

# 16 Leadership

A person, who no matter how desperate the situation, gives others hope, is a true leader.

*Daisaku Ikeda, Buddhist Philosopher*

## CHAPTER OBJECTIVES

After studying this chapter, you will understand:

- ★ Leadership: concept, importance
- ★ Leadership theories
- ★ Leadership styles
- ★ Inspirational approach to leadership

### LEADERSHIP QUALITIES OF RATAN TATA

Ratan Tata (born December 28, 1937) did B.Sc. in architecture with structural engineering from Cornell University (USA) in 1962 and Advanced Management Programme from Harvard Business School (USA) in 1975. He joined Tata Group in 1962 and became its Chairman in 1991. This period was beginning of economic liberalization in India. Therefore, Ratan Tata had to face challenges of new types in managing Tata Group. He managed the Group effectively because of his leadership qualities which are as follows:

1. Very sharp and attractive physical features with high level of intelligence.
2. Deep thinker and creative questioning even the unquestionable.
3. High self-confidence and confidence builder.
4. Decisive and dependable in any situation.
5. Strong believer in high ethical values – hallmark of Tata Group.
6. Risk taker but not gambler.
7. Rational persuasive communicator.
8. Very good human relations and believer in keeping promise.
9. Tremendous motivator.

In an organization, desirable behaviour of the people produces intended results which lead to achieve organizational objectives. People may be influenced to engage in desirable behaviour in two ways: by exercise of authority or by winning their support. Out of these, the second way is better as it has a lasting effect over the people's motivation. However, it is only possible when a

manager becomes their leader in the real sense to influence their behaviour in desired direction. Therefore, understanding of leadership and its various aspects is important.

## Concept of Leadership

Leadership is the process of influencing the behaviour of others to work willingly and enthusiastically for achieving specified objectives. Keys and Thomas have defined leadership as follows:

"Leadership is the process of influencing and supporting others to work enthusiastically toward achieving objectives."<sup>1</sup>

Analysis of the definition brings its certain features which are as follows:

1. Leadership is a continuous process of behaviour; it is not one-shot activity.
2. Exercise of leadership is in terms of relationship between a leader and his followers (individuals and/or groups).
3. By exercising his leadership, the leader tries to influence the behaviour of the followers to achieve common goals.
4. The followers work willingly and enthusiastically to achieve those goals. Thus, there is no coercive force which induces the followers to work.
5. Leadership gives an experience of help to followers to attain common goals. It happens when the leader feels the importance of individuals, gives them recognition, and conveys them about the importance of activities performed by them.
6. Leadership is exercised in a particular situation, at a given point of time, and under specific set of circumstances. It implies that leadership styles may be different under different situations.

### Difference between Leadership and Management

From the above definitions and features of leadership, it can be observed that leadership and management are related but they are not the same. A person can be an effective manager, an effective leader, both or neither. Leadership differs from management on the following aspects:

1. Leadership derives its power from personal characteristics while power of management is based on authority delegated.
2. Leadership focuses on vision and purpose of the organization in getting intended results. Management deals with establishing structure and systems to get those results. It focuses on efficiency, cost-benefit analysis, logistics, methods, procedures, and policies.
3. Leadership focuses on the top line (organizational growth); management focuses on the bottom line (profitability).
4. Leadership inspires and motivates people to work together with a common vision and purpose. Management involves monitoring results against plans and solving problems.
5. Leadership emphasizes transformational aspect and, therefore, transformational leadership emerges which is relevant for creating vision and bringing organizational change. Management focuses on transactional aspect and, therefore, transactional leadership emerges which is relevant for making decisions related to work assignment, evaluating performance, and taking corrective actions.

Difference between leadership and management does not mean that a person can be either a leader or a manager. A person combines both roles because directing is the function of every manager and leadership is an element of directing. Difference between leadership and management

**Leadership** indicates the behavioural pattern that a person adopts in managing. Thus, a person can be both a good manager as well as a good leader simultaneously. However, its reverse may also happen.

### Formal and Informal Leaders

Leadership is exercised in a group situation. Since groups may be either formal or informal, there may be formal leader or informal leader. Formal leader is the person who is officially appointed to manage a group. He has authority to exercise control over group process. However, for making group performance effective, he has to influence group members to work enthusiastically through exercise of leadership. Informal leader is one who does not have formal authority but is able to influence behaviour of group members. He derives power to influence from the members' feeling or intuition that he can help to satisfy their needs which are not satisfied adequately by the organization, for example, social needs.

### Importance of Leadership

Leadership is an essential ingredient for organizational effectiveness. Dynamic and effective leadership of an effective organization is the major factor that differentiates it from ineffective organizations. Thus, leadership is quite important because it affects behaviour of the organizational members in the following ways:

- 1. Motivating Employees.** As discussed in the previous Chapter, motivation is necessary for work performance. Higher degree of motivation leads to better performance. A good leader motivates the employees for high performance by exercising his leadership. In fact, good leadership in the organization itself is a motivating factor for the individuals.
- 2. Creating Confidence.** A good leader may create confidence in his followers by directing them, giving them advice, and getting good results in the organization through them. Once an individual achieves high efficiency with the help of a leader, he tries to maintain it as he acquires certain level of confidence towards his capacity. Sometimes, individuals fail to recognize their qualities and capabilities to work in the absence of good direction.
- 3. Building Morale.** Morale is expressed as attitudes of employees towards organization, management, and voluntary cooperation to organizational functioning. High morale leads to high productivity and organizational stability. Through good leadership in the organization, employees' morale can be raised high ensuring high productivity and stability in the organization.

### Leadership Theories

Researchers on leadership have made efforts to find out answer of the question: what makes a leader effective: his traits, behaviour, type of followers, or situation. This phenomenon has led to emergence of a number of leadership theories: trait theory, behavioural theory, situational theory, and systems theory. Let us go through these theories.

