**Unit V**

**Leadership**: Introduction, Leadership Theories - Trait Theories, Behavioural Theories and Situational Theories

**What is Leadership?**

Leadership is a process by which an executive can direct, guide and influence the behavior and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.

Leadership is the potential to influence behaviour of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

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

**Characteristics of Leadership**

1. It is a inter-personal process in which a manager is into influencing and guiding workers towards attainment of goals.
2. It denotes a few qualities to be present in a person which includes intelligence, maturity and personality.
3. It is a group process. It involves two or more people interacting with each other.
4. A leader is involved in shaping and moulding the behaviour of the group towards accomplishment of organizational goals.
5. Leadership is situation bound. There is no best style of leadership. It all depends upon tackling with the situations.

# **Importance of Leadership**

Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. The following points justify the importance of leadership in a concern.

1. **Initiates action-** Leader is a person who starts the work by communicating the policies and plans to the subordinates from where the work actually starts.
2. **Motivation-** A leader proves to be playing an incentive role in the concern’s working. He motivates the employees with economic and non-economic rewards and thereby gets the work from the subordinates.
3. **Providing guidance-** A leader has to not only supervise but also play a guiding role for the subordinates. Guidance here means instructing the subordinates the way they have to perform their work effectively and efficiently.
4. **Creating confidence-** Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively. It is also important to hear the employees with regards to their complaints and problems.
5. **Building morale-** Morale denotes willing co-operation of the employees towards their work and getting them into confidence and winning their trust. A leader can be a morale booster by achieving full co-operation so that they perform with best of their abilities as they work to achieve goals.
6. **Builds work environment-** Management is getting things done from people. An efficient work environment helps in sound and stable growth. Therefore, human relations should be kept into mind by a leader. He should have personal contacts with employees and should listen to their problems and solve them. He should treat employees on humanitarian terms.
7. **Co-ordination-** Co-ordination can be achieved through reconciling personal interests with organizational goals. This synchronization can be achieved through proper and effective co-ordination which should be primary motive of a leader.

# **Role of a Leader**

Following are the main roles of a leader in an organization :

1. **Required at all levels-** Leadership is a function which is important at all [levels of management](https://www.managementstudyguide.com/management_levels.htm). In the top level, it is important for getting co-operation in formulation of plans and policies. In the middle and lower level, it is required for interpretation and execution of plans and programmes framed by the top management. Leadership can be exercised through guidance and counseling of the subordinates at the time of execution of plans.
2. **Representative of the organization-** A leader, i.e., a manager is said to be the representative of the enterprise. He has to represent the concern at seminars, conferences, general meetings, etc. His role is to communicate the rationale of the enterprise to outside public. He is also representative of the own department which he leads.
3. **Integrates and reconciles the personal goals with organizational goals-** A leader through leadership traits helps in reconciling/ integrating the personal goals of the employees with the organizational goals. He is trying to co-ordinate the efforts of people towards a common purpose and thereby achieves objectives. This can be done only if he can influence and get willing co-operation and urge to accomplish the objectives.
4. **He solicits support-** A leader is a manager and besides that he is a person who entertains and invites support and co-operation of subordinates. This he can do by his personality, intelligence, maturity and experience which can provide him positive result. In this regard, a leader has to invite suggestions and if possible implement them into plans and programmes of enterprise. This way, he can solicit full support of employees which results in willingness to work and thereby effectiveness in running of a concern.
5. **As a friend, philosopher and guide-** A leader must possess the three dimensional traits in him. He can be a friend by sharing the feelings, opinions and desires with the employees. He can be a philosopher by utilizing his intelligence and experience and thereby guiding the employees as and when time requires. He can be a guide by supervising and communicating the employees the plans and policies of top management and secure their co-operation to achieve the goals of a concern. At times he can also play the role of a counselor by counseling and a problem-solving approach. He can listen to the problems of the employees and try to solve them.

# **Qualities of a Leader**

A leader has got multidimensional traits in him which makes him appealing and effective in behavior. The following are the requisites to be present in a good leader:

