



# “THE ACTION OF LEADING A GROUP OF PEOPLE OR AN ORGANIZATION.”

Effective leadership enables followers to succeed. It sets direction, builds a vision, and adapts as circumstances require.

Leadership is about mapping out where you need to go to "win" as a team or an organization. It's dynamic, exciting and inspiring.

Leadership is the art of motivating a group of people to act toward achieving a common objective.

Organizations refer to upper-level personnel in their management structures as leadership.

# LEADERSHIP VS. MANAGEMENT

Leadership and management are not the same thing.

They are distinctive, yet complementary, processes. And, while leaders set the direction for the work being done, they also need to use management skills to guide their people to the right destination, in a smooth and efficient way.

Management has been described as the:

"... attainment of organizational goals in an effective and efficient manner through planning, organizing, staffing, directing, and controlling organizational resource."

Increasingly, individuals in management positions are required to exercise what might be more often termed leadership behaviors, such as creating a compelling vision, inspiring and motivating their people, behaving strategically, and leading change.

Managers can be highly skilled, good at their jobs, and valuable to their organizations without exhibiting leadership quality.

"Management is doing things right; leadership is doing the right things," believed renowned management coach and author Peter F. Drucker.

# PERSONALITY OR TRAIT THEORY

Trait theories are among the earliest attempts to explain why leaders are successful. Significantly, trait theories generally focus on the importance of selecting the right leaders rather than on developing them.

Charisma and confidence have long been synonymous with leadership and considered essential for a leader's success. Despite the attraction of this theory, these traits can, in fact, be detrimental in a leader, as the leader and their followers may believe that they have more skill than they actually do.

# AN EXAMPLE OF LEADERSHIP CASE STUDY

**Jack Welch** exhibited leadership as chief executive officer (CEO) of General Electric Co. from 1981 to 2001. He played an integral part in 600 acquisitions in emerging markets and increased GE's market value from \$12 billion to \$505 billion at the time of his retirement.<sup>12</sup> Because the world is constantly changing, Welch insisted everyone at GE embrace change. To continue evolving company operations and producing greater output, managers, and employees had to continuously reinvent themselves and their work.

Welch hired managers who shared his vision of GE, had endless amounts of energy, and were able to encourage employees to stay engaged in their work. He sought managers who created, developed, and refined ideas for the future and found ways to make them a reality. He also insisted that managers work side-by-side with employees as a way of understanding what they were doing and why.

As a result of Welch's leadership style, managers and employees were more empowered, products gained higher quality, and customer satisfaction and profits increased dramatically.

# WHAT ARE THE DIFFERENT TYPES/ STYLES OF LEADERSHIP

## **Autocratic leadership**

A leader who has complete control over his team is called an autocratic leader. They never bend their beliefs and rules for anyone. Additionally, their team has no say in the business decisions. Moreover, the team is expected to follow the path directed by the leader.

## **Laissez-Faire leadership**

Laissez-Faire is derived from a French word that means 'allow to do'. "The practice of non-interference in the affairs of others, especially with reference to individual conduct or freedom of action, In this type of leadership, team members have the freedom to perform their job according to their will. They are given the freedom to bring in their perspective and intelligence in performing business functions.

## **Democratic leadership**

In this type of leadership, team members and leaders equally contribute to actualizing business goals. They work together and motivate each other to achieve their personal goals too. This type of leadership leads to a positive working environment.

## **Bureaucratic leadership**

In this type of leadership, leaders strictly adhere to organizational rules and policies. They make sure that their team members do the same. Bureaucratic leaders are often organized and self-motivated.

There is no right or wrong leadership style. Therefore, it is up to you to decide the kind of leader you wish to become.