#### TRAIT THEORY

Trait theory suggests that an individual who has traits relevant to leadership emerges as an effective leader. A trait is a distinguishable and relatively enduring quality of an individual that affects his behaviour. Researchers have concluded that for being successful, a leader should have the following traits (qualities):

- 1. Physical Features.** Physical features include height, weight, appearance, etc. These are in-born features and positive features of a leader attract others. Another in-born feature is one's intelligence. A successful leader has more than average intelligence.

- 2. Knowledge.** Leader should have intimate knowledge of his field so that when he discusses about his field, he discusses it with some kind of authenticity. This influences others.
- 3. Self Confidence.** In order to develop confidence in his followers, the leader himself should have confidence so that he believes that he can get things done.
- 4. Decisiveness.** Often, a leader has to face conflicting situations because of ambiguity present in the situations. Therefore, the leader has to analyse the situations rationally and take a stand on which he should remain firm.
- 5. Integrity.** A leader should have high level of integrity. Integrity refers to honesty and transparency in getting things done. Leader's integrity makes him a role model whose behaviour is followed by others.
- 6. Objectivity.** Leader should have objectivity in taking any action. Objectivity implies that what the leader does should be based on facts and information and not on his own biases.
- 7. Initiative.** Leader should have initiative so that he initiates the actions which his followers may follow. He should take his actions on proactive basis, that is, taking actions in advance of likely changes in the environment rather than reacting to changes taken place.
- 8. Emotional Stability.** A leader should have high level of emotional stability: stability in behaviour, refraining from anger, consistency in action, and well-adjusted. He should not become emotionally upset if things go wrong and should face ups and downs of his working life with maturity.
- 9. Empathy.** A successful leader has empathy which involves observing the things or situations from others' points of view. Because of empathy, he knows what makes the other fellows think as they do, even though he does not necessarily agree with others' thoughts.
- 10. Communication Skills.** Leader gets things done by his followers through communication. Therefore, he should have communication skills, more particularly persuasive communication skills.
- 11. Social Skills.** Leader should have social skills so that he can understand others well in terms of their strengths and weaknesses to get the maximum out of them.
- 12. Motivation Skills.** Motivation skills of leader involve understanding his followers' needs and how these can be satisfied in the most desirable way.

### Implications of the Theory

This theory has two very important implications. *First*, the theory emphasizes that a leader requires some qualities to be effective. *Second*, many of these qualities may be developed in individuals through training and development programmes. However, the theory suffers from two sets of limitations. *First*, there is lack of generalization of qualities which are relevant for all situations. The leadership qualities discussed above are prominent ones but not exhaustive. *Second*, behaviour of followers is not influenced exclusively by the leadership qualities. There are other factors which affect their behaviour and leadership qualities constitute only one factor. This is the reason that many leaders who were quite successful earlier failed in the changed situation.

### BEHAVIOURAL THEORY

Behavioural theory of leadership emphasizes that strong leadership is the result of effective role behaviour. Leadership is shown by a person's acts more than by his traits. Researchers exploring leadership role have come to the conclusion that to operate effectively, groups need someone to

Leadership performs two major functions: task-related functions and group maintenance functions. Task-related functions (or problem solving functions) relate to providing solutions to the problems faced by the groups in performing jobs. Group maintenance functions (or social functions) relate to actions of mediating disputes and ensuring that individuals are treated as valued by the group. An individual who is able to perform both these roles successfully would be an effective leader. In an organization, leadership behaviour may be either functional or dysfunctional. Functional behaviour influences followers positively while dysfunctional behaviour influences them negatively.

### Implications of the Theory

Behavioural theory of leadership has some important implications for managers. They may adopt the behaviour which appears to be functional and discard the behaviour which appears to be dysfunctional. Thus, this theory helps managers to adopt suitable leadership styles in influencing their followers (discussed later). However, this theory suffers from two basic limitations. First, a particular behaviour may be functional at a point of time but it may be dysfunctional at another point of time. Thus, the time element will be a decider of the effectiveness of the behaviour and not the behaviour itself. Second, effectiveness of leadership behaviour depends on various factors which are not confined in the leader but are external to him like nature of followers (subordinates) and the situations under which the leader's behaviour takes place. These factors have not been given adequate consideration.

## SITUATIONAL THEORY

Situational theory (also known as contingency theory) suggests that the leadership effectiveness depends on leader's behaviour and situation in which leadership is exercised (known as situational factors).

**Leader's Behaviour.** Leader's behaviour is affected by two variables: leader's characteristics and his hierarchical position in the organization.

1. **Leader's Characteristics.** An individual's behaviour is influenced by his characteristics like his ability, personality, attitudes, interest, motivation, and physical characteristics. All these factors are internal to the leader.
2. **Leader's Hierarchical Position.** Leader's hierarchical position in the organization is important because persons at different levels face different kind of problems which affect the degree of participation between the superior and his subordinates in arriving at decisions to solve the problems. Managers at higher levels are more concerned with long-run complex problems which require more participation in decision making. Managers at lower levels are more concerned with short-run problems involving routine operations which may not require high level of participation. The degree of this participation affects the leader's behaviour.

### Situational Factors

Besides the leader's related factors, leadership effectiveness is affected by situational factors as these factors affect the leader's behaviour. To the extent, a leader matches the requirement of these factors, his leadership will be effective. Various situational factors may be grouped into four categories: subordinates' characteristics, leader's situation, group factors, and organizational factors.

1. **Subordinates' Characteristics.** Subordinates' personal characteristics like their ability, personality, attitudes, interest, motivation, and physical characteristics affect their behaviour.