1. **Physical appearance-** A leader must have a pleasing appearance. Physique and health are very important for a good leader.
2. **Vision and foresight-** A leader cannot maintain influence unless he exhibits that he is forward looking. He has to visualize situations and thereby has to frame logical programmes.
3. **Intelligence-** A leader should be intelligent enough to examine problems and difficult situations. He should be analytical who weighs pros and cons and then summarizes the situation. Therefore, a positive bent of mind and mature outlook is very important.
4. **Communicative skills-** A leader must be able to communicate the policies and procedures clearly, precisely and effectively. This can be helpful in persuasion and stimulation.
5. **Objective-** A leader has to be having a fair outlook which is free from bias and which does not reflects his willingness towards a particular individual. He should develop his own opinion and should base his judgement on facts and logic.
6. **Knowledge of work-** A leader should be very precisely knowing the nature of work of his subordinates because it is then he can win the trust and confidence of his subordinates.
7. **Sense of responsibility-** Responsibility and accountability towards an individual’s work is very important to bring a sense of influence. A leader must have a sense of responsibility towards organizational goals because only then he can get maximum of capabilities exploited in a real sense. For this, he has to motivate himself and arouse and urge to give best of his abilities. Only then he can motivate the subordinates to the best.
8. **Self-confidence and will-power-** Confidence in himself is important to earn the confidence of the subordinates. He should be trustworthy and should handle the situations with full will power.
9. **Humanist-**This trait to be present in a leader is essential because he deals with human beings and is in personal contact with them. He has to handle the personal problems of his subordinates with great care and attention. Therefore, treating the human beings on humanitarian grounds is essential for building a congenial environment.
10. **Empathy-** It is an old adage “Stepping into the shoes of others”. This is very important because fair judgement and objectivity comes only then. A leader should understand the problems and complaints of employees and should also have a complete view of the needs and aspirations of the employees. This helps in improving human relations and personal contacts with the employees.

From the above qualities present in a leader, one can understand the scope of leadership and it’s importance for scope of business. A leader cannot have all traits at one time. But a few of them helps in achieving effective results.

# **Leadership and Management - Relationship & Differences**

Leadership and management are the terms that are often considered synonymous. It is essential to understand that leadership is an essential part of effective management. As a crucial component of management, remarkable leadership behaviour stresses upon building an environment in which each and every employee develops and excels. Leadership is defined as the potential to influence and drive the group efforts towards the accomplishment of goals. This influence may originate from formal sources, such as that provided by acquisition of managerial position in an organization.

A manager must have traits of a leader, i.e., he must possess leadership qualities. Leaders develop and begin strategies that build and sustain competitive advantage. Organizations require robust leadership and robust management for optimal organizational efficiency.

### Differences between Leadership and Management

Leadership differs from management in a sense that:

1. While managers lay down the structure and delegates authority and responsibility, leaders provides direction by developing the organizational vision and communicating it to the employees and inspiring them to achieve it.
2. While management includes focus on planning, organizing, staffing, directing and controlling; leadership is mainly a part of directing function of management. Leaders focus on listening, building relationships, teamwork, inspiring, motivating and persuading the followers.
3. While a leader gets his authority from his followers, a manager gets his authority by virtue of his position in the organization.
4. While managers follow the organization’s policies and procedure, the leaders follow their own instinct.
5. Management is more of science as the managers are exact, planned, standard, logical and more of mind. Leadership, on the other hand, is an art. In an organization, if the managers are required, then leaders are a must/essential.
6. While management deals with the technical dimension in an organization or the job content; leadership deals with the people aspect in an organization.
7. While management measures/evaluates people by their name, past records, present performance; leadership sees and evaluates individuals as having potential for things that can’t be measured, i.e., it deals with future and the performance of people if their potential is fully extracted.
8. If management is reactive, leadership is proactive.
9. Management is based more on written communication, while leadership is based more on verbal communication.

The organizations which are over managed and under-led do not perform upto the benchmark. **Leadership accompanied by management sets a new direction and makes efficient use of resources to achieve it**. Both leadership and management are essential for individual as well as organizational success.

# **Leader versus Manager**

“Leadership and managership are two synonymous terms” is an incorrect statement. Leadership doesn’t require any managerial position to act as a leader. On the other hand, a manager can be a true manager only if he has got the traits of leader in him. By virtue of his position, manager has to provide leadership to his group. A manager has to perform all five functions to achieve goals, i.e., [Planning](https://www.managementstudyguide.com/planning_function.htm), [Organizing](https://www.managementstudyguide.com/organizing_function.htm), Staffing, [Directing](https://www.managementstudyguide.com/directing_function.htm), and Controlling. Leadership is a part of these functions. Leadership as a general term is not related to managership. A person can be a leader by virtue of qualities in him. For example: leader of a club, class, welfare association, social organization, etc. Therefore, it is true to say that, “All managers are leaders, but all leaders are not managers.”

A leader is one who influences the behavior and work of others in group efforts towards achievement of specified goals in a given situation. On the other hand, manager can be a true manager only if he has got traits of leader in him. Manager at all levels are expected to be the leaders of work groups so that subordinates willingly carry instructions and accept their guidance. A person can be a leader by virtue of all qualities in him.

