looking at the various definitions of leadership, let's talk about the various characteristics of leadership, which cut across all these definitions.

- ✓ **It is an action:** Mere possession of abilities or skills is not leadership. It is an ability put into action. It is more than position or designation or formal authority.
- ✓ **Involves influencing, inspiring and aspiring others:** Influencing is the fundamental aspect of leadership. However, for true leadership, the task of this influencing has to be a non-coercive and free from any external influence.
- ✓ **Working towards a common goal:** The whole process of influencing is common goal-directed, which is larger in perspective, above individual goals.
- ✓ **Leadership Exists for followers/groups:** The complete process is in relation to group people (subordinates/followers) who would have not achieved this goal, but for the leader. Hence, Leadership is always seen in the context of impact on followers or group of people.

3. Leadership Vs Management

What is the difference between management and leadership? It is a question that has been asked more than once and also answered in different ways. The biggest difference between managers and leaders is the way they motivate the people who work or follow them, and this sets the tone for most other aspects of what they do.

Many people, by the way, are both. They have management jobs, but they realize that you cannot buy hearts, especially to follow them down a difficult path, and so act as leaders too.

- Managers have subordinates

By definition, managers have subordinates - unless their title is honorary and given as a mark of seniority, in which case the title is a misnomer and their power over others is other than formal authority.

- Authoritarian, transactional style

Managers have a position of authority vested in them by the company, and their subordinates work for them and largely do as they are told. Management style is transactional, in

that the manager tells the subordinate what to do, and the subordinate does this not because they are a blind robot, but because they have been promised a reward (at minimum their salary) for doing so.

- Work focus

Managers are paid to get things done (they are subordinates too), often within tight constraints of time and money. They thus naturally pass on this work focus to their subordinates.

- Seek comfort

An interesting research finding about managers is that they tend to come from stable home backgrounds and led relatively normal and comfortable lives. This leads them to be relatively risk-averse and they will seek to avoid conflict where possible. In terms of people, they generally like to run a 'happy ship'.

- Leaders have followers

Leaders do not have subordinates - at least not when they are leading. Many organizational leaders do have subordinates, but only because they are also managers. But when they want to lead, they have to give up formal authoritarian control, because to lead is to have followers, and following is always a voluntary activity.

- Charismatic, transformational style

Telling people what to do does not inspire them to follow you. You have to appeal to them, showing how following you will lead them to their hearts' desire. They must want to follow you enough to stop what they are doing and perhaps walk into danger and situations that they would not normally consider risking.

Leaders with a stronger charisma find it easier to attract people to their cause. As a part of their persuasion they typically promise transformational benefits, such that their followers will not just receive extrinsic rewards but will somehow become better people.

➤ People focus

Although many leaders have a charismatic style to some extent, this does not require a loud personality. They are always good with people, and quiet styles that give credit to others (and take blame on themselves) are very effective at creating the loyalty that great leaders engender.

Although leaders are good with people, this does not mean they are friendly with them. In order to keep the mystique of leadership, they often retain a degree of separation and aloofness.

This does not mean that leaders do not pay attention to tasks - in fact they are often very achievement-focused. What they do realize, however, is the importance of enthusing others to work towards their vision.

➤ Seek risk

If managers are risk-averse, leaders appeared as risk-seeking, although they are not blind thrill-seekers. When pursuing their vision, they consider it natural to encounter problems and hurdles that must be overcome along the way. They are thus comfortable with risk and will see routes that others avoid as potential opportunities for advantage and will happily break rules in order to get things done.

A surprising number of these leaders had some form of handicap in their lives which they had to overcome. Some had traumatic childhoods, some had problems such as dyslexia, others were shorter than average. This perhaps taught them the independence of mind that is needed to go out on a limb and not worry about what others are thinking about you.

This table summarizes the above (and more) and gives a sense of the differences between being a leader and being a manager.

Subject	Leader	Manager
Essence	Change	Stability
Focus	Leading people	Managing work
Have	Followers	Subordinates
Horizon	Long-term	Short-term
Seeks	Vision	Objectives
Approach	Sets direction	Plans detail
Decision	Facilitates	Makes
Power	Personal charisma	Formal authority
Appeal to	Heart	Head
Energy	Passion	Control
Culture	Shapes	Enacts
Dynamic	Proactive	Reactive
Persuasion	Sell	Tell
Exchange	Excitement for work	Money for work
Wants	Achievement	Results
Risk	Takes	Minimizes
Rules	Breaks	Makes
Conflict	Uses	Avoids
Direction	New roads	Existing roads
Truth	Seeks	Establishes
Concern	What is right	Being right
Credit	Gives	Takes
Blame	Takes	Blames

CHAPTER 2 LEADERSHIP TRAITS

Early Historical Perspective on Leadership

Leadership evolved and changed along with the evolution of human society and interactions. The following major trends can be inferred from history.

- During tribal days, leaders were more elected or evolved based on their skills and strength. These skills were both physical and strategic.
- Then came the pre-classical era, when leadership was either related to spiritual dominance or kingship. (Mostly by virtue of birth). It was male dominant. Thus leadership was being assumed as masculine feature. Followership was again based on fear and brutality. Cruelty was an accepted norm during those days.
- During the classical era, focus shifted to production and cost saving. Leaders were more concerned with increasing production at low cost.
- During the industrial growth and progress in research, the rules of the game changed with focus coming on quality engineering. Leadership also evolved and its styles changed from transactional to charismatic and empowering leadership.

➤ **The Great Man Theory**

The Great Man theory evolved around the mid-19th century. Even though no one was able to identify with any scientific certainty, which human characteristic or combination of, were responsible for identifying great leaders. Everyone recognized that just as the name suggests; only a man could have the characteristic (s) of a great leader. The Great Man theory assumes that the traits of leadership are intrinsic. That simply means that great leaders are born... they are not made. This theory sees great leaders as those who are destined by birth to become a leader. Furthermore, the belief was that great leaders will rise when confronted with the appropriate situation. The theory was popularized by Thomas Carlyle, a writer and teacher. Just like him, the

Great Man theory was inspired by the study of influential heroes. In his book "On Heroes, Hero-Worship, and the Heroic in History", he compared a wide array of heroes.

In 1860, Herbert Spencer, an English philosopher disputed the great man theory by affirming that these heroes are simply the product of their times and their actions the results of social conditions.

➤ **Trait Theory**

The trait leadership theory believes that people are either born or are made with certain qualities that will make them excel in leadership roles. That is, certain qualities such as intelligence, sense of responsibility, creativity and other values puts anyone in the shoes of a good leader. The trait theory of leadership focused on analyzing mental, physical and social characteristic in order to gain more understanding of what is the characteristic or the combination of characteristics that are common among leaders.

Many studies have analyzed the traits among existing leaders in the hope of uncovering those responsible for one's leadership abilities! In vain, the only characteristics that were identified among these individuals were those that were slightly taller and slightly more intelligent!



Strengths Trait Theory adds to leadership knowledge in three valuable ways.

1. It builds on the premise that leaders are distinctive.
2. Unlike all other leadership theories, Trait Theory boasts a century of research to confirm the approach.
3. Trait Theory provides benchmarks for identifying leaders.

Together, the strengths of trait theory demonstrate the value the theory has provided to the study of leadership

Weaknesses There are also some flaws of Trait Theory. While being one of the earliest leadership theories, there are still fundamental issues with the theory explained below:

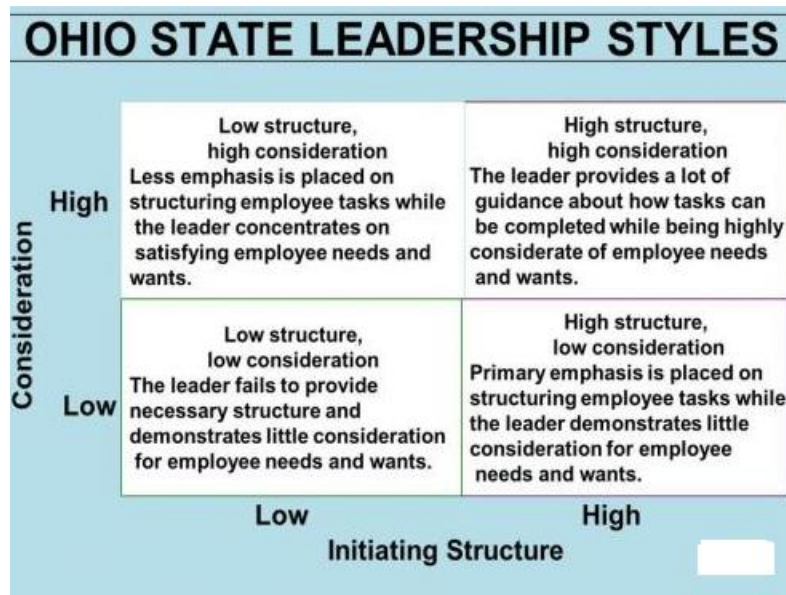
- 1) It's leader-centric, and only focuses on the leader not the follower or the situation.
- 3) Much of the Trait Theory research fails to look at how specific traits influence leadership outcomes such as performance, productivity, and employee satisfaction
- 4) Since traits are innate, it becomes unusual for training and development purpose.