2. **Leader's Situation.** The leader's situation in respect to his subordinates depends on two variables: leader's position power and leader-subordinate relation. Leader's position power helps or hinders in influencing others: high-position power simplifies the leader's task of influencing others while low-position power makes the leader's task more difficult. Leader-subordinate relation indicates the extent to which the leader will satisfy subordinates' needs and the extent to which they will contribute to leader's success. If leader-subordinate relation is good, leader is likely to be effective. In the alternative case, he will be ineffective.
3. **Group Factors.** Various group factors like task design, group composition, group norms, group cohesiveness, and peer-group relationship affect leadership effectiveness and performance. If these factors are favourable, the leader will be effective.
4. **Organizational Factors.** Organizational factors like organizational climate and organizational culture affect leadership effectiveness. If these are conducive, the leader will be effective.

### Implications of the Theory

Situational theory has wide implications for managers in the sense that it offers clues why a manager who is successful in one situation, fails when there is change in the situation. Therefore, the managers may do better by adopting management practices including leadership which match with the situational variables. In fact, the systems and contingency approach has become the way of thinking in management and leadership is no exception. This theory appears to be good on the surface but becomes quite complex in practice because of the presence of numerous contingent factors. However, managers can overcome this problem by diagnosing these factors suitably. This is not necessarily provided by the theory but experience has its role.

### SYSTEMS THEORY

Systems theory of leadership suggests that leadership is an emergent phenomenon in the form of integrative leadership out of interactions of a leader and his followers within the contextual variables lying within an organization and outside it.<sup>2</sup> Two subsystems of an organization – technical and social – interact closely and shape employee behaviour. Since the organization continuously interacts with its environment, it makes suitable changes in its working to meet environmental requirements. As a result, the organization changes its technical subsystem – tasks, organization structure, rules, etc. These changes affect social subsystem, including pattern of interaction between a leader and his followers, both at formal and informal levels. As a result, four types of leadership patterns emerge in the organizations in stages: formal, emergent, shared, and integrative. Influence of formal leadership is based on authority of the position held by an individual. Influence of emergent leadership is based on the skills and knowledge of an individual and his acceptance by the group. Influence of shared leadership is based on individual accountability and self-control, for example, a self-managing team. Influence in integrative leadership is based on interdependence of group members and control is through collective self-regulation.

### Implications of the Theory

Systems theory of leadership has opened a new thinking in analysing leadership as it takes a holistic approach. However, this theory is not very popular because of two reasons. First, this theory is still in evolutionary stage and many variables which affect leadership have not been identified precisely. This problem may be overcome with passage of time. Second, this theory is quite complex because of involvement of numerous variables. But, then, overcoming complexity is the real art of managing.

## Leadership Styles

Leadership styles are the patterns of behaviour which a leader adopts in influencing the behaviour of his followers (subordinates in the organizational context). Various researchers have proposed different leadership styles. These styles are either based on behavioural approach or situational approach of leadership. Some of the important theories/models prescribing leadership styles are given below:

### *Based on behavioural approach*

1. Power orientation
2. Leadership as a continuum
3. Likert's management system
4. Employee-production orientation
5. Managerial grid
6. Tridimensional grid

### *Based on situational approach*

1. Fiedler's contingency model
2. Hersey-Blanchard's situational model
3. Path-goal model

Such a classification does not necessarily mean that a particular theory/model grouped under one particular approach of leadership does not consider the tenets of the other approach; it may consider. However, such a consideration is secondary and the theory has not been built on such a consideration.

## POWER ORIENTATION

Power orientation approach of leadership styles is based on the degree of authority which a superior uses in influencing the behaviour of his subordinates. Based on the degree of use of authority, there are three leadership styles: autocratic leadership style, participative leadership style, and free-rein leadership style.

### Autocratic Leadership Style

Autocratic leadership style, also known as authoritarian or directive style, involves centralization of decision-making authority by the superior. He structures the complete situation for his subordinates and they do what they are told to do.

The main advantages of autocratic leadership style are as follows:

1. There are many subordinates in the organization who prefer to work under centralized authority structure and strict discipline. They get satisfaction from this style.
2. It provides strong motivation and reward to a superior exercising this style.
3. It leads to very quick decisions as most of the decisions are taken by a single person.
4. Less competent subordinates also have scope to work in the organization under this leadership style as they do negligible planning, decision making, and organizing.

There are many disadvantages of autocratic leadership style which are as follows:

1. People in the organization dislike it specially when it is strict and the motivational style is negative.
2. Employees lack motivation. Frustration, low morale, and conflict develop in the organization jeopardizing the organizational efficiency.

3. There is more dependence and less individuality in the organization. As such, future leaders in the organization do not develop.

Considering the organizational efficiency and employee satisfaction, autocratic leadership style is generally not suitable.

### **Participative Leadership Style**

Participative leadership style, also known as democratic or consultative style, involves joint decision making by the superior and his subordinates. There is frequent consultation between the superior and the subordinates over the issues involved in a decision. Along with joint decision making, the superior delegates adequate authority to subordinates to implement decisions.

Advantages of participative leadership style are as follows:

1. It is quite motivating to employees as they feel elevated when their ideas and suggestions are given weight in decision making.
2. The employees' productivity is high because they are party to the decisions. Thus, they implement the decisions whole-heartedly.
3. They share the responsibility with the superior and try to safeguard him also. As someone has remarked, 'the fellow in the boat with you never bores a hole in it' is quite applicable in this case.
4. It provides organizational stability by developing leaders who may occupy key organizational positions in future.

However, there are certain disadvantages of this leadership style which are as follows:

1. Complex nature of organization requires a thorough understanding of its problems which lower-level employees may not be able to do. As such, participation does not remain meaningful.
2. Some people in the organization want minimum interaction with their superiors or associates. For them, participative style is discouraging instead of encouraging.
3. Participation can be used covertly to manipulate employees. Thus, some employees may prefer the open tyranny of an autocrat as compared to covert tyranny of a group.