Leaders and Managers can be compared on the following basis:

|  |  |  |
| --- | --- | --- |
| **Basis** | **Manager** | **Leader** |
| Origin | A person becomes a manager by virtue of his position. | A person becomes a leader on basis of his personal qualities. |
| Formal Rights | Manager has got formal rights in an organization because of his status. | Rights are not available to a leader. |
| Followers | The subordinates are the followers of managers. | The group of employees whom the leaders leads are his followers. |
| Functions | A manager performs all five functions of management. | Leader influences people to work willingly for group objectives. |
| Necessity | A manager is very essential to a concern. | A leader is required to create cordial relation between person working in and for organization. |
| Stability | It is more stable. | Leadership is temporary. |
| Mutual Relationship | All managers are leaders. | All leaders are not managers. |
| Accountability | Manager is accountable for self and subordinates behaviour and performance. | Leaders have no well defined accountability. |
| Concern | A manager’s concern is organizational goals. | A leader’s concern is group goals and member’s satisfaction. |
| Followers | People follow manager by virtue of job description. | People follow them on voluntary basis. |
| Role continuation | A manager can continue in office till he performs his duties satisfactorily in congruence with organizational goals. | A leader can maintain his position only through day to day wishes of followers. |
| Sanctions | Manager has command over allocation and distribution of sanctions. | A leader has command over different sanctions and related task records. These sanctions are essentially of informal nature. |

# **Leadership Styles - Important Leadership Styles**

All leaders do not possess same attitude or same perspective. As discussed earlier, few leaders adopt the carrot approach and a few adopt the stick approach. Thus, all of the leaders do not get the things done in the same manner. Their style varies. The leadership style varies with the kind of people the leader interacts and deals with. A perfect/standard leadership style is one which assists a leader in getting the best out of the people who follow him.

**Some of the important leadership styles are as follows:**

|  |  |  |
| --- | --- | --- |
| https://www.managementstudyguide.com/images/tick.gif | **Autocratic leadership style:** In this style of leadership, a leader has complete command and hold over their employees/team. The team cannot put forward their views even if they are best for the team’s or organizational interests. They cannot criticize or question the leader’s way of getting things done. The leader himself gets the things done. The advantage of this style is that it leads to speedy decision-making and greater productivity under leader’s supervision. Drawbacks of this leadership style are that it leads to greater employee absenteeism and turnover. This leadership style works only when the leader is the best in performing or when the job is monotonous, unskilled and routine in nature or where the project is short-term and risky. |  |
| https://www.managementstudyguide.com/images/tick.gif | **The Laissez Faire Leadership Style:** Here, the leader totally trusts their employees/team to perform the job themselves. He just concentrates on the intellectual/rational aspect of his work and does not focus on the management aspect of his work. The team/employees are welcomed to share their views and provide suggestions which are best for organizational interests. This leadership style works only when the employees are skilled, loyal, experienced and intellectual. |
| https://www.managementstudyguide.com/images/tick.gif | **Democrative/Participative leadership style:** The leaders invite and encourage the team members to play an important role in decision-making process, though the ultimate decision-making power rests with the leader. The leader guides the employees on what to perform and how to perform, while the employees communicate to the leader their experience and the suggestions if any. The advantages of this leadership style are that it leads to satisfied, motivated and more skilled employees. It leads to an optimistic work environment and also encourages creativity. This leadership style has the only drawback that it is time-consuming. | |
| https://www.managementstudyguide.com/images/tick.gif | **Bureaucratic leadership:** Here the leaders strictly adhere to the organizational rules and policies. Also, they make sure that the employees/team also strictly follows the rules and procedures. Promotions take place on the basis of employees’ ability to adhere to organizational rules. This leadership style gradually develops over time. This leadership style is more suitable when safe work conditions and quality are required. But this leadership style discourages creativity and does not make employees self-contented. | |

# **Theories of Leadership**

The researches carried out by many behavioural scientists to find out what makes a leader effective have resulted in various theories of leadership. In this section, however, we shall discuss only three categories of theories of leadership:

1. Trait theory.

2. Behavioural theory.

3. Situational theory.

# **Trait Theory of Leadership**

The trait model of leadership is based on the characteristics of many leaders - both successful and unsuccessful - and is used to predict leadership effectiveness. The resulting lists of traits are then compared to those of potential leaders to assess their likelihood of success or failure.