➤ **Ohio State Leadership Study**

As leadership studies that were aimed at identifying the appropriate traits didn't yield any conclusive results, a group of people from Ohio State University developed a list of 150 statements from their generated responses that included 1,800 hundred statements. The list was designed to measure nine different behavioral leadership dimensions. The resulting questionnaire is now well-known as the LBDQ or the Leaders Behavior Description Questionnaire.

As part of the study, the LBDQ was administered to various groups of individuals ranging from college students and their administrators, private companies including military personnel. One of the primary purposes of the study was to identify common

leadership behaviors. After compiling and analyzing the results, the study led to the conclusion that there were two groups of behaviors that were strongly correlated. These were defined as Consideration (People Oriented behavioral Leaders) and Initiating Structure (Task Oriented Leaders).



Task oriented leaders

The task concerned leaders are focusing their behaviors on the organizational structure, the operating procedures (S.O.P.) and they like to keep control. Task-oriented leaders are still concern with their staff motivation; however it's not their main concern. They will favor behaviors that are in line with:

- Initiating
- Organizing
- Clarifying
- Information Gathering

People oriented leaders

The people oriented leaders are focusing their behaviors on ensuring that the inner needs of the people are satisfied. Thus they will seek to motivate their staff through emphasizing the human

relation. People oriented leaders still focus on the task and the results; they just achieve them through different means. Leaders with a people focus will have behaviors that are in line with:

- Encouraging
- Observing
- Listening
- Coaching and Mentoring

➤ **The University of Michigan Studies**

A series of studies on leadership were done in Michigan University, starting in the 1950s. Under the general direction of Rensis Likert, the focus of the Michigan studies was to determine the principles and methods of leadership that led to productivity and job satisfaction. Two types of leadership behaviours were identified:

- ✓ **Employee orientation** (stress the human-relations aspect, employees are viewed as human beings with personal needs)
- ✓ **Production orientation** (stress on the technical and production aspects of the job, employees viewed as the means of getting the work done).

Leaders with an employee orientation showed genuine concern for interpersonal relations. Those with a production orientation focused on the task or technical aspects of the job.

The conclusion of the Michigan studies was that an employee orientation and general instead of close supervision yielded better results. Likert eventually developed four "systems" of management based on these studies; he advocated System 4 (the participative-group system, which was the most participatory set of leader behaviors) as resulting in the most positive outcomes (Encyclopedia of Management, 2009).

CHAPTER 3 CONTEMPORARY LEADERSHIP STYLES

Five modern leadership styles in the changing world include charismatic, transformational, visionary, transactional, and servant leadership styles. All such leaders entice their followers' commitment to fulfill difficult missions mandated by a dynamic and fluid environment marked with fast changes.

❖ Charismatic Leadership

Leadership Charismatic leadership is leading by dint of personality and charm, instead of relying on any external power or authority.

Charismatic leaders seek to fulfill organizational goals by instilling devotion. They scan and read the environment in which they operate to pick up the moods and concerns of individuals and larger audiences, and then hone their actions and words to suit the situation. They engender the trust of the people through visible self-sacrifice and take personal risks in the name of their beliefs. The major behavioral attributes of charismatic leaders include:

- Sensitivity to the environment and member needs
- Articulation of a clear-cut vision shaped to the situation
- Effective use of body language and verbal language
- Personal risk taking and unconventional behavior
- High self-belief
- Displaying confidence in follower's ability

Charismatic leaders have the potential to elevate and transform an entire company. The danger lies in using such powers to create a personality-based cult that misguides people.

❖ Transformational Leadership

Transformational leadership is one of the most popular leadership styles in the changing world and focuses on effecting revolutionary change in organizations through a commitment to the organization's vision.

Transformational leaders sell the company's defined vision, usually a radical vision that departs from the established one by many ways, such as:

- Articulating the vision and explaining how to attain the vision in an appealing manner
- Establishing high levels of personal integrity to gain trust and inspire the members
- Applying passion and energy at work, and injecting such energy and enthusiasm to followers
- Leading from the front to demonstrate attitudes and actions for followers to emulate
- Motivating and rallying followers by constantly listening, soothing, and enthusing
- Developing a shared vision and appealing to people's inborn desire to attain higher levels related to love, learning, leaving a legacy, and the like.

Transformational leadership has much in common with charismatic leadership, with the major difference relating to the scope. While transformational leadership focuses on organizational change, charismatic leadership may not have such a focus.

❖ **Visionary Leadership**

A visionary leader dreams about the future and translates such dreams into specific, achievable goals and is able to articulate them with great inspiration to instill the commitment of others. They also back up such words with action.

Visionary leaders anticipate change and act proactively to handle the situation. Instead of the traditional leadership method of dominating and directing people, they adopt a partnership approach to create a shared sense of vision with the followers. They focus on opportunities rather than problems, and emphasize win/win rather than adversarial win/lose approach.

The major characteristics of visionary leadership include:

- Demonstrating personal integrity and radiating a sense of energy, vitality, and adherence to core values. They exercise moral leadership when elevated with power rather than becoming corrupted by power.
- Maintaining good relations, adopting a deeply caring approach to people, and treating them with warmth and respect.

- Inspiring people to better themselves and giving them a new sense of hope and confidence to do so.
- Transforming old mental maps or paradigms, and creating “out of the box” unconventional and innovative strategies to actualize the new vision through broad and systemic thinking keeping the big picture in mind.
- Developing team spirit and team learning initiatives.

Visionary leadership bases itself on a balanced expression of the spiritual, mental, emotional, and physical dimensions, and requires the presence of all such dimensions for success.

❖ **Transactional Leadership**

Transactional leadership bases itself on getting things done through a clear chain of command and works on the assumption that rewards and punishment will motivate people.

Transactional Leaders negotiate a contract with a subordinate that creates clear structures, makes explicit the requirement, and installs a formal system for rewards and discipline. The subordinate gets a salary and other benefits and the company gets complete authority over the subordinate in return. The subordinate becomes fully responsible for the allocated work and receives rewards for success or discipline for failure.

Transactional leaders follow a management by exception approach, wherein they do not give much attention to routine issues or expected performance and rather pay attention to present issues.

The major characteristics of transactional leaders include:

- Reliance on standard forms of inducement, reward, punishment, and sanction to control followers.
- Motivating followers through goal setting and a simple and straightforward approach of rewards for desired performance and discipline for failure.
- Reinforcing subordinates to complete their side of the bargain successfully.

Among all the modern management styles, transactional leadership come the closest to traditional leadership styles, but it remains one of the modern leadership styles in a changing

world, bearing some similarities with transformational leadership. The difference between transactional and transformational leadership is that while transformational leaders adopt a 'selling' style, transactional leaders adopt a 'telling' style.

❖ Servant Leadership

Servant Leadership bases itself on the premise that leaders are servants first and leaders second. They depart from the traditional leadership style of dominating subordinates and telling them what to do, and rather empower the subordinate and act proactively to inspire them to perform. Such inspiration leads to collective efforts, the results of which turn out to be more than the sum of individual efforts. Servant leader characteristics include:

- Takes the time and effort to help subordinates understand their strengths and weaknesses, and identify potential and higher purposes they could never attain on their own.
- Sees things from others perspective, exhibits patience, and shows empathy.
- Attaches importance on teamwork and relationship building.
- Remains moored in social and ethical considerations.
- Includes the employees in the decision-making process and empowers them to act, making servant leadership a form of democratic leadership.

The ten major characteristics of servant leadership is listening, empathy, healing relationships, awareness, persuasion, conceptualization, foresight, stewardship, commitment to human resource development, and commitment to building community.

A unique feature of modern leadership styles in the changing world is that a leader rarely displays any one leadership style exclusively. Modern leaders remain competent to change their leadership style to suit the market-driven situation and work demands.

CHAPTER 4 LEADERSHIP BEHAVIOR AND STYLES

Different types of leadership styles exist in work environments. Advantages and disadvantages exist within each leadership style. The culture and goals of an organization determine which leadership style fits the firm best. Some companies offer several leadership styles within the organization, dependent upon the necessary tasks to complete and departmental needs.