### **Free Rein Leadership Style**

Free rein leadership style is based on French term *laissez-faire* which means without intervention. Thus, free rein leadership style involves giving complete freedom to subordinates. The superior just decides the broad policies and limits of actions and the entire process is left to the subordinates. Subordinates as group members perform everything and the superior usually maintains contacts with outside persons to bring the information and materials which the group needs. This style is suitable to those organizations which constitute self-managing teams that have considerable autonomy.

Advantages of free rein leadership style are as follows:

1. A superior prescribes policies and sets limits of actions for his subordinates. Therefore, his burden is lowered to a considerable extent.
2. This leadership style is quite motivating to subordinates because they enjoy considerable autonomy in their functioning.
3. Groups are created on autonomous basis and their rewards are based on group performance. Therefore, group members make the best possible efforts to achieve group goals. This leads to higher productivity.

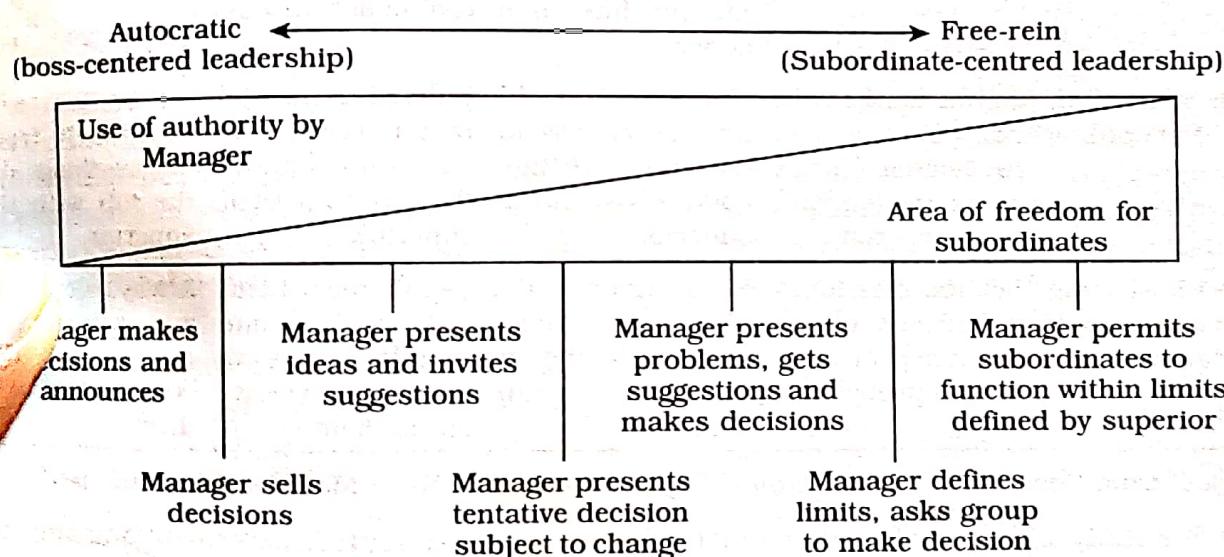
4. This leadership style leads to development of subordinates because they work independently and develop new skills to perform better.

Disadvantages of free rein leadership style are as follows:

1. There is minimum contribution of leader as he assigns all the activities to his subordinates. Unless he remains busy with other organizational matters, his relevance to the organization is questionable.
2. Adoption of this leadership style requires highly competent subordinates. They should have work-related competence as well as competence for interpersonal interactions.
3. This leadership style is effective only in highly conducive work environment in which various autonomous groups coordinate among them voluntarily. In the absence of such a work environment, there may be chaos in the organization.

### LEADERSHIP AS A CONTINUUM

There may be various leadership styles between two extremes of autocratic and free rein styles. Tannenbaum and Schmidt have depicted a broad range of leadership styles on a continuum with autocratic style at one end free-rein style at the other end<sup>3</sup> as shown in Figure 16.1.



**FIGURE 16.1: Continuum of leadership styles**

The figure presents a range of leadership styles available to a manager. Each type of style represents the degree of authority used by a superior and the degree of freedom which a subordinate enjoys. The left side shows a style where control is maintained by the superior and the right side shows the release of control. However, neither extreme is absolute and authority and freedom are never without their limitations. Thus, a question is pertinent: at which point of the continuum should a manager as a superior adopt his leadership style? In fact, there is no readymade answer, but it depends on three factors:

1. Forces in the superior – his value system, confidence in his subordinates, own leadership inclinations, and his feeling of security in an uncertain situation.
2. Forces in subordinates – their need for independence, readiness to assume responsibility for decision making, level of tolerance for ambiguity, understanding of organizational goals, understanding of problems and knowledge and experience to deal with the problems, and ability to participate in decision making.

### LIKERT'S MANAGEMENT SYSTEMS

Based on the study of patterns and styles of managers, Likert has given a continuum of four systems of management. He has taken seven variables to differentiate one management system from others: leadership, motivation, communication, interaction-influence, decision-making process, goal-setting, and control process. Here, partial table showing leadership behaviour is presented in Table 16.1.

**TABLE 16.1: Likert's management systems showing leadership behaviour**

Leadership variable	System 1	System 2	System 3	System 4
Trust and confidence in subordinates.	Has no trust and confidence in subordinates.	Has condescending confidence and trust in subordinates, such as master has in a servant.	Substantial but not complete confidence and trust; still wishes to keep control of decisions.	Complete confidence and trust in all matters.
Subordinates' feeling of freedom.	Subordinates do not feel at all free to discuss things about the job with their superior.	Subordinates do not feel very free to discuss things about job with their superior.	Subordinates feel rather free to discuss things about the job with their superior.	Subordinates feel completely free to discuss things about the job with their superior.
Superior seeking involvement with subordinates.	Seldom gets ideas and opinions of subordinates in solving job problems.	Sometimes get ideas and opinions of subordinates in solving job problems.	Usually gets ideas and opinions and usually tries to make constructive use of them.	Always gets ideas and opinions and always tries to make constructive use of them.