# QUALITIES OF A GOOD LEADER

- 1. Honesty and Integrity:** Leaders value virtuousness and honesty. They have people who believe in them and their vision.
- 2. Inspiration:** Leaders are self-motivating, and this makes them great influencers. They are a good inspiration to their followers. They help others to understand their roles in a bigger context.
- 3. Communication skills:** Leaders possess great communication skills. They are transparent with their team and share failures and successes with them.
- 4. Vision:** Leaders are visionaries. They have a clear idea of what they want and how to achieve it. Being good communicators, leaders can share their vision with the team successfully.
- 5. Never give-up spirit:** Leaders challenge the status quo. Hence, they never give up easily. They also have unique ways to solve a problem.
- 6. Intuitive:** Leaders should rely on intuition for making hard decisions. Especially because intuition heavily relies on a person's existing knowledge and life learnings, which proves to be more useful in complex situations.
- 7. Empathy:** A leader should be an emotional and empathetic fellow because it will help them in developing a strong bond with their team, these qualities will help a leader in addressing the problems, complaints, and aspirations of his team members.
- 8. Objective:** Although empathy is an important quality a leader must imbibe, getting clouded by emotions while making an important business decision is not advisable. Hence, a good leader should be objective.
- 9. Intelligence:** A good leader must be intelligent enough to arrive at business solutions to difficult problems. Furthermore, a leader should be analytical and should weigh the pros and cons before making a decision. This quality can be polished with an all-inclusive leadership training program.
- 10. Open-mindedness and creativity:** A good leader is someone who is open to new ideas, possibilities, and perspectives. Being a good leader means understanding that there is no right way to do things. Therefore, a good leader is always ready to listen, observe, and be willing to change.
- 11. Patient:** A good leader understands that a business strategy takes time to develop and bear results. Additionally, they also believe that 'continuous improvement and patient' leads to success.
- 12. Flexible:** Since leaders understand the concept of 'continuous improvement', they also know that being adaptable will lead them to success.

# LEADERSHIP TRAITS

- ❖ **Accountability:** The best leaders take full responsibility for their team's performance, whether the outcome is good or bad. We are all human and prone to mistakes, but effective leaders recognize their areas of improvement and are open with their team about them.
- ❖ **Adaptability:** Experienced leaders understand that plans, schedules and even goals can change at any time. To develop adaptability one should have resourcefulness and problem-solving abilities. To improve your sense of adaptability, practice accepting and overcoming unexpected challenges rather than resisting them.
- ❖ **Confidence:** As a key figure in a department or company, every leader should demonstrate confidence to instill motivation. Even when obstacles impact progress, you should strive to exhibit poise and conviction. Leaders who have this quality also tend to build trust quickly with their team and colleagues.
- ❖ **Creativity:** Good leaders embrace new ways of thinking and strategies that others have yet to try.



- ❖ **Empathy:** Company leaders like executives, managers and supervisors work at a higher level than other team members. In these positions, you should always try to empathize with the reality that your team experiences so you can work together more easily.
- ❖ **Focus:** Handle possible distractions while achieving major objectives. Also time management.
- ❖ **Positivity:** To be an effective leader, you should exhibit positivity during difficult situations such as overcoming obstacles or delivering constructive criticism. For example, you can focus on the benefits of completing a major project instead of highlighting the hard work your team will have to complete in the process.
- ❖ **Risk-taking:** Leaders regularly encounter risks, but they must know when to embrace a challenge and when to take a safe approach. Strive to make decisive judgments so that your team can readily accept and act upon your decisions.
- ❖ **Stability:** Taking a steady, reliable approach can allow you to keep your project, team or company on track. Establishing regular routines and telling your team what to expect allows you and your staff members to maintain energy and focus, even as you strive for constant progress. For example, set a weekly meeting to update your team on upcoming changes.
- ❖ **Team-building:** As an effective leader, you must know how to encourage teamwork and collaboration, inspire team members to contribute their best work and motivate colleagues to accomplish seemingly impossible tasks.

# LEADERSHIP THEORY

**Leadership theories are the explanations of how and why certain people become leaders. They focus on the traits and behaviors that people can adopt to increase their leadership capabilities.**

**Some of the top traits that leaders say are vital to good leadership include**

**Strong ethics and high moral standards**

**Great self-organizational skills**

**Efficient learner**

**Nurtures growth in employees**

**Fosters connection and belonging**

# BEHAVIORAL THEORY.

The behavioral leadership theory focuses on how leaders behave, and assumes that these traits can be copied by other leaders. Sometimes called the **style theory**, it suggests that leaders aren't born successful, but can be created based on learnable behavior. Behavioral theories of leadership focus heavily on the actions of a leader.

Some of the styles of leadership include task-oriented leaders, people-oriented leaders, country club leaders, status-quo leaders, dictatorial leaders.

The behavioral theory has many advantages, primarily that leaders can learn and decide what actions they want to implement to become the kind of leader they want to be. It allows leaders to be flexible and adapt based on their circumstances.