It is pretty evident that there are plenty of different ways in which a leader can manage his or her employees or team members. No matter the setting, there are a variety of options available to the leader depending on what strategy they believe will pull the best possible performance out of their team. Not only can leadership strategies vary from person to person, but the same person can often use different strategies in different situations in order to achieve maximum results. The leader who is stuck in only one way of thinking and never responds to the changes going on around them is one who is unlikely to be a leader for long.

The Lewin's Leadership Styles Framework dates back many years - to the 1930's, in fact - but it is still relevant today because it divides leadership styles up into three easy to remember groups. While these groups might not necessarily capture all of the subtlety that is contained within a given leader or manager, they do a good job of highlighting the overall approach.



Based on the situation, any of these three styles could be the perfect one for the job. At the same time, any of these three could be the wrong one for the job if used under incorrect circumstances. Pairing the right leadership style with the right situation is a task that every leader should take quite seriously.

Let's take a closer look at each of the three leadership styles that Kurt Lewin presented in his framework.

- **Authoritarian Leadership**

This leader is one who takes command and doesn't care to pass on any of the decision making responsibility to members of his or her team. An authoritarian leader makes decisions independently and is convinced that they are the correct decision for the circumstances regardless of the feelings of any members of the team. Typically, there would be very little interaction between the leader and team members under this type of leadership style. The leader will pass down assignments and objectives to the team, with specific instructions on how to get the job done.

There are both positives and negatives associated with this style of leadership. On the positive side, it can be an effective strategy when dealing with an inexperienced team who lacks the knowledge to take a more autonomous role in the project. When a team is

made up of individuals who need specific instructions to succeed, the authoritarian leader could be the perfect choice for the job. At the same time, an experienced team might push back against this type of leadership because it doesn't offer them the freedom and creativity that they feel they have earned. It is important that the leader evaluate carefully the members of the team before deciding how to best lead them through any task.

- **Participative Leadership**

As the name would indicate, this type of a leader is going to get in as part of the team and get to work. While they remain in charge and hold decision making power, the process is far more collaborative and cooperative. Team members are encouraged to give their ideas and their feedback, for the good of the group as a whole. The leader will consider ideas put forward by the team and may take them up if it is deemed to be in the best interest of the project. Generally speaking, this kind of leader is better-liked by the members of the team because they are seen as one of the group - as opposed to acting as a dictator who simply passes down orders.

Of course, this type of leadership will not work with every team. Thinking about the inexperienced team from the previous example, participative leadership might not be the right way to get them through a project. Without strong leadership, their lack of experience could become a major problem. However, a team with moderate experience and plenty of enthusiasm could be just right for this option. As long as there is enough knowledge in the group to keep the project moving in the right direction, the participation of the leader should only further the productivity achieved. Also, the members of the team may stay better engaged and motivated because they feel invested as part of the process.

- **Delegative Leadership (Free Reign/Laissez Faire)**

The last of the three groups is the most 'hands off' from the leader's perspective. A leader who delegates the majority a project is one that has complete trust in his or her team and will allow them to run with the job. Other than monitoring the progress of a given project, and checking in the status of the work from time to time, this leader will likely leave the team members alone to do what they do best. Not surprisingly, this is typically the preferred style of the leadership from the team member's perspective - having a leader who is available when needed, but not getting in the way or micromanaging the work.

It should go without saying that using this management style with a team who isn't prepared to handle it properly is a recipe for disaster. An inexperienced team, or one that isn't properly motivated and focused on the task at hand, could use the freedom provided by leadership delegation to get off-task and fall behind on project deadlines. If a leader is going to trust his or her reputation to the performance of the team, they need to be highly confident in each member of that group.

CHAPTER 5 LEADERSHIP & POWER

Power means many different things to different people. For some, power is seen as corrupt. For others, the more power they have, the more successful they feel. For even others, power is of no interest at all. Power is the ability to induce a person to do something he or she would not have otherwise done.

Power is a force of influence and authority. Most leaders wield power, but how power is manifested and used often differs between leaders. Where does a leader get power from? Or do a leader's followers give it to them? Well it's both. In this post, we'll be looking at the five different sources of power a leader can use, with some advice on when these powers should be used, and perhaps when not.

The five bases of power were identified by John French and Bertram Raven in the early 1960's through a study they had conducted on power in leadership roles. The study showed how different types of power affected one's leadership ability and success in a leadership role.

The bases of power are divided in two categories:

Formal Power

✓ **Coercive**

Coercive power is conveyed through fear of losing one's job, being demoted, receiving a poor performance review, having prime projects taken away, etc. This power is gotten through threatening others. For example, the VP of Sales who threatens sales folks to meet their goals or get replaced.

✓ **Reward**

Reward power is conveyed through rewarding individuals for compliance with one's wishes. This may be done through giving bonuses, raises, a promotion, extra time off from work, etc. For example, the supervisor who provides employees comp time when they meet an objective she sets for a project.

✓ **Legitimate**

Legitimate power comes from having a position of power in an organization, such as being the boss or a key member of a leadership team. This power comes when employees in the organization recognize the authority of the individual. For example, the CEO who determines the overall direction of the company and the resource needs of the company.

Personal Power

✓ **Expert**

Expert power comes from one's experiences, skills or knowledge. As we gain experience in particular areas, and become thought leaders in those areas, we begin to gather expert power that can be utilized to get others to help us meet our goals. For example, the Project Manager who is an expert at solving particularly challenging problems to ensure a project stays on track.

✓ **Referent**

Referent power comes from being trusted and respected. We can gain referent power when others trust what we do and respect us for how we handle situations. For example, the Human Resource Associate who is known for ensuring employees are treated fairly and coming to the rescue of those who are not.

✓ **Charismatic power**

Charismatic power or power of personality comes from each leader individually. This is the power of attraction or devotion, the desire of one person to admire another.

The leaders have a personal magnetism, an air of confidence and a belief in objectives that attracts and holds followers. People follow because their emotions tell them to do so. A subordinate feels a positive attraction towards a leader by identifying himself with the leader.

As you can see, you don't have to be in a leadership or senior level role in an organization to have some form of power. In fact, the most respect is garnered on those who have personal sources of power. There is more respect for these individuals than for those who have power simply because they are the boss in the business. It has been shown that when employees in an organization associate the leadership's power with expert or referent power, they are more engaged, more devoted to the organization and their role within it. Employees are also more willing to go the extra mile to reach organizational goals.

Effective Leadership Ways to use Power

- ✓ Leaders must expand their base of power and use it in combination. Eg: if positional power is combined with referent power, it can generate great influence.
- ✓ Giving Priority to relationships
- ✓ Expand and work on communication network to boost up information power.
- ✓ Focusing on enhancing charisma
- ✓ Be the expert
- ✓ Flexible rewards for performers
- ✓ Appropriate punishments.

CHAPTER 6 CONTINGENCY THEORIES OF LEADERSHIP

✓ Fiedler's Contingency Model

The Fiedler Contingency Model was created in the mid-1960s by Fred Fiedler, a scientist who studied the personality and characteristics of leaders.

The model states that there is no one best style of leadership. Instead, a leader's effectiveness is based on the situation. This is the result of two factors – "leadership style" and "situational favorableness" (later called "situational control").

Identifying leadership style is the first step in using the model. Fiedler believed that leadership style is fixed, and it can be measured using a scale he developed called Least-Preferred Co-Worker (LPC) Scale (see Figure 1).

The scale asks you to think about the person who you've least enjoyed working with. This can be a person who you've worked with in your job, or in education or training.

You then rate how you feel about this person for each factor, and add up your scores. If your total score is high, you're likely to be a relationship-orientated leader. If your total score is low, you're more likely to be task-orientated leader.

Figure 1: Least-Preferred Co-Worker Scale

Unfriendly	1	2	3	4	5	6	7	8	Friendly
Unpleasant	1	2	3	4	5	6	7	8	Pleasant
Rejecting	1	2	3	4	5	6	7	8	Accepting
Tense	1	2	3	4	5	6	7	8	Relaxed
Cold	1	2	3	4	5	6	7	8	Warm
Boring	1	2	3	4	5	6	7	8	Interesting
Backbiting	1	2	3	4	5	6	7	8	Loyal
Uncooperative	1	2	3	4	5	6	7	8	Cooperative

Hostile	1	2	3	4	5	6	7	8	Supportive
Guarded	1	2	3	4	5	6	7	8	Open
Insincere	1	2	3	4	5	6	7	8	Sincere
Unkind	1	2	3	4	5	6	7	8	Kind
Inconsiderate	1	2	3	4	5	6	7	8	Considerate
Untrustworthy	1	2	3	4	5	6	7	8	Trustworthy
Gloomy	1	2	3	4	5	6	7	8	Cheerful
Quarrelsome	1	2	3	4	5	6	7	8	Harmonious

Tables from '[A Theory of Leadership Effectiveness](#)' by Professor F.E. Fiedler. © 1967. Reproduced with permission from Professor F.E. Fiedler.

