
UNIT 18 LEADERSHIP

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18.0 OBJECTIVES

After studying this Unit, you should be able to:

- explain the meaning of leadership
- describe the importance of managerial leadership
- state the theories and different styles of leadership
- outline the functions of leadership
- analyse the relation between motivation and leadership
- explain the meaning of leadership effectiveness and enumerate the qualities of an effective leader
- describe the meaning and significance of morale.

18.1 INTRODUCTION

In the previous Unit you have learnt about one of the important management functions viz., motivation. In this Unit, you will learn another management function, that is, leadership. As you know, management involves getting work done through the people. By virtue of their position, managers can issue orders and instructions to their subordinates to get work done. But it is also necessary to ensure that subordinates put in their maximum effort in performing their tasks. Hence, managers have to regulate and influence the subordinates' behaviour and

conduct at work. It is through the leadership role of managers that employees may be induced to perform their duties properly and maintain harmony in group activities. A manager having formal authority can direct and guide his subordinates and command their obedience by virtue of his positional power. But as a leader, the manager can influence work behaviour by means of his leadership ability to get the cooperation of all members of the group.

18.2 WHAT IS LEADERSHIP?

Leadership may be defined as **a process of influencing group activities towards the achievement of certain goals**. Thus, the leader is a person in a group who is capable of influencing the group to work willingly. He guides and directs other people and provides purpose and direction to their efforts. The leader is a part of the group that he leads, but he is distinct from the rest of the group. As defined by George R. Terry “Leadership is the activity of influencing people to strive willingly for group objectives”.

Leadership naturally implies the existence of a leader and followers as well as their mutual interaction. It involves inter-personal relation, which sustains the followers accepting the leader’s guidance for accomplishment of specified goals.

Managers have to guide and lead their subordinates towards the achievement of group goals. Therefore, a manager can be more effective if he is a good leader. He does not depend only on his positional power or formal authority to secure group performance but exercises leadership influence for the purpose. As a leader he influences the conduct and behaviour of the members of the work team in the interest of the organisation as well as the individual subordinates and the group as a whole. But leadership and management are not the same thing. Management involves planning, organising, coordinating and controlling operations in achieving various organisational goals. Leadership is the process which influences the people and inspires them to willingly accomplish the organisational objectives. Thus, a manager is more than a leader. On the other hand, a leader need not necessarily be a manager. For instance, in an informal group, the leader may influence the conduct of his fellow members but he may not be a manager. His leadership position is due to the acceptance of his role by his followers. But, the managers, acting as a leader, has powers delegated to him by his superiors. His leadership is an accompaniment of his position as a manager having an organised group of subordinates under his authority. Thus, managerial leadership has the following characteristics:

- i) It is a continuous process whereby the manager influences, guides and directs the behaviours of subordinates.
- ii) The manager-leader is able to influence his subordinates behaviour at work due to the quality of his own behaviour as leader.
- iii) The purpose of managerial leadership is to get willing cooperation of the work group in the achievement of specified goals.
- iv) The success of a manager as leader depends on the acceptance of his leadership by the subordinates.
- v) Managerial leadership requires that while group goals are pursued, individual goals are also achieved.

18.3 IMPORTANCE OF MANAGERIAL LEADERSHIP

The importance of managerial leadership in an organisation arises from the basic nature of the managerial and leadership roles of managers. Combination of these roles invariably leads to not only effective task performance and fuller achievement of organisation goals but also human satisfaction around. This is because management is based on the formal authority of managers. Whereas, being leaders of work groups enables managers to achieve results on the basis of inter-personal relations. The leader manager identifies himself with the work group. He acts as an intermediary between his subordinates and the top management. He takes personal interest in the development of his subordinates, helps them in overcoming individual problems through advice and counseling, creates appropriate work environment and builds up team spirit. As a result the leader manager is able to develop better team work. The subordinates willingly accept his advice, guidance and direction and are inspired as a group to accomplish the specific goals.

18.4 THEORIES OF LEADERSHIP

There are a number of theories which provide explanations regarding various aspects of the leadership phenomenon. Let us examine some of the theories.

Trait Theory: This is the earliest theory based on a distinction between the personal qualities or traits of successful leaders. The theory suggests a list of personality traits or characteristics which must be present in a person for his success as a leader. According to this theory, leaders must be physically strong and well-built, intelligent, honest and mentally mature. He must have initiative, self-confidence, ability to take decisions, and so on. Since all individuals did not have these qualities, only those who had them would be considered potential leaders. Following are the limitations of this theory:

- i) The trait theory is not accepted as a valid theory.
- ii) There is no universally agreed list of traits associated with successful leaders.
- iii) It is difficult to measure the traits and, therefore it is not always possible to distinguish between leaders and followers.