Some disadvantages of the behavioral theory are that while it allows flexibility, it doesn't directly suggest how to behave in certain circumstances. There are dozens of leadership styles that stem from the behavioral theory, but there isn't a right one for every circumstance.

A great example of the behavioral theory is looking at a task-oriented leader vs. a people-oriented leader. If there's a problem with a team, a task-oriented leader will look at the process to see if something needs to be adjusted with the workflow.

A people-oriented leader will look at the individuals and go right to them, asking what the issue is. Whatever behaviors you choose, the behavioral leadership theory helps leaders focus on their actions and utilize their decisions to be a great leader.

# CONTINGENCY THEORY

The contingency leadership theory, sometimes called situational theory, focuses on the context of a leader. These theories look at the situational effects of the success or failure of a leader. A leader's effectiveness is directly determined by the situational context.

This theory takes the specific leadership styles and suggests that good leaders can adjust their leadership style situationally.

Contingency theory focuses on the importance of a situation, but may not focus enough on the psychology of the employees or the company itself. It also may not focus enough on how leadership styles can change over time.

There are internal and external factors that impact a leader and their situation. The type of company, the size of the team, and the innate leadership style of an individual are internal factors. External factors may include the customer feelings and the marketplace. All of these situations play a factor into the contingency theory.

# GREAT MAN THEORY

The great man theory of leadership, sometimes called the **trait theory**, suggests that good leaders are born. They have innate traits and skills that make them great, and these are things that can't be taught or learned. The trait theory suggests that leaders deserve to be in their position because of their special traits.

There is a great amount of criticism for the trait theory, mainly that leaders are either born or not, that there isn't work or effort that is needed to be put in so you can become a leader. This suggests that social or psychological leaders are predetermined and that leaders are unable to come from the shadows—they are either chosen or not. There is also criticism that most of the traits associated with this theory are inherently masculine, and don't match the real psychology of good leaders.

People cite Abraham Lincoln, Alexander the Great, Queen Elizabeth I, and many others as their examples of the great man theory. These social giants utilized their skills to lead nations. High levels of ambition and determination are usually seen in leaders that appear to bring this theory to life.

# MANAGEMENT THEORY.

The management theory is sometimes called **transactional leadership**, and focuses on supervision, organization, and group performance. Transactional leadership is a system of rewards and punishments, and transactional leadership is regularly used in business. When employees do something successful, managers reward them. When they fail, they may get punished. Transactional rewards and punishments are given based on the idea that people really only do things for the reward. Their psychology doesn't allow human beings to do things out of goodness, but rather out of the promise of a reward.

The management leadership style can be extremely effective. Positive reinforcement is known for working wonders with employees, encouraging and motivating them to succeed. But there is lots of criticism around leadership that is strictly transactional as well. Consequences and punishments can decrease morale in an organization, negatively impacting employees. It can also be seen as a lazy leadership style—rewards and punishments are a relatively simple way to lead employees.

A common example of this management style is a leader that offers a cash bonus for employees who meet a goal. Or a leader who makes employees do extra paperwork if they miss a deadline.

# PARTICIPATIVE THEORY

Participative leadership isn't as common in the corporate world. Sometimes called democratic leadership, this leadership theory suggests that employees be directly involved in decision making in their organization. The leader simply facilitates a conversation and then takes all the suggestions, and comes up with the best possible action. In this theory, everyone is very involved with decisions for the team and organization, with the leader simply helping direct the charge.

There are many advantages to this theory. Employees feel more engaged and motivated when they are directly involved in decisions and outcomes for their company. This theory is not without criticism however—some suggest that this type of style makes leaders appear weak or unnecessary. It is also a criticism that leaders in this theory don't actually get the best outcomes, because they are too engaged in what people want more than what the company needs.

Bill Gates is a well known example of participative theory. While this theory is still hotly debated, there are many examples of companies that work to incorporate employees more in the decision making process.

In this theory, a leader may have a meeting to ask employees how to solve a particular problem. They encourage employees to be open and honest about their thoughts. They take all the suggestions, and meet with other leaders to discuss them. Leaders then make a decision based on the input from employees and their own decision making. Employees tend to appreciate this style, though it can be less effective overall.