The model says that task-oriented leaders usually view their LPCs more negatively, resulting in a lower score. Fiedler called these low LPC-leaders. He said that low LPCs are very effective at completing tasks. They're quick to organize a group to get tasks and projects done. Relationship-building is a low priority.

However, relationship-oriented leaders usually view their LPCs more positively, giving them a higher score. These are high-LPC leaders. High LPCs focus more on personal connections, and they're good at avoiding and managing conflict. They're better able to make complex decisions.

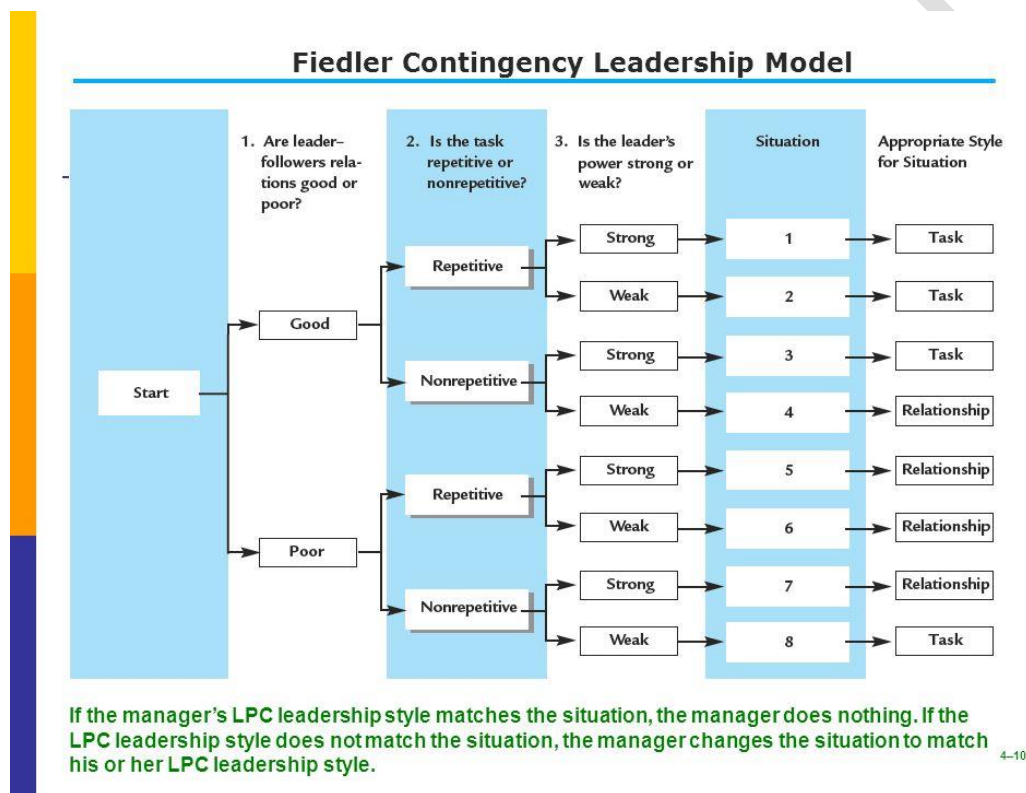
Situational Favorableness

Next, you determine the "situational favorableness" of your particular situation. This depends on three distinct factors:

Leader-Member Relations – This is the level of trust and confidence that your team has in you. A leader who is more trusted and has more influence with the group is in a more favorable situation than a leader who is not trusted.

Task Structure – This refers to the type of task you're doing: clear and structured, or vague and unstructured. Unstructured tasks, or tasks where the team and leader have little knowledge of how to achieve them, are viewed unfavorably.

Leader's Position Power – This is the amount of power you have to direct the group, and provide reward or punishment. The more power you have, the more favorable your situation. Fiedler identifies power as being either strong or weak.



Fiedler's Contingency Model is based on the idea that rather than having a single leadership style for all circumstances, the best approach is to be able to vary the leadership that is provided based on the group and task at hand.

Starting with the idea of a leader who is unable to change his or her ways, we see that Fiedler uses a scale to determine what kind of leader an individual will be.

Making up the other half of this leadership model is the idea of 'Situational Favorableness', which has three components: Leader's Position Power, Task Structure, and Leader-Member Relations.

Leader's Position Power refers to how much power is the leader being given in a situation. A strong leader is one who has a high level of power within the organization, while a weak leader is controlled from above to a greater degree.

Task Structure - structured tasks are detailed and clear as to what is expected from each of the team members, whereas unstructured tasks may be open ended or undefined in terms of the goals and missions for the team.

Leader-Member Relations refers to the relationship between the team members and the leader.

Fiedler's Contingency Model can give you some insight into the leadership styles available to you provided that you are aware of its limitations.

✓ **Path Goal Theory**

Psychologist, Robert House, developed Path-Goal Theory in 1971, and then redefined and updated it in a 1996 article in The Leadership Quarterly. Let's look at some of the elements of the theory.

Leadership Responsibilities

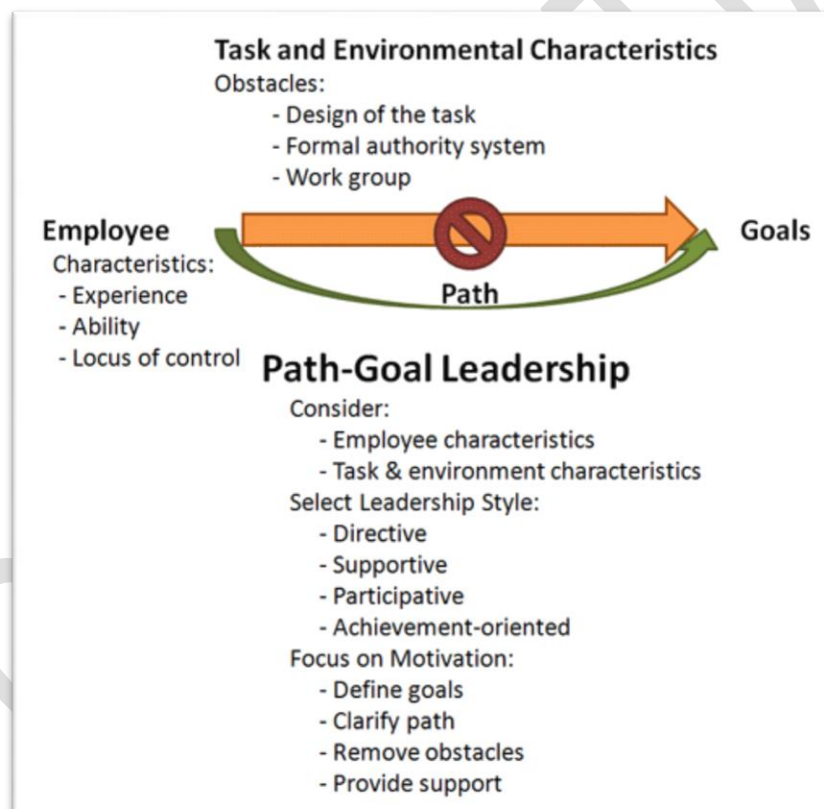
According to it, if you want your people to achieve their goals, you need to help, support, and motivate them. You can do this in three ways:

Helping them identify and achieve their goals. Clearing away obstacles, thereby improving performance. Offering appropriate rewards along the way.

To do this, you can use four different types of leadership:

- Supportive leadership – Here, you focus on relationships. You show sensitivity to individual team members' needs, and you consider your team members' best interests. This leadership style is best when tasks are repetitive or stressful.
- Directive leadership – With this, you communicate goals and expectations, and you assign clear tasks. This style works best when tasks or projects are unstructured, or when tasks are complex and team members are inexperienced.

- Participative leadership – With participative leadership, you focus on mutual participation. You consult with your group, and you consider their ideas and expertise before making a decision. This approach works best when your team members are experienced, when the task is complex and challenging, and when your team members want to give you their input.
- Achievement-oriented leadership – Here, you set challenging goals for your team. You have confidence in your team's abilities, so you expect your team to perform well, and you maintain high standards for everyone. This style works best when team members are unmotivated or unchallenged in their work.



✓ **The Hersey Blanchard Situational Leadership Theory**

Situational Leadership Theory is really the short form for "Hersey-Blanchard Situational Leadership Theory" and draws major views from contingency thinking. As the name implies, leadership depends upon each individual situation, and no single leadership style can be considered the best. For Hershey and Blanchard, tasks are different and each type of task requires a different leadership style. A good leader will be able to adapt her or his leadership to the goals or objectives to be accomplished. Goal setting, capacity to assume responsibility, education, and experience are main factors that make a leader successful. Not only is the leadership style important for a successful leader-led situation but the ability or maturity of those being led is a critical factor, as well. Leadership techniques fall out of the leader pairing her or his leadership style to the maturity level of the group.