(Adapted from Rensis Likert, *The Human Organization*, New York: McGraw-Hill, 1967, p. 4.)

In his study, Likert has found that high producing departments in several organizations are marked by system 4. He has concluded that this is mainly because of participation in decision making and supportive relationship.

### EMPLOYEE-PRODUCTION ORIENTATION

In the studies of the Survey Research Centre at the University of Michigan, USA, two types of practices influencing employees have been identified: employee-orientation and production-orientation.<sup>4</sup> Employee-orientation stresses the relationship aspects of employees' jobs and emphasizes that every individual is important and takes interest in every one, accepting their individuality and personal needs. Production-orientation emphasizes production and technical aspects of jobs and employees are taken as tools for accomplishing the jobs. Almost at the same time the leadership studies initiated by the Bureau of Research at Ohio State University attempted to identify various dimensions of leader behaviour. These studies have identified two dimensions: initiating structure and consideration.<sup>5</sup> Initiating structure refers to the leader's behaviour in delineating the relationship between him and members of the work group to establish well-defined patterns of organization, channels of communication, and methods and procedures. Consideration refers to behaviour indicative of friendship, mutual trust, respect, and warmth in

The relationship between the leader and the members of his staff. Initiating structure and consideration are two separate distinct dimensions but not mutually exclusive. A low score on one does not necessitate high score on the other. Thus, leadership behaviour can be plotted on two separate axes rather than on a single continuum as shown in Figure 16.2.

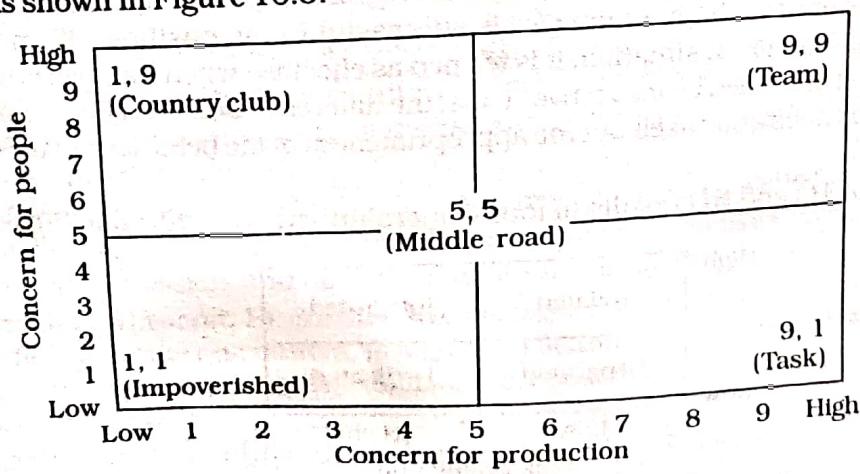
High consideration and low structure	High structure and high consideration
Low structure and low consideration	High structure and low consideration

**FIGURE 16.2: Ohio State University leadership quadrants**

The four quadrants show various combinations of initiating structure and consideration. In each quadrant, there is a relative mixture of initiating structure and consideration and a manager can adopt any one style.

### MANAGERIAL GRID

Managerial grid, developed by Blake and Mouton, states that leadership style can be expressed in terms of concern for production and concern for people.<sup>6</sup> Concern for production means the attitudes of superiors towards a variety of things such as quality of decisions, procedures and processes, creativeness of research, quality of staff services, work efficiency, and volume of output. Concern for people includes degree of personal commitment towards goal achievement, maintaining the self-esteem of workers, and responsibility based on trust, and satisfying interpersonal relations. The managerial grid has identified five leadership styles based on these two factors as shown in Figure 16.3.



**FIGURE 16.3: Managerial grid**

Blake and Mouton have described the five styles as follows:

1. 1. Exertion of minimum effort is required to get work done and sustain organizational morale.
1. 9. Thoughtful attention to needs of people leads to a friendly and comfortable organizational atmosphere and work tempo.

9. 1. Efficiency results from arranging work in such a way that human elements have little effect.
5. 5. Adequate performance through balance of work requirements and maintaining satisfactory morale.
9. 9. Work accomplished is from committed people with interdependence through a common stake in organizational purpose and with trust and respect.

Each style points out the relative contents of concern for production or people and implies that the most desirable leader's behaviour is 9, 9 (maximum concern for production and people). In fact, Blake and Mouton have developed training programmes that attempt to change managers towards 9, 9 management style. Managerial grid is very much similar to production-people orientation style as given by Ohio State University. However, there is one basic difference between the two. In managerial grid, 'concern for' is a predisposition about something or an attitudinal model that measures the predisposition of a manager, while Ohio State framework tends to be a behavioural model that examines how leader's actions are perceived by others. Managerial grid is a useful device to a manager for identifying and classifying leadership styles. It helps him to understand why he gets a particular reaction from his subordinates.

### TRIDIMENSIONAL GRID

Reddin has conceptualized a three-dimensional grid, also known as 3-D management, borrowing some of the ideas from managerial grid.<sup>7</sup> Three dimensional axes represent task-orientation, relationship-orientation, and effectiveness. By adding an effectiveness dimension to the task-oriented and relationship-oriented behaviour dimensions, Reddin has integrated the concept of leadership styles with the situational demand of a specific environment. Task orientation (TO) is defined as the extent to which a manager directs his subordinates' efforts towards goal attainment. It is characterized by planning, organizing, and controlling. Relationship orientation (RO) is defined as the extent to which a manager has personal relationships. It is characterized by mutual trust, respect for subordinates' ideas and suggestions, and their feelings. Effectiveness is defined as the extent to which a manager is successful in his position. When the style of a leader is appropriate to a given situation, it is termed as effective; when the style is inappropriate to a given situation, it is termed as ineffective. Thus, the difference between effective and ineffective styles is often not the behaviour itself but the appropriateness of the behaviour to the environment in which it is used.