# POWER THEORY

This theory looks at the way a leader utilizes their power and influence to get things accomplished. French and Raven's Five Forms of Power is a commonly known power theory of leadership. It looks at positional power and personal power and how they impact leaders choices and outcomes.

This theory may appear to be highly effective—leaders with great power may seem highly efficient and get things done quickly. However, most employees don't appreciate power leadership. They want a leader who doesn't wield power over them, but works with them and encourages them. Thus the greatest criticism of this theory is that it doesn't reach the end goal of inspiring and encouraging employees, but rather makes them feel dominated.

The power theory can be seen in organizations where hierarchy and promotion is key to success. Employees in power theory companies see that their only way to influence change or impact the company is to gain power of their own. This can result in low morale, political, and cliquey climates in the office.



# RELATIONSHIP THEORY

The relationship theory of leadership focuses on leaders who are mainly concerned about their interactions with others. They are often mentors for employees, scheduling time to talk to them and working to meet their needs. These kinds of leaders are focused on making work enjoyable for as many people as possible, and they want to foster a positive work environment. Studies show that this kind of leadership behavior can be the most effective for many employees. Relationship-oriented managers often get better results from their employees.

There are many advantages to this kind of leadership. Employees feel confident in their leader and want to follow them. They are also inspired to be good leaders to others. Mentorship provides great opportunities to foster growth in employees, and encourages them to stay at the organization for a longer period of time.

There are some critics for this kind of leadership, that relationship driven leaders may be unwilling to view employees who are causing problems at face value, they can let relationships get in the way of work, and they can be guided to favor people over productivity. However, most experts agree that relationship driven leaders are actually more effective at the end of the day.

An example of relationship theory would be a manager who takes a newer employee under her wing. She works to help this employee understand how they fit within the organization, encourage them to be open about questions and problems, and create a positive working relationship. This employee then is encouraged to work hard, point out issues, and help solve problems for the company.

# CHARISMATIC LEADERSHIP

Charismatic management or leadership is a form of professional guidance or management built on a foundation of strong communication skills, persuasiveness, and maybe even a little bit of charm to help them get the most out of everyone that works for them. They tend to be passionate, have charisma (hence the charismatic title), and have strong convictions with a deep connection to the work that they're doing—which, in turn, inspires the same conviction in others. Because of a charismatic leader's intense commitment to their work, they tend to evoke strong emotions from their followers and teams. This encourages devotion, action, and strong problem-solving skills.

Charismatic management and leadership style is similar to transformational leadership. In transformational leadership, managers are known for using inspirational motivation and intellectual stimulation to empower their followers in doing their best work. But where the two approaches differ is in how charismatic leaders focus on working within the status quo to make it better, as opposed to creating an entirely new path.

## SOME OF THE SKILLS, TRAITS, AND ACTIONS THAT MAY DEFINE A GOOD LEADER THAT UTILIZES CHARISMA WOULD INCLUDE

- **Forward-thinking goal setting:** Because these great leaders are able to see the bigger picture, charismatic leaders excel at setting project milestones well into the future to help keep teams motivated and encourage continued advancements.
- **Articulation:** Being well spoken, a strong communicator, and capable of detailing company plans in an engaging way ensures followers are on board at every level of production. This trait is key for charismatic leaders.
- **Ability to tap into people's emotions:** Encouragement and inspiration are one thing, but the trait of emotionally connecting followers to a cause with your charisma can create a stronger sense of devotion to the work.
- **Openness to taking risks:** As much as leaders with charisma work within the status quo, they're still willing to explore unique opportunities or approaches that could result in big gains.
- **Clear vision:** Knowing the desired outcome of a project, and the pathway to getting there, gives followers a stronger sense of support as they work.
- **Utilization of unconventional behavior:** Maybe they employ off-the-wall team-building exercises, maybe they encourage a hybrid office/remote approach to work, or maybe they try every bananas idea an employee comes up with. Leaders with charisma aren't afraid to try everything to get results.
- **Grace under pressure:** Leaders with charisma can often find themselves in high-pressure situations that can challenge them to keep everyone committed and motivated, even in the face of seemingly insurmountable odds.
- **Sensitivity to their environment and the needs of the team:** Empathy is another important quality that can help charismatic leaders navigate sensitive situations and intensive production schedules.
- **Strong engagement skills:** From upper management to lower-tier employees, charismatic leaders know how to connect with everyone at every level of the professional totem pole.