Discussion

The Hersey-Blanchard Situational Leadership Theory has two pillars: leadership style and the maturity level of those being led. To Hersey and Blanchard, there leadership styles stem from four basic behaviors, designated with a letter-number combination:

S-1 Telling

S-2 Selling

S-3 Participating

S-4 Delegating.

The leadership style, itself, manifests itself as behavior related to the task and behavior as to relationship with the group. "Telling" behavior simply is a unidirectional flow of information from the leader to the group. Do this task in this manner because of [whatever] at this location, and get it finished by [whenever]. Transactional leadership techniques operate here. In the "selling" behavior, the leader attempts to convince the group of that the leader should lead by providing social and emotional support to the individual being convinced. There is two-way communication, but it is clear that the leader is leading. With "participating" behavior, the leader shares decision making with the group, making the system more democratic. There is less of an emphasis on

accomplishing an objective than building human relations. The fourth type of behavior in leadership style, "delegating" is reflected by parceling out tasks to group members. The leader still is in charge but there is more of an emphasis on monitoring the ones delegated with the tasks.

Four maturity levels of the group are posited by Hersey and Blanchard with letter designations:

M-1: basic incompetence or unwillingness in doing the task

M-2: inability to do the task but willing to do so

M-3: competent to do the task but do not think they can

M-4: the group is ready, willing, and able to do the task.

Each type of task may involve a different maturity level, so a person with an overall maturity level of M-3 might be only an M-1 with respect to specific work.

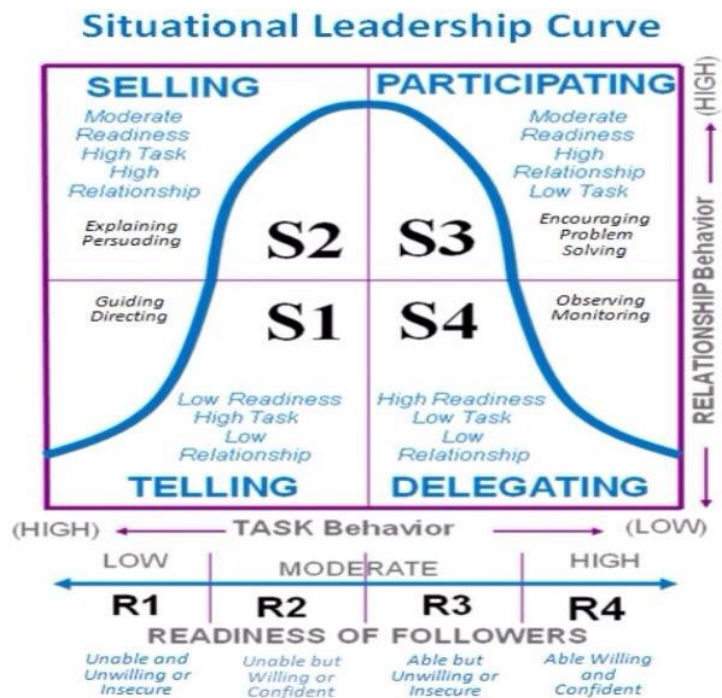
According to Hersey, ability level and willingness to do work can be cultivated by a good leader by raising the level of expectations. Blanchard overlays four permutations of competency-commitment, again, with a letter designation:

D1 - Low competence and low commitment

D2 - Low competence and high commitment

D3 - High competence and low/variable commitment

D4 - High competence and high commitment



Can one apply the Hersey-Blanchard Situational Leadership Theory to both leaders and managers? If managers are seen merely as those executing a leader's directives and with little authority (an administrator), perhaps not. On the other hand, the theory may be relevant. Each case needs to be evaluated on its own merits and people need to be aware of the limitations.

If the theory is only about getting those following to do work based on competence and willingness, then, there may be some omissions, such as situations in which neither may be relevant. Wartime, emergency situations, survival-type scenarios may need a leader, and that leader may have to do more than simply look at the willingness and competence. S/he may have to make things happen, regardless of these two factors.

If the group already has an agenda, what the leader says or does may be less relevant. This is true when the leader may not have the support of the group or have deficiencies the group has identified, making the leader less powerful to effect change.

There may not be a way of assessing accurately competence or maturity of a group, especially if there is a time limitation. As an indication of this, Goodson et al state, "Unfortunately, no absolute standard of readiness or maturity exists. ... Therefore, standardization is needed in order to clarify which subordinate populations should be considered 'ready' and which should not." There always, too, is the misjudgment of the leader, especially when there is urgency or task complexity involved. Another issue is context and dynamism. Willingness to do a task may change, and an initial judgment may be erroneous later. The scales are subjective, and context free.

CHAPTER 7 EMOTIONAL INTELLIGENCE AND LEADERSHIP

Emotional intelligence is widely known to be a key component of effective leadership. The ability to be perceptively in tune with yourself and your emotions, as well as having sound situational awareness can be a powerful tool for leading a team. The act of knowing, understanding, and responding to emotions, overcoming stress in the moment, and being aware of how your words and actions affect others, is described as emotional intelligence. Emotional intelligence for leadership can consist of these five attributes: self-awareness, self-management, empathy, relationship management, and effective communication.

You can learn to be emotionally independent and gain the attributes that allow you to have emotional intelligence by connecting to core emotions, accepting them, and being aware of how they affect your decisions and actions.

Being able to relate behaviors and challenges of emotional intelligence on workplace performance is an immense advantage in building an exceptional team. One of the most common factors that leads to retention issues is communication deficiencies that create disengagement and doubt.

A leader lacking in emotional intelligence is not able to effectively gauge the needs, wants and expectations of those they lead. Leaders who react from their emotions without filtering them can create mistrust amongst their staff and can seriously jeopardize their working relationships. Reacting with erratic emotions can be detrimental to overall culture, attitudes and positive feelings toward the company and the mission. Good leaders must be self-aware and understand how their verbal and non-verbal communication can affect the team.

What is emotional intelligence?

Emotional intelligence (EQ) is the ability to identify, use, understand, and manage your own emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges and defuse conflict. This ability also allows us to recognize and understand what others are experiencing emotionally. This recognition and understanding is, for the most part, a nonverbal process that informs thinking and influences how well you connect with others.

Emotional intelligence differs from how we think of intellectual ability, in that emotional intelligence is a learned—not acquired. This learning can take place at any time in life so the social and emotional skill set, known as emotional intelligence, is something we can all have.

It is important to remember that there is a difference, however, between learning about emotional intelligence and applying that knowledge to your life. Just because you know you *should* do something doesn't mean you will—especially when you become overwhelmed by stress, which can override your best intentions. In order to permanently change behavior in ways that stand up under pressure, you need to learn how to overcome stress in the moment, and in your relationships in order to remain emotionally aware.

According to Daniel Goleman, an American psychologist who helped to popularize EI, there are five main elements of emotional intelligence:

1. Self-awareness.
2. Self-regulation.
3. Motivation.
4. Empathy.
5. Social skills.

The more that you, as a leader, manage each of these areas, the higher your emotional intelligence. So, let's look at each element in more detail and examine how you can grow as a leader.

➤ **Emotional Intelligence in Leadership**

1. Self-awareness

If you're self-aware, you always know how you feel, and you know how your emotions and your actions can affect the people around you. Being self-aware when you're in a leadership position also means having a clear picture of your strengths and weaknesses , and it means behaving with humility

So, what can you do to improve your self-awareness?

- ✓ Keep a journal – Journals help you improve your self-awareness. If you spend just a few minutes each day writing down your thoughts, this can move you to a higher degree of self-awareness.
- ✓ Slow down – When you experience anger or other strong emotions, slow down to examine why. Remember, no matter what the situation, you can always choose how you react to it.

2. Self-regulation

Leaders who regulate themselves effectively rarely verbally attack others, make rushed or emotional decisions, stereotype people, or compromise their values. Self-regulation is all about staying in control.

This element of emotional intelligence, according to Goleman, also covers a leader's flexibility and commitment to personal accountability

So, how can you improve your ability to self-regulate?

- ✓ Know your values – Do you have a clear idea of where you absolutely will not compromise? Do you know what values are most important to you? Spend some time examining your "code of ethics." If you know what's most important to you, then you probably won't have to think twice when you face a moral or ethical decision – you'll make the right choice.
- ✓ Hold yourself accountable – If you tend to blame others when something goes wrong, stop. Make a commitment to admit to your mistakes and to face the consequences, whatever they are. You'll probably sleep better at night, and you'll quickly earn the respect of those around you.
- ✓ Practice being calm – The next time you're in a challenging situation, be very aware of how you act. Do you relieve your stress by shouting at someone else? Practice deep-breathing exercises to calm yourself. Also, try to write down all of the negative things you want to say, and then rip it up and throw it away. Expressing these emotions on paper (and not showing them to anyone!) is better than speaking them aloud to your team. What's more, this helps you challenge your reactions to ensure that they're fair!