Combination of TO and RO results in four leadership styles as shown in Figure 16.4.

		High	
	Relationship-orientation	Related	Integrated
		Separated	Dedicated
Low		Low	High
			Task-orientation

FIGURE 16.4: Task and relationship orientation

These four styles represent four basic types of behaviour. The separated manager is concerned with correcting deviations. He prescribes policies and rules and enforces them. The related manager accepts others as he finds them, does not worry about time, sees the organization as a social system, likes to work with others, and obtains cooperation of others by setting examples. Dedicated manager is domineering, interested only in production, and does not identify with subordinates. He cannot work without power. The integrated manager gets himself and his

People involved with the organization. There is free two-way communication and strong identification and emphasis on team work. Any of the styles can be effective in some situations but not in others. Thus, each one of these styles has a less effective as well as a more effective equivalent resulting in eight styles as shown in Figure 16.5.

<i>Basic style</i>	<i>Less effective style</i>	<i>More effective style</i>
Integrated	Compromiser	Executive
Dedicated	Autocrat	Benevolent autocrat
Related	Missionary	Developer
Separated	Deserter	Bureaucrat

**FIGURE 16.5: More and less effective styles**

Four ineffective styles are as follows:

1. **Deserter.** He has both low task and low people orientation and is completely alienated from organizational life, avoids involvement, does not want to take responsibility and has low commitment, believes in minimal output, and works according to rules.
2. **Missionary.** He shows interest in harmony, believes in easy life, avoids conflicts, and does not take initiative. His objective is to keep his colleagues, subordinates, and superiors happy.
3. **Autocrat.** He is concerned with only the immediate jobs and has no concern for others. His decisions are unilateral and centralized and he believes in suppressing, demands obedience of authority, and relies more on negative motivation.
4. **Compromiser.** He uses a high task and relationship orientation in a situation that may not require a high concentration in either, is a poor decision maker and avoids decisions, is weak and yielding, and allows various pressures in the situation to influence him too much.

Four corresponding effective styles are as follows:

1. **Bureaucrat.** He has high orientation towards organizational rules and regulations, is impersonal and less task and relationship-oriented, produces only few ideas, and does not take initiative.
2. **Developer.** He tends to display implicit trust in people, relies on high relationship orientation and less task orientation, believes in commitment to work, openness, freedom to act, self-expression, and development of subordinates.
3. **Benevolent Autocrat.** He is a directive manager who knows what he wants and often gets it without creating resentment, is high on task and less people oriented, adopts positive economic motivation for getting things done, and follows feudalistic approach in managing the organization.
4. **Executive.** He has a high task and high relationship orientation in a situation where such behaviour is appropriate, emphasizes team management, and task is regarded as interdependent and integrated. The style acts as a powerful motivational instrument in the organization. This is a democratic leadership style.

The tridimensional model recognizes that a manager may use more than one style, and no single style is suggested to be appropriate in all situations. This gives a clear picture of the managerial world. It is assumed that all the styles have an equal chance of occurring and, thus, if a sufficiently large number of managers in a sufficiently diverse number of situations are tested, an equal number of each style would be obtained.

## FIEDLER'S CONTINGENCY MODEL

Fiedler's contingency model of leadership has the basic contention that the appropriateness of leadership styles depends on their matching with situational requirement.<sup>8</sup> Taking clues from the situational approach that leadership effectiveness is situational, Fiedler along with his associates made an attempt to identify the situational variables and their relationship with appropriateness of leadership styles. Fiedler's model consists of three elements: leadership styles, situational variables, and their interrelationship.

### Leadership Styles

Fiedler has identified leadership styles on two dimensions: task-directed and human relations oriented. Task-directed style is primarily concerned with the achievement of task performance. Human relations-oriented style is concerned with achieving good interpersonal relations and achieving a position of personal prominence. Fiedler used two types of scores to measure the style adopted by a leader: scores on Least Preferred Coworker (LPC) and scores on Assumed Similarity (AS) between opposites. Rating on least preferred coworker was based on an individual's liking or disliking of working with other individuals in the group and measured on sixteen items such as pleasant-unpleasant, friendly-unfriendly, accepting-rejecting, and so on. Rating on assumed similarity was based on the degree to which leader perceived group members to be like him. The scores on two ratings had very high positive correlation.

### Situational Variables

Though there may be many situational factors affecting leadership effectiveness (discussed in the previous section), Fiedler has identified three critical dimensions of situation which affect a leader's most effective style. These are leader's position power, task structure, and leader-member relations.

**Leader's Position Power.** This is determined by the degree to which a leader derives power from the position held by him in the organization which enables him to influence the behaviour of others. In the case of a manager, it is authority delegated to him. Consequently, a leader with a clear and considerable position power can more easily obtain followership than one without such power.

**Task Structure.** Task structure refers to the degree to which the task requirements are clearly defined in terms of task objectives, processes, and relationship with other tasks. When the tasks are clear, the quality of performance can be more easily controlled, and group members can be held responsible for performance than when tasks are unclear.

**Leader-Member Relations.** It refers the degree to which followers have confidence, trust, and respect in the leader. Fiedler has considered this dimension as the most important for the leader as his position power and task structure are subject to control by the organization and these can be prescribed. However, the leader has to build his relations with the group members on his own. If the group members have positive thoughts about the leader, leadership would be more effective.

All these situational variables taken together may define the situation to be favourable or unfavourable. A very favourable situation is one in which leader-member relations are good, task is highly structured, and the leader has enormous position power to influence his subordinates. At the other extreme, a very unfavourable situation is one in which leader-member relations are poor, task is highly unstructured, and leader's position power is weak.