Scholars taking the trait approach attempted to identify physiological (appearance, height, and weight), demographic (age, education and socioeconomic background), personality, self-confidence, and aggressiveness), intellective (intelligence, decisiveness, judgment, and knowledge), task-related (achievement drive, initiative, and persistence), and social characteristics (sociability and cooperativeness) with leader emergence and leader effectiveness.

**Successful leaders definitely have interests, abilities, and personality traits that are different from those of the less effective leaders**. Through many researches conducted in the last three decades of the 20th century, a set of core traits of successful leaders have been identified. These traits are not responsible solely to identify whether a person will be a successful leader or not, but they are essentially seen as preconditions that endow people with leadership potential.

Among the core traits identified are:

* *Achievement drive:* High level of effort, high levels of ambition, energy and initiative
* *Leadership motivation:* an intense desire to lead others to reach shared goals
* *Honesty and integrity:* trustworthy, reliable, and open
* *Self-confidence:* Belief in one’s self, ideas, and ability
* *Cognitive ability:* Capable of exercising good judgment, strong analytical abilities, and conceptually skilled
* *Knowledge of business:* Knowledge of industry and other technical matters
* *Emotional Maturity:* well adjusted, does not suffer from severe psychological disorders.
* *Others:* charisma, creativity and flexibility

### Strengths/Advantages of Trait Theory

* It is naturally pleasing theory.
* It is valid as lot of research has validated the foundation and basis of the theory.
* It serves as a yardstick against which the leadership traits of an individual can be assessed.
* It gives a detailed knowledge and understanding of the leader element in the leadership process.

### Limitations of The Trait Theory

* There is bound to be some subjective judgment in determining who is regarded as a ‘good’ or ‘successful’ leader
* The list of possible traits tends to be very long. More than 100 different traits of successful leaders in various leadership positions have been identified. These descriptions are simply generalities.
* There is also a disagreement over which traits are the most important for an effective leader
* The model attempts to relate physical traits such as, height and weight, to effective leadership. Most of these factors relate to situational factors. For example, a minimum weight and height might be necessary to perform the tasks efficiently in a military leadership position. In business organizations, these are not the requirements to be an effective leader.
* The theory is very complex

### Implications of Trait Theory

The trait theory gives constructive information about leadership. It can be applied by people at all levels in all types of organizations. Managers can utilize the information from the theory to evaluate their position in the organization and to assess how their position can be made stronger in the organization. They can get an in-depth understanding of their identity and the way they will affect others in the organization. This theory makes the manager aware of their strengths and weaknesses and thus they get an understanding of how they can develop their leadership qualities.

### Conclusion

The traits approach gives rise to questions: whether leaders are born or made; and whether leadership is an art or science. However, these are not mutually exclusive alternatives. Leadership may be something of an art; it still requires the application of special skills and techniques. Even if there are certain inborn qualities that make one a good leader, these natural talents need encouragement and development. A person is not born with self-confidence. Self-confidence is developed, honesty and integrity are a matter of personal choice, motivation to lead comes from within the individual, and the knowledge of business can be acquired. While cognitive ability has its origin partly in genes, it still needs to be developed. None of these ingredients are acquired overnight.

## **Situational Theory**

According to this theory, leadership is affected by a situation from which a leader emerges and in which he works. In other words, the situation — the group, the problem and its environment — will affect the type of leadership. An important aspects of this theory is the interaction between the group and its leader and the people tend to follow the person who is capable of fulfilling their desires.

The leader recognises his followers' desires and follows such methods (depending on the situation) which satisfy them. The main trust of the situational theory is that the leadership style may be effective under one situation and ineffective under the other. In other words, situational theory emphasises that there is no one best style of leadership universally applicable to all situations and that the leader has to change his style of leadership from situation to situation. If the leader adopts the same style under all situations, he may not be successful. For example, Winston Churchill was the most effective and successful Prime Minister of Britain during the period of the Second World War, but he was a flop afterwards when the situation changed.

Though this theory states leadership ability of an individual in a given situation and measures his leadership potentialities, it is silent on the point whether this individual will fit in another situation.

Leaders are essentially people who know their goals and have the power to influence the thoughts and actions of others to garner their support and cooperation to achieve these goals. In-case of leaders these goals are rarely personal and generally to serve the larger good.

Ever since man was a hunter gatherer and lived in closely knit groups, they had leaders who led the hunting expeditions and took greater risk than the rest of the group members. In turn they were bestowed with larger share of hunting, respect and a higher position in the group. With changing times, how leadership is perceived has also changed, but, it remains an important aspect of social fabric nevertheless.