3. Motivation

Self-motivated leaders work consistently toward their goals, and they have extremely high standards for the quality of their work.

How can you improve your motivation?

- ✓ Re-examine why you're doing your job – It's easy to forget what you really love about your career. So, take some time to remember why you wanted this job.
- ✓ Know where you stand – Determine how motivated you are to lead. It can help you see clearly how motivated you are in your leadership role. If you need to increase your motivation to lead, it directs you to resources that can help.
- ✓ Be hopeful and find something good – Motivated leaders are usually optimistic, no matter what problems they face. Adopting this mindset might take practice, but it's well worth the effort.
- ✓ Every time you face a challenge, or even a failure, try to find at least one good thing about the situation. It might be something small, like a new contact, or something with long-term effects, like an important lesson learned. But there's almost always something positive, if you look for it.

4. Empathy

For leaders, having empathy is critical to managing a successful team or organization. Leaders with empathy have the ability to put themselves in someone else's situation. They help develop the people on their team, challenge others who are acting unfairly, give constructive feedback, and listen to those who need it.

If you want to earn the respect and loyalty of your team, then show them you care by being empathic.

How can you improve your empathy?

- ✓ Put yourself in someone else's position – It's easy to support your own point of view. After all, it's yours! But take the time to look at situations from other people's perspectives.

- ✓ Pay attention to body language – Perhaps when you listen to someone, you cross your arms, move your feet back and forth, or bite your lip. This body language tells others how you really feel about a situation, and the message you're giving isn't positive! Learning to read body language can be a real asset in a leadership role, because you'll be better able to determine how someone truly feels. This gives you the opportunity to respond appropriately.
- ✓ Respond to feelings – You ask your assistant to work late – again. And although he agrees, you can hear the disappointment in his voice. So, respond by addressing his feelings. Tell him you appreciate how willing he is to work extra hours, and that you're just as frustrated about working late. If possible, figure out a way for future late nights to be less of an issue (for example, give him Monday mornings off).

5. Social skills

Leaders who do well in the social skills element of emotional intelligence are great communicators. They're just as open to hearing bad news as good news, and they're expert at getting their team to support them and be excited about a new mission or project.

Leaders who have good social skills are also good at managing change and resolving conflicts diplomatically. They're rarely satisfied with leaving things as they are, but they don't sit back and make everyone else do the work: They set an example with their own behavior.

So, how can you build social skills?

- ✓ Learn conflict resolution – Leaders must know how to resolve conflicts between their team members, customers, or vendors. Learning conflict resolution skills is vital if you want to succeed.
- ✓ Improve your communication skills – How well do you communicate?
- ✓ Learn how to praise others – As a leader, you can inspire the loyalty of your team simply by giving praise when it's earned. Learning how to praise others is a fine art, but well worth the effort.

To be effective, leaders must have a solid understanding of how their emotions and actions affect the people around them. The better a leader relates to and works with others, the more successful he or she will be.

Take the time to work on self-awareness, self-regulation, motivation, empathy, and social skills. Working on these areas will help you excel in the future!

Why is emotional intelligence so important?

As we know, it's not the smartest people that are the most successful or the most fulfilled in life. You probably know people who are academically brilliant and yet are socially inept and unsuccessful at work or in their personal relationships. Intellectual intelligence (IQ) isn't enough on its own to be successful in life. Yes, your IQ can help you get into college, but it's your emotional intelligence (EQ) that will help you manage the stress and emotions when facing your final exams. IQ and EQ exist in tandem and are most effective when they both are elevated and building off one another.

Emotional intelligence affects:

- **Your performance at work.** Emotional intelligence can help you navigate the social complexities of the workplace, lead and motivate others, and excel in your career. In fact, when it comes to gauging job candidates, many companies now view emotional intelligence as being as important as technical ability and use EQ testing before hiring.
- **Your physical health.** If you're unable to manage your emotions, you probably are not managing your stress either. This can lead to serious health problems. Uncontrolled stress can raise blood pressure, suppress the immune system, increase the risk of heart attack and stroke, contribute to infertility, and speed up the aging process. The first step to improving emotional intelligence is to learn how to relieve stress.
- **Your mental health.** Uncontrolled emotions and stress can also impact your mental health, making you vulnerable to anxiety and depression. If you are unable to understand, be comfortable with, and manage your emotions, you'll be at risk of being unable to form strong relationships which can leave you feeling lonely and isolated.
- **Your relationships.** By understanding your emotions and how to control them, you're better able to express how you feel and understand how others are feeling. This allows you to communicate more effectively and forge stronger relationships, both at work and in your personal life.

CHAPTER 8 LEADERSHIP AND EMPOWERMENT

Concept of Empowerment

Empowerment is defined as “the giving or delegation of power or authority; authorization; the giving of ability; enablement or permission”.

Empowerment can be defined as giving others authority to reach their goals as they see fit. Empowerment provides others the opportunities to make their own decisions and choices. The ultimate goal of empowerment is developing an environment of trust, where every team member is accountable for their own actions. So why wouldn't every leader want to empower others to become strong decision-makers and execute responsible choices? Perhaps some leaders just aren't sure how to empower their teams or they might not have the confidence to lead in an open way. Here are some ways to begin to create an empowered team:

- Share information with everyone. By informing every one of the true issues, concerns and obstacles, nobody is left in the dark with a lack of knowledge. Everyone can then make decisions on an equal playing field.
- Offer skills training or mentoring to anyone who needs to improve to make stronger and wiser decisions. The worst thing a leader can do is telling their team to make an important decision without providing them with the skills, knowledge and strategies to be successful.
- Coach team members to develop self-confidence in making choices and forging direction. By helping others see their value and worth, leaders are developing future leaders, whom they will be able to rely on and collaborate with. Team members who possess positive self-images and confidence in the way they tackle challenges can add greatly to the performance of a team.
- Encourage others to assert themselves and share ideas so that all suggestions are offered and evaluated. If others feel that what they have to say will not be considered or valued, critical opinions will be overlooked. The result of missing analyses can lead to a team not voting on the best choice, or even a misguided choice.

When a leader is successful in creating a culture of empowerment, each team member feels responsible to the team and part of the decision-making process. Each empowered individual senses a belonging to the team's mission and will continue to make valuable contributions. The concept of "We are all in this together" permeates and a trusting workplace evolves.

➤ **Characteristics of an Employee Empowered Culture**

Empowerment is a buzz term that we hear a lot about in leadership.

Empowerment is based on the belief that employees have the ability – and want to take on more responsibility. Empowerment is a way to give employees greater authority and responsibility to take care of the needs of the customer and to provide employees with the means for making influential decisions. Everyone within an organization should be involved in managing customer expectations and improving quality. Empowered employees understand their role in supporting the vision by taking care of the needs of the customers.

➤ **Some Characteristics of an Empowered Culture:**

1. Top management is committed to supporting an employee empowered culture. This includes developing an organizational definition of empowerment that may include well defined boundaries and management training on how to coach empowered employees.
2. Employee empowerment is centered on the needs of the customer. When employees are empowered to make decisions that help the customer, they are contributing to the strategy and business objectives of the organization.
3. Management hands over a level of the decision making power to front line employees. This act of delegation may be something as simple as allowing an employee to make service recovery decisions.
4. Employees are trained to take on these new customer focused responsibilities. Training may include customer service, problem solving, and negotiation and conflict resolution skills.
5. Empowered employees are given access to information and data that can be used in their decision making process. This information might include feedback from customer satisfaction surveys or customer comment cards that can help make informed customer-focused decisions.

6. Managers have trust and confidence in employees to make the right decision. A manager that second-guesses an employee's decisions can impact an employee's confidence in their decision making ability.

7. Authority and decision making responsibility comes with specific expectations and boundaries. For example, an employee may be empowered to correct a situation for a customer up to a certain dollar amount.

8. Employees are provided mentors. Mentors should be someone who has successfully done something that the employee is learning to do. For example, if an employee is learning to be empowered to perform service recovery, their mentor should be someone who has learned the critical thinking skills to assess different situations and come to reasonable conclusions.

9. As employees develop their skills, they are provided positive reinforcement and coaching as they maneuver different decision making scenarios. We all make mistakes when we first begin making decisions so it is important to provide good coaching and positive reinforcement.

10. Compensation and performance expectations are aligned around customer needs. This reinforces an employee's motivation to make the right decisions.