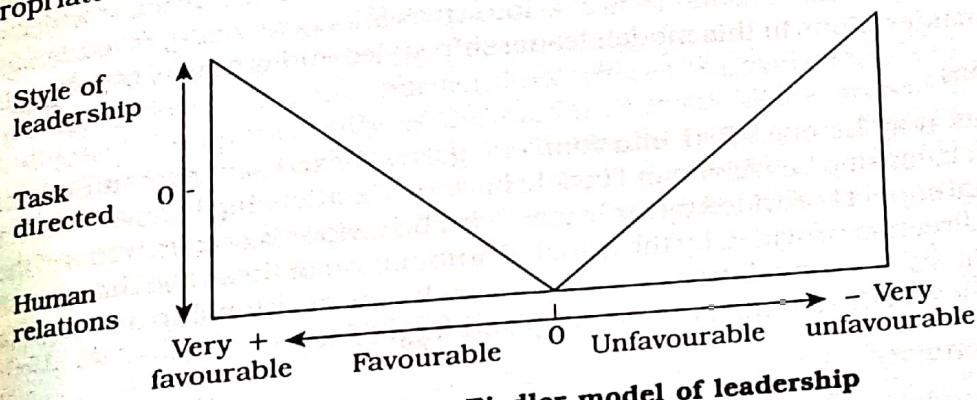
## Leadership

Between these two extremes, the degree of favourableness or unfavourableness varies.

### Relation between Styles and Situation

Fiedler feels that the effectiveness of leadership style depends on the situation. For example, the group performance will be contingent on the appropriate matching of leadership style and degree of favourableness of the group situation for the leader, that is, the degree to which the situation provides opportunities to the leader to influence his group members.

Appropriateness of leadership styles in different situations has been presented in Figure 16.6.



Thus, task-directed and human relations-oriented styles tend to be effective in different situations.

1. Task-directed leadership style tends to be better in group situations that are either very favourable or very unfavourable to the leader.
2. Human relations-oriented leadership style tends to be in group situations that are intermediate in favourableness.

The leader who makes a wrong decision in this highly unfavourable situation is better off than the leader who makes no decision at all. Similarly, human relations leader is more effective in intermediate range of favourableness of situation because he can get the work done by using his interpersonal skills more than insisting on the work itself. An example of such a situation is the typical committee or a unit which is staffed by professionals. In such a situation, the group members may not wholly accept the leader, the task may not be completely structured, and the leader may not have adequate authority; he has to rely more on persuasion and interpersonal relations to get the work done.

Fiedler's model provides a promising breakthrough in leadership styles. From the viewpoint of organizational implications, this model offers two implications:

1. No leadership style is appropriate for all situations. Therefore, there is nothing like the best style. The managers can adopt the leadership styles according to the requirements of the situations.
2. There is a need for matching leadership styles and job situations to achieve organizational effectiveness. Thus, if managers wish to increase organizational and group effectiveness, they must learn not only how to train leaders more effectively but also how to build an organizational environment in which the leader can perform well. However, Fiedler's model has certain shortcomings. First, it has considered only limited situational variables. In fact, there are many more variables than what the model has taken into account. Second, Fiedler's model seems to be reverting back to a single continuum of leadership style,

suggesting that there are only two basic leadership styles while most studies indicate that a leader who is high on one dimension is low on other dimension. Thus, it is not necessary that a leader who found. In spite of these criticisms, the model has its relevance.

### HERSEY-BLANCHARD'S SITUATIONAL MODEL

Hersey-Blanchard's situational leadership model takes a different perspective of situational variables as compared to Fiedler's model.<sup>9</sup> Hersey and Blanchard feel that the leader has to match his leadership style according to the needs of maturity of subordinates which moves in stages and in cycle. Therefore, this model is also known as *life-cycle theory of leadership*. There are two basic considerations in this model: leadership styles and maturity of subordinates.

#### Leadership Styles

Leadership styles may be classified into four categories based on the combination of considerations: relationship behaviour and task behaviour. Relationship behaviour is determined by socio-emotional support provided by the leader. Task behaviour is seen in terms of the amount of guidance and direction provided by the leader. Combination of these two dimensions results in four leadership styles: low relationship and low task, low relationship and high task, high relationship and low task, and high relationship and high task.

#### Subordinate's Maturity

Maturity in this model has been used in the context of ability and willingness of the people directing their own behaviour and is not strictly in accordance with the immaturity-maturity theory of Argyris. Ability refers to the knowledge and skills of an individual to do the job and called job maturity. Willingness refers to the psychological maturity and has much to do with confidence and commitment of the individual. These variables of maturity should be considered only in relation to a specific job to be performed. When both components of maturity - ability and willingness are combined, we can get four combinations:

1. Low ability and low willingness – Low maturity
2. Low ability and high willingness – low to moderate maturity
3. High ability and low willingness – moderate to high maturity
4. High ability and high willingness – high maturity

#### Combining Leadership Styles and Maturity

Combination of leadership styles and subordinates' maturity results in four leadership styles each being appropriate to a specific level of subordinates' maturity: telling, selling, participating and delegating.

**Telling.** For the subordinates who have low maturity – neither they have ability nor willingness, telling leadership style is appropriate. It emphasizes directive behaviour and involves high task behaviour and low relationship behaviour.

**Selling.** For subordinates of moderate maturity who have high willingness but lack ability, selling leadership style is appropriate. The subordinates require both supportive and directive behaviour which is marked by high task and high relationship behaviour.