Behavioural Theories: The behavioural theories of leadership are based on the belief that **leaders can be identified by reference to their behaviour in relation to the followers**. In other words, it is suggested that leadership can be described in terms of **what leaders do rather than what they are**. Behavioural theories have been presented mostly on the basis of research studies. According to the studies conducted in the States of Michigan, USA, leaders who treat their subordinates as human beings, are concerned about their well-being, and encourage and involve them in goal setting, are more effective. They are described as **'employee-centred'** leaders. On the other hand, leaders who are **'production-centred'** emphasise job performance in conformity with prescribed standards. He exercises close control over the employees as if they were tools of production. Such a leadership is associated with unsatisfactory work performance due to the low morale of employees.

Studies conducted in Ohio State University showed two dimension of leader's behaviour viz., **Initiating structure** and **Consideration**. Initiating structure refers to the leader's behaviour in delineating the relationship between himself and members of the work group and in endeavouring to establish well defined pattern of organisation, channels of communication and methods of procedure. Whereas, consideration refers to behaviour indicative of friendship, mutual trust, respect and warmth in the relationship between leader and the members of his staff.

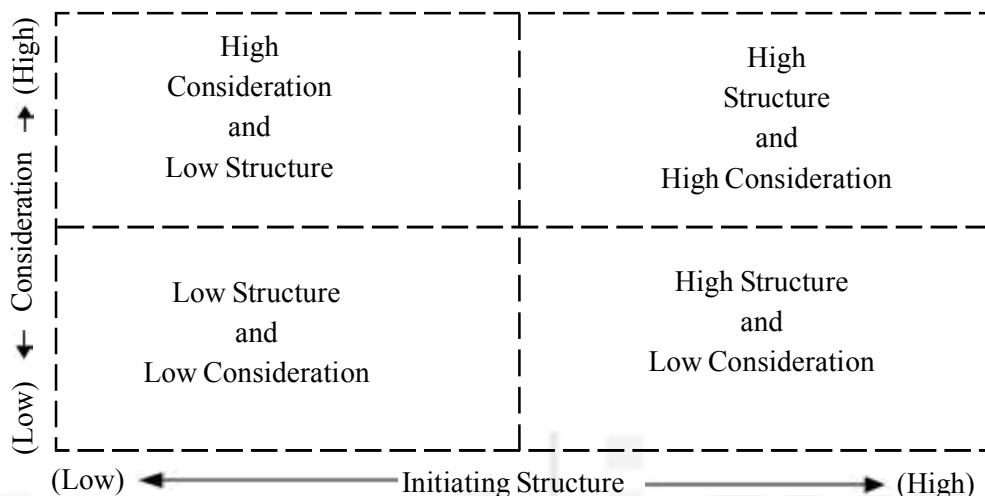


Figure 18.1: Combination of Initiating Structure and Consideration

Look at Figure 18.1 which shows that the behaviour of a leader may be described as any mix of both dimensions.

Situational Theories: In the situational theories of leadership the success of leadership depends upon the situation in which the leader operates.

According to leadership contingency model developed by Fred E. Fiedler, the leader's effectiveness depends upon three situational factors:

- i) **Leader-followers relations**, that is the degree of follower's trust, confidence and respect for the leader.
- ii) The extent to which the task performed by subordinates is routine or non-routine (known as **task structure**).
- iii) The **position power** of the leader, that is, the power associated with the rank and position of the leader in the organisation. He defined favourableness of a situation as the degree to which the situation enables the leader to exert his influence over his group.

The most favourable situation for leaders to influence their group is one in which they are well liked by the members, the task is highly structured (i.e., routinised and predictable) and the leader has enormous power attached to his position. On the other hand, the most unfavourable situation for leaders is one in which they are disliked, the task is highly unstructured and he will have little position power.

Task Oriented	Relationship Oriented	Task Oriented
Very favourable leadership situation	Intermediate favourable leadership situation	Very unfavourable leadership situation

Figure 18.2: Appropriateness of leadership behaviour for various group situations

Look at Figure 18.2 which shows that task oriented leaders tend to perform best in group situations that are either very favourable or very unfavourable to the leader. On the other hand, relationship-oriented leaders tend to perform best in situations that are intermediate (medium) in favourableness.

Another situational theory is the '**Path-Goal Theory**'. According to this theory, leaders are effective due to their influence on followers' motivation, ability to perform, and their satisfaction. Subordinates are motivated by the leader to the extent he is able to influence their expectancies relating to the performance and attractiveness of the goal. Further, individuals are satisfied with their job if they believe that (a) performance of the job will lead to desirable outcomes and (b) with hard work they will be able to achieve the desirable outcomes.

18.5 LEADERSHIP STYLES

The dominant behaviour pattern of a leader-manager in relation to his subordinates is known as leadership style. There are three basic styles of leadership as follows:

- 1) Autocratic or Authoritative Style
- 2) Democratic or Participative Style and
- 3) Laissez-faire or Free-rein Style.

Autocratic or Authoritative Style

An autocratic leader centralises power and decision-making in himself and exercises complete control over the subordinates. In this style subordinates are compelled to follow the orders of the leader under threat of penalties. They have no opportunity to take part in goal-setting, or take initiative of make suggestions. They are subject to close supervision and, thus have a tendency to avoid responsibility. The autocratic manager has little concern for the well-being of employees, who suffer from frustration and low morale. They do not have any sense of belonging to the organisation and try to work as little as possible.

Limitations: it should be clear from the above that there are several limitations of the autocratic style of leadership.

- i) It results in low morale due to the inner dissatisfaction of employees.
- ii) Efficiency of production goes down in the long run.
- iii) It does not permit development of future managers from among capable subordinates.

Despite the above limitations, autocratic leadership can be successfully applied in the following situations:

- i) When subordinates are incompetent and inexperienced.
- ii) The leader prefers to be active and dominant in decision-making.
- iii) The company endorses fear and punishment for disciplinary techniques.
- iv) There is a little room for error in final accomplishment.
- v) Under conditions of stress when great speed and efficiency are required.

Since the leader-manager takes all decisions in autocratic style, there is uniformity and consistency in decision-making.

Democratic or Participative Style

The democratic style is also known as participative style. In this style, decisions are taken by the leader in consultation with the subordinates and with their participation in the decision-making process. The participative leader encourages subordinates to make suggestions and take initiative in setting goals and implementing decisions. This enables subordinates to satisfy their social and ego needs, which in turn, lead to their commitment to the organisation goals and higher productivity. Frequent interaction between the manager and subordinates helps to build up mutual faith and confidence.

Several benefits can be derived from the participative style of leadership as listed below:

- i) It helps subordinates to develop their potential abilities and assume greater responsibilities.
- ii) It provides job satisfaction and improves the morale of employees.
- iii) The group performance can be sustained at a high level due to the satisfied and cohesive nature of the group.

However, the democratic style cannot be regarded as the best style under all circumstances. Its limitations are as follows:

- i) Decisions taken through consultation may cause delay and require compromises to meet different viewpoints.
- ii) A few vocal individuals may dominate the decision-making process.
- iii) No one individual may take the responsibility for implementing the decision taken by the group as a whole.

Despite the above limitations, democratic style is suitable in the following situations:

- i) When subordinates are competent and experienced.
- ii) The leader prefers participative decision-making process.
- iii) Rewards and involvement are used as the primary means of motivation and control.
- iv) The leader wishes to develop analytical and self-control abilities in his subordinates.
- v) The organisation has clearly communicated its goals and the objectives to the subordinates.

Laissez Faire Leadership Style

Laissez faire leadership style is just the opposite of autocratic style. A manager, who adopts this style, completely gives up his leadership role. The subordinate group is allowed to make decisions and it is left to the members of the group to do as they like. The role of any leader is absent. The group members enjoy full freedom as regards goal-setting and acting on it. Hence, there is chaos and mismanagement of group goals. However, laissez faire leadership is found to be quite suitable where the subordinates are well-trained, competent and the leader-manager is able to fully delegate the powers of decision-making and action to the subordinates.

Laissez faire style is suitable in the following situations:

- i) When leader is interested in delegating decision-making fully.
- ii) Subordinates are well trained and highly knowledgeable.
- iii) Organisation goals have been communicated well.

Despite a few suitability this style should be adopted rarely because it may lead to chaos and mismanagement.

Look at Figure 18.3 which shows diagrammatic representation of all these leadership styles:

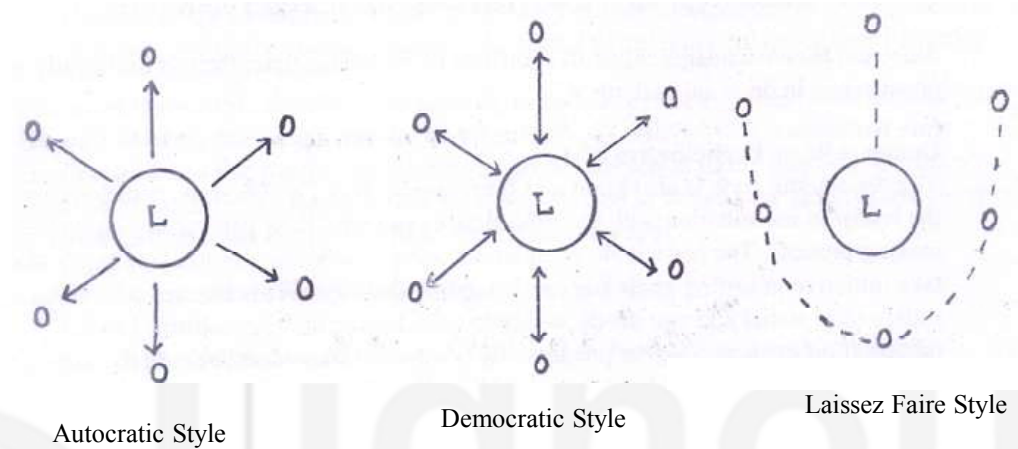


Figure 18.3: Diagrammatic Representation of Leadership Style

Continuum of Leader Behaviour

Robert Tannenbaum and Warren Schmidt depicted a broad range of leadership styles on a continuum which moves from authoritarian or boss-centred leader behaviour at one end to democratic or subordinate-centred behaviour at the other end.

(Democratic) (Authoritarian)
 Relationship Oriented Task Oriented