11. Assess social styles to match employee competencies with job responsibilities. Using an effective assessment tool like DISC or Myers Briggs can help identify employee strengths.

12. Employees are provided the appropriate tools and equipment to do their job. Some employees are very vocal about their needs but others will work with aging equipment and never speak up. Assessing changing technology and equipment should be part of an organization's strategy for empowered employees.

13. Have a plan to implement an empowerment environment. Implementation should be mapped out and a timeline for all aspects should be written so all understand the timing and process of implementation.

Lastly, organizations with strong empowerment models show that productivity and customer satisfaction improves within an empowered culture.

How can leaders empower their team and the employees?

- Empowering leaders encourage team members to engage in role exchanges and collective investigation in the early life of the team as they learn about the project or task environment and each other's expertise to foster routines to coordinate their behaviors.
- Because of the critical role of team learning in empowered teams, managers who seek to adopt an empowered leadership style also should focus their efforts on facilitating team learning and information sharing.
- Leaders of empowered teams need to encourage risk taking and experimentation to spur the development of a psychologically safe team environment.
- Empowering leaders who genuinely value the input of their team members and allow them to fail without repercussions may be best able to cultivate an autonomous learning environment.
- Leaders who attempt to fake an empowering manner without any real willingness to sacrifice their own authority may be thought of as disingenuous, and the team may never develop to the levels needed for learning.

➤ Coaching and Empowerment

Subordinate development is the key role of any leader and thus coaching is an essential leadership competency. One of the primary roles of the leader is to enhance skills and performance of the team members. Leader as a coach helps by identifying problems and guiding employees in the right direction. Coaching is all about providing skill, motivation, and building self-confidence.

So, a coach is an enabler who empowers by

- Providing direction
- New knowledge and information
- On the job training and skills
- Resources
- Support and encouragement
- Creating ownership and involvement.

How Does Coaching & Mentoring Work to Empower Employees?

Coaching and mentoring serve as learning tools in the workplace that can lead to empowering your employees. The employees who are coached and mentored often receive the greatest benefit, but the coach or mentor also benefits and may feel a sense of empowerment from the relationship. Understanding the dynamics and outcomes of this type of workplace learning strategy helps you evaluate the need for a coaching program in your small business.

Coaching and mentoring gives new employees a hands-on training program to learn job expectations. Instead of throwing a new employee right into the position, he gets a support system and an interactive learning situation that may engender more on-the-job confidence. Mentored employees may often feel a greater sense of understanding of what is required of them in their jobs because they get one-on-one job training, support and the advice of an experienced employee. When an employee receives this kind of personalized training, he may feel empowered to fully perform his job duties.

Goal Setting

Coaching and mentoring often includes goal setting for the employee. The mentor helps the new employee set specific goals related to the job. The two work together to create a plan to reach those goals. Mentors can customize objectives and support that that employee needs for his particular role. The mentor is also available as a resource if the new employee needs support along the way to be successful. Having a set of challenging goals is motivating and empowers the employee to work beyond the minimum requirements.

Independence

A mentor provides support for a new employee, but the ultimate goal is to empower the employee to work independently with the skills she has learned. The ability to work successfully on her own brings a sense of empowerment as she gains independence in the workplace. While employees feel confident to work independently, the mentoring program creates a sense of teamwork and often boosts morale for your employees. This positive work environment continues to empower employees in their work.

Coach or Mentor Empowerment

The experienced employee who serves as the coach or mentor is able to show his knowledge and skill in the industry. This added challenge can boost his confidence and give him a sense of empowerment in his own work. In some cases, the employee's mentors push him to learn new skills in the industry. The collaboration between coach and mentor can lead to new ideas and achievements to aid them both in succeeding.

Difference between Mentoring and Coaching

+ Mentoring –vs– Coaching

Mentoring	Coaching
Ongoing relationship that can last for a long period of time	Relationship generally has a set duration
Can be more informal and meetings can take place as and when the mentee needs some advice, guidance or support	Generally more structured in nature and meetings are scheduled on a regular basis
More long-term and takes a broader view of the person	Short-term (sometimes time-bounded) and focused on specific development areas/issues
Mentor is usually more experienced and qualified than the 'mentee'. Often a senior person in the organisation who can pass on knowledge, experience and open doors to otherwise out-of-reach opportunities	Coaching is generally not performed on the basis that the coach needs to have direct experience of their client's formal occupational role, unless the coaching is specific and skills-focused
Focus is on career and personal development	Focus is generally on development/issues at work
Agenda is set by the mentee, with the mentor providing support and guidance to prepare them for future roles	The agenda is focused on achieving specific, immediate goals
Mentoring revolves more around developing the mentee professional	Coaching revolves more around specific development areas/issues

CHAPTER 9 ETHICS IN LEADERSHIP

When we say “the buck stops here,” what do we mean? When it comes to ethics, it means that we look to leaders to “lead” on ethics, and take responsibility for the results. Philosophers have been discussing ethical leadership (what leaders should do) for quite some time.

Leaders who lead ethically are role models, communicating the importance of ethical standards, holding their employees accountable to those standards, and- crucially- designing environments in which others work and live. Ethical leadership has been shown to cause a host of positive outcomes, and to reduce the risk of many negative outcomes. Leadership may therefore be the most important lever in an ethical system designed to support ethical conduct.

Ethical leadership is leadership that is directed by respect for ethical beliefs and values and for the dignity and rights of others. It is thus related to concepts such as trust, honesty, consideration, charisma and fairness. Leaders know what they value. They also recognize the importance of ethical behavior.

Even the meaning of “ethics” is open to interpretation. Some of the different ways that the term is defined:

Situational ethics. What’s right depends on the context of the situation. What’s right in one situation may be wrong in another.

Cultural relativism. Whatever a culture deems right is ethical for that culture. No one has any right to judge the ethics of another culture except on its own terms.

Professional ethics. Many professions – law, medicine, and psychotherapy are perhaps the most familiar, but the list is long and varied – have their own specific codes of ethics, which all members of those professions are expected to follow. Members of those professions are considered ethical in their practice if they adhere to the code of their profession.

Value-based ethics. The assumption here is that everyone has a set of values she lives by. A person is behaving ethically if her behavior matches her values.

Rule-based ethics. If you follow the rules – of your organization, your peer group, your culture, your religion, etc. – you’re behaving ethically.

Ethical leadership

Ethical leadership really has two elements. First, ethical leaders must act and make decisions ethically, as must ethical people in general. But, secondly, ethical leaders must also lead ethically in the ways they treat people in everyday interaction, in their attitudes, in the ways they encourage, and in the directions in which they steer their organizations or institutions or initiatives.

Ethical leadership is both visible and invisible. The visible part is in the way the leader works with and treats others, in his behavior in public, in his statements and his actions. The invisible aspects of ethical leadership lie in the leader's character, in his decision-making process, in his mindset, in the set of values and principles on which he draws, and in his courage to make ethical decisions in tough situations.

Ethical leaders are ethical all the time, not just when someone's looking; and they're ethical over time, proving again and again that ethics are an integral part of the intellectual and philosophical framework they use to understand and relate to the world.

Some important components of ethical leadership are as follows-

- The ability to put aside your ego and personal interests for the sake of the cause you support, the organization you lead, the needs of the people you serve, and/or the greater good of the community or the world.
- The willingness to encourage and take seriously feedback, opinions different from your own, and challenges to your ideas and proposed actions.
- The encouragement of leadership in others.
- Making the consideration and discussion of ethics and ethical questions and issues part of the culture of the group, organization, or initiative.
- Maintaining and expanding the competence that you owe those who trust you to lead the organization in the right direction and by the best and most effective methods.
- Accepting responsibility and being accountable.

Perhaps most important, understanding the power of leadership and using it well – sharing it as much as possible, never abusing it, and exercising it only when it will benefit the individuals or organization you work with, the community, or the society.

Why should leaders practice ethical leadership?

Most people would probably agree that leaders ought to be ethical (although there might be a lot of disagreement about what that means), but there are a number of good reasons why ethical leadership makes sense.

Ethical leadership models ethical behavior to the organization and the community. Leaders are role models. If you want your organization or initiative – and those who work in it – to behave ethically, then it's up to you to model ethical behavior. A leader – and an organization – that has a reputation for ethical behavior can provide a model for other organizations and the community, as well.

Ethical leadership builds trust. Leadership – except leadership gained and maintained through the use of force and intimidation – is based on trust. People will follow an ethical leader because they know they can trust him to do the right thing as he sees it.

Ethical leadership brings credibility and respect, both for you and the organization. If you've established yourself as an ethical leader, individuals and groups within and outside the organization, will respect you and your organization for your integrity.

Ethical leadership can lead to collaboration. Other organizations will be much more willing to collaborate with you if they know that you'll always deal with them ethically.

Ethical leadership creates a good climate within the organization. If everyone in the organization knows that power will be shared and not abused, that they'll be dealt with respectfully and straightforwardly, that they'll have the power to do their jobs, and that the organization as a whole will operate ethically in the community, they're likely to feel more secure, to work well together, and to be dedicated to the organization and its work.

If you have opposition, or are strongly supporting a position, ethical leadership allows you to occupy the moral high ground. This is especially important if your opposition is ethical as well. You can look very small in comparison if your ethical standards are not up to theirs, discrediting your cause and alienating your allies.

Ethical leadership is simply the right way to go. Everyone has an obligation to themselves, to their organization, to the community, and to society to develop a coherent ethical system that seeks to make the world a better place. Leaders, for the reasons already stated, and because of the responsibilities of leadership, have a particular obligation in this respect.

Ethical leadership affords self-respect. Because you know that you consistently consider the ethics of your decisions, actions, and interactions, you can sleep at night and face yourself in the morning without questioning your own integrity.

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CHAPTER 10 GREAT BUSINESS LEADERS OF INDIA

▪ **Ratan Tata**

He became the chairman of the famed Tata Group in 1991 replacing his father JRD Tata. He was the guiding force behind Tata Consultancy Services when it started issuing shares and the listing of Tata Motors on the New York Stock Exchange.

The Tata Indica range introduced in 1998 was pioneered by him. Another major achievement on his part was the acquisition of an Anglo-Dutch aluminium and steel producer Corus Group. Sealed on January 31, 2007 this deal helped to create the 5th biggest steel producing company of the world.

Yet another successful acquisition was from Ford Motor Company of Jaguar & Land Rover. He had also envisaged a car that would be worth only INR 1 lakh. This dream was fulfilled with the Nano that was shown for the first time on January 10, 2008 at the New Delhi Auto Expo. It was formally introduced on March 23, 2009.

▪ **Adi Godrej**

The Chairman of the Godrej Group, Adi Godrej is responsible for the success attained by the organization even during the times when the Indian economy was not liberalized.

Besides being an industrialist, Godrej is a philanthropist and has been able to organize and update the management set-ups in the company and also effected several procedural betterments.

Once the national economy was liberalized, he changed the organizational policies to deal with the new challenges. In the early part of 2000s the organization concluded a decade long reformation process whereby every business was converted into an independent entity.

He has been a prominent advocate of the WWF (World Wildlife Fund) and has set up in Mumbai's Vikhroli Township an environment friendly business campus. It has a mangrove forest spanning 150 acres as well as a school for employees'

- **Azim Premji**

The Chairman of Wipro Limited took control of the family business in 1966 when he was only 21 year old due to the demise of his father MH Premji. The organization was then known as the Western India Vegetable Product Company.

Thanks to his guidance, the organization has started a period of diversification and growth that can be termed as ambitious. It started by making light bulbs and soon ventured into the following consumer products: Soaps, Shampoos, Baby care products and Powder

The company entered the information technology market during 1980s after the IBM was expelled during 1975. The Wipro Chairman is known to be an economical and modest man even though he has considerable wealth. He presently owns a Toyota Corolla, likes company guest houses over hotels, and travels in economy class.

Business Week has declared him to be one of the leading global entrepreneurs. The Wesleyan University of Middletown, Connecticut conferred on him an honorary doctorate. The recognition was for his stupendous philanthropic activities.

- **Mukesh Ambani**

The Managing Director and Chairman of Reliance Industries is one of the richest men in both Asia and the world and his own wealth is in excess of 1,45,000 Crores. He became a part of the organization during 1991 and was responsible for the biggest grassroots petroleum refinery of the world at Jamnagar.

As of now its capacity is approximately 33 million tons per year or 1.2 million barrels every day. The organization also focuses on other areas like the following: Petrochemicals, Ports and other infrastructure connected to them and Power

The company has also bought a lot of stake in shale gas properties previously owned by Pioneer Natural Resources, and Atlas Energy Inc.

Recently ventured in the telecom segment as GIO.

- **Kumar Mangalam Birla**

The Chairman of the Aditya Birla Group is a qualified chartered accountant who is also a London Business School MBA and Honorary Fellow. He has served in a wide variety of responsibilities such as the Chairman of SEBI Committee on Corporate Governance, and the Chairman of the same organization's Insider Trading Committee.

He is also credited with India's first ever corporate governance report. He is also the Chancellor of BITS Pilani and its other branches at Hyderabad, Dubai, and Goa. He also serves as the GD Birla Medical Research and Education Foundation director.

- **Anand Mahindra**

The Managing Director and Chairman of Mahindra & Mahindra Ltd was employed as a Deputy Managing Director during 1991. During April 1997 he became the MD and became the Vice Chairman during January 2003.

He was one of the promoters of the Kotak Mahindra Finance, which became a bank during 2003. He has also co-founded the Harvard Business School Association of India. Yet another important milestone in his career has been Tech Mahindra's acquisition of Satyam Computer in 2009.

- **Yogesh Chander Deveshwar**

He is the Chairman of ITC Limited. He rejoined the organization in 1994 and was employed as a full time vice chairman and director. He assumed the position of Chairman in 1996. He was the moving force behind ITC's rise as one of the leading providers of fast moving consumer goods in India.

- **Chanda Kochhar**

She is the CEO and MD of the ICICI Bank- she assumed control of the bank from KV Kamath during May 2009. From 2005 onwards she has been a regular feature of the "Most Powerful Women in Business" list brought out by Fortune Magazine. She was inducted in the "World's 100 Most Powerful Women List" of Forbes during 2009.

- **Aditya Puri**

The Managing Director of HDFC Bank has held that post from September 1994 onwards and has worked in the Indian and international banking sector for 38 years. He has also served between 1992 and 1994 as the Citibank Malaysia CEO.

- **Narayana Murthy**

The chief mentor and founder of Infosys acted as its CEO for a 21 year period between 1981 and 2002 after which he relinquished the position. At present, he has widened his horizon to global promotion of India and social services.

He has initiated a venture fund named Catamaran Venture Fund with the funds he got after he sold 800,000 shares of Infosys that were worth INR 174 crores. Sudha Murthy, his wife, also pitched in with INR 430 crores, an amount she earned after selling her shares in the company.

Murthy has stated that he wants Infosys to be an organization where people from various countries, religions, and races work in a very spirited yet pleasant, distinguished, and polite environment to give the clients the maximum possible value.

- **Kiran Mazumdar-Shaw**

The Managing Director and Chairman of Biocon Ltd started the organization with an initial capital of INR 10 thousand in 1978. Its first operation was enzyme extraction from papayas.

She had applied for loans at that time but was rejected because her company did not have sufficient assets and biotechnology was a new field back then. In the next few years the company has continued to grow in her guidance and is now the largest biopharmaceutical organization in the country.

- **Subramaniam Ramadorai**

The Vice Chairman of Tata Consultancy Services and present Tata Elxsi Chairman started his professional journey as a junior engineer. In 1979 he was given the responsibility of establishing the organization's US operations starting with New York City.

He led the quality programs of the organization and took 16 Development Centers of TCS to the Software Engineering Institute's CMM Level 5, which is the most important and best performance appraisal of the organization.

- **Shiv Nadar**

The Chairman of HCL Technologies started an organization named Microcomp for selling teledigital calculators in India and the brand was Televista. HCL was established with an initial capital of INR 187 thousand from its founders in 1976. The UP government also became an equity partner with 26% shares. HCL Technologies went public in 1999 under the guidance of Nadar.

- **Sunil Bharti Mittal**

In April 1976, at the tender age of 18 years Mittal, the Managing Director and Chairman of Bharti Enterprises started making crankshafts for local bicycle makers and this was his first business. He started with a capital of INR 20 thousand, loaned from his father.

He sold the yarn and bicycle parts factories in 1980 and went to Mumbai in 1984 where he began assembling push-button phones. He was successful in winning one of the 4 licenses that were initially auctioned in India in 1992.

The government consented to his plans in 1994 and he initiated, in 1995, the services in Delhi. His organization Bharti Cellular Limited started the brand AirTel. During November 2006 he entered into a joint venture with Wal-Mart and started several retail outlets across the country.

He started Bharti Comtel in July 2006 with several important officials from NIS Sparta, and Reliance ADAG. In recent years, he has bought the Kuwait based Zain Telecom.

- **Brijmohan Lall Munjal**

The founder of the Hero Group started with a business of providing components to bicycle manufacturers in Amritsar and near the city during the late 1940s. They increased their distribution network gradually and by the first half of the 1950s their business had spread all over the country.

Hero Cycles Ltd upgraded its business activities to manufacturing from just supplying from 1954 onwards. In 1984 it entered into a joint venture with the Honda Group from Japan to start making motorcycles.