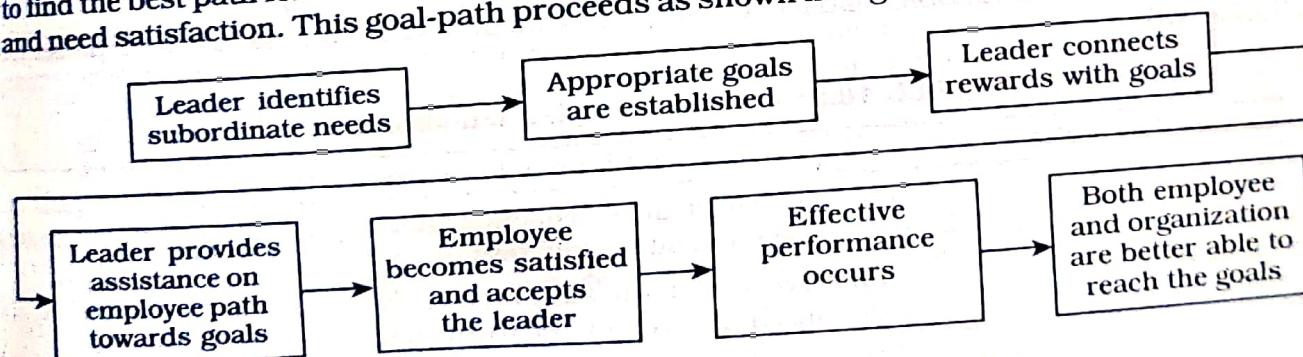
**Participating.** Subordinates with moderate to high maturity and have ability to do but lack willingness require high external motivating force. In such a situation, participating leadership style with low task behaviour and high relationship behaviour is more appropriate.

**Delegating.** Subordinates with high maturity, that is, they have both ability and willingness to work, hardly require any leadership support. The most appropriate leadership style in such a situation is delegating which involves low task behaviour and low relationship behaviour. Hersey-Blanchard's model is simple and intuitively appealing and accents an important contingent variable – employee's capabilities on a specific task – that is sometimes overlooked. The model suggests that the maturity level of the subordinates and the group has an important bearing for leadership behaviour, and as the maturity level changes, there must be corresponding change in leadership behaviour. Managers having faith in participative leadership style, have received this model with jubilation and assert that it helps them to determine as to what they should do and in what circumstances. The model has provided training ground for developing people in the organizations.

The model, however, has some shortcomings. There has not been much research evidence to support or reject the applicability of the model as it could not arouse enough interest in researchers. Therefore, it has not become much popular. Another deficiency in the model is that only one aspect of the total situation of leadership, that is, maturity level of employees has been taken into consideration to judge the leadership effectiveness. Therefore, this model does not truly reflect the situational leadership styles.

### PATH-GOAL MODEL OF LEADERSHIP

Robert House and others have developed a path-goal model of leadership initially presented by Evans.<sup>10</sup> Path-goal model of leadership is basically a combination of situational leadership and Vroom's expectancy theory of motivation. Like other situational leadership styles, path-goal model attempts to predict leadership effectiveness in different situations. According to this model, the main function of a leader is to clarify and set goals with subordinates, to help them to find the best path for achieving the goals, and to remove the obstacles to their performance and need satisfaction. This goal-path proceeds as shown in Figure 16.7.



**FIGURE 16.7: Path-goal leadership process**

In providing this path-goal process, the leader adopts different leadership styles based on the situations. Thus, the combination of these two – leadership styles and situations helps the employees to achieve goals.

### Leadership Styles

The leader may adopt one of the four styles depending on the situation. These are directive or instrumental, supportive, participative, and achievement-oriented.

- 1. Directive.** The leader gives subordinates specific orders and makes it clear what is expected of them; his focus is on planning, organizing, coordinating, and controlling the activities of the subordinates.

2. **Supportive.** The leader shows friendly behaviour to the employees; he shows his concern for their needs and welfare; creates pleasant organizational climate.
3. **Participative.** The leader makes the decisions with active participation of the employees; shares information with them and seeks suggestions from them.
4. **Achievement-oriented.** The leader sets challenging goals, seeks improvement of performance by displaying confidence in the abilities of the subordinates.

### Situational Variables

While exercising leadership styles, the leader must consider two groups of situational variables: characteristics of subordinates and work environment.

**Characteristics of Subordinates.** There are three important variables in each employee relevant to effectiveness of leadership: locus of control, willingness to accept influence, and self-perceived task ability. Locus of control refers to alternative beliefs whether the employee's achievements are the product of his own efforts (internal locus of control), or the result of outside forces (external locus of control). Willingness to accept influence refers to the degree of willingness or unwillingness of an employee to accept influence of others. Self-perceived task ability refers to whether the employee has ability to perform the task or not.

**Work Environment.** Work environment consists of the nature of task, formal authority system, and work group. Nature of job refers, here, as the degree of structuring of the job. The task may be either structured or unstructured. A structured task is well-defined in terms of the activities involved, authority and responsibility associated with the task, and the type of organizational relationships. Unstructured task lacks all these. Formal authority system refers to the degree of authority delegated to the leader for influencing subordinates. Work group refers to the type of group in the organization the employee belongs to.

Various situational variables and leadership styles and their effectiveness have been presented in Table 16.2.

TABLE 16.2: Leadership styles and situations

Leadership styles	Situations in which appropriate
Directive	Positive effect on satisfaction and expectancies of subordinates working on unstructured task.
Supportive	Positive effect on satisfaction of subordinates working on dissatisfying, stressful, or frustrating task.
Participative	Positive effect on satisfaction of subordinates who are ego-involved with non-repetitive task.
Achievement oriented	Positive effect on the confidence that the efforts will lead to effective performance of subordinates working on ambiguous and non-repetitive task.

Thus, the model proposes that there is nothing like the best leadership style appropriate in all situations. An appropriate style is one that helps the subordinates cope with the environmental ambiguity. A leader who is able to reduce uncertainties of the task and sets clear paths is considered to be satisfying because he increases the expectations of the subordinates that their efforts will lead to desired results.

Path-goal makes great sense for academic research and practising managers. However, the model lacks empirical supports; First, enough research has not been carried to validate the