The initial theories proposed that leaders are born and cannot be created, there are certain distinct characteristics possessed by few men which make them leaders. [Read [Great Man Theory](https://www.managementstudyguide.com/great-man-theory.htm) and the [Trait Theory](https://www.managementstudyguide.com/trait-theory-of-leadership.htm)]. However, for the current discussion we would try and take a closer look at another interesting theory which was proposed called Situational Leadership Theory. This theory says that the same leadership style cannot be practiced in all situations, depending upon the circumstance and environmental context the leadership style also changes. The pioneers of this theory were Kenneth Blanchard and Paul Hersey.

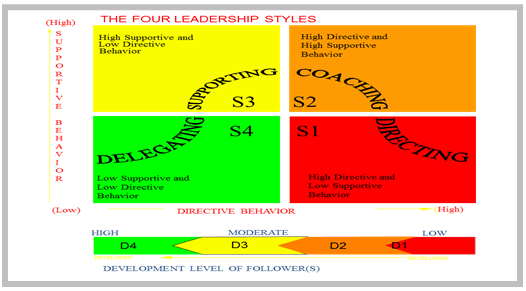
**The model encourages the leaders to analyze a particular situation in depth and then lead in the most appropriate manner, suitable for that situation**. The three aspects that need could be considered in a situation are:

* Employees’ competences
* Maturity of the employees
* Complexity of the task
* Leadership style

**In the Situational Leadership model, the leadership style has been divided into 4 types:**

* **S1: Telling -** Telling style is associated with leaders who minutely supervise their followers, constantly instructing them about why, how and when of the tasks that need to be performed.
* **S2: Selling -** Selling style is when a leader provide controlled direction and is a little more open and allows two way communication between him/herself and the followers thus ensuring that the followers buy in the process and work towards the desired goals.
* **S3: Participating -** This style is characterized when the leaders seeks opinion and participation of the followers to establish how a task should be performed. The leader in this case tries creating relationship with the followers.
* **S4: Delegating -** In this case, the leader plays a role in decisions that are taken but passes on or delegates the responsibilities of carrying out tasks to his followers. The leader however monitors and reviews the process.

It is also represented by a diagram most often which is below:



The developmental level of follower is an important indication for a leader to decide the most appropriate leadership style for them:

* **D4 - High Competence, High Commitment -** The followers who are identified in this category are the ones who have high competence and high commitment towards tasks to be performed. It might happen so that they turn out better than their leaders in performing these tasks. (For e.g. cricketing legend Sachin Tendulkar playing in the Indian cricket team under the captainship of Mahendra Singh Dhoni)
* **D3 - High Competence, Variable Commitment -** This category consists of followers who have the competence to do the job but their commitment level is inconsistent. They also tend to lack the confidence to go out and perform task alone. (E.g. President Barack Obama)
* **D2 - Some Competence, Low Commitment -** In this case, the followers have a certain level of competence which might be sufficient to do the job but they are low on commitment towards the tasks. Despite of having relevant skills to perform the task they seek external help when faced with new situations. (A team member made the trainer for new joiners)
* **D1 - Low Competence, High Commitment -** This category of followers may not have the specific skill required but they display a high level of commitment towards the task they have to perform, with confidence and motivation, they figure out ways to complete the tasks. (E.g. Mohandas Karamchand Gandhi, a lawyer by profession who spearheaded the Indian Freedom Struggle)

The above information regarding the style of leadership and the type of followers sure has a correlation to each other which forms the basis of situational leadership. So, a situational leader would try to accommodate his leadership style as per the situation and the level of competence and commitment of his followers. This information is also an important aspect to consider when senior leaders act as coaches for their subordinates in the organizations.

## **Behavioural Theory of Leadership**

In this approach, the emphasis is on the actual behaviour and action of the leaders and not on their traits or characteristics. In other words, this approach emphasises that strong leadership is the result of effective role behaviour.

This approach states that the leader uses three skills to lead his followers. These skills are: technical (refers to a person's knowledge of the process of technique), human (refers to ability to interact with people and conceptual (refers to manager's ideas which enable a manager to set up models and design plans).

This approach assumes that a particular behaviour of a manager will make him a good leader while its opposite would discard him as a leader. Determining goals, motivating employees for achieving the goals, effective communication ability to interact effectively, building team spirit, etc. are the functional behaviour of a successful leader.

This theory emphasises the point that the favourable behaviour of a leader provides greater satisfaction to the followers and they recognise him as their leader. However, one limitations of this approach is that a particular behaviour and action of a leader may be relevant and effective at a particular point of time while at another, it may be irrelevant and ineffective. Thus, in this approach, the 'time' factor which is a vital element has not been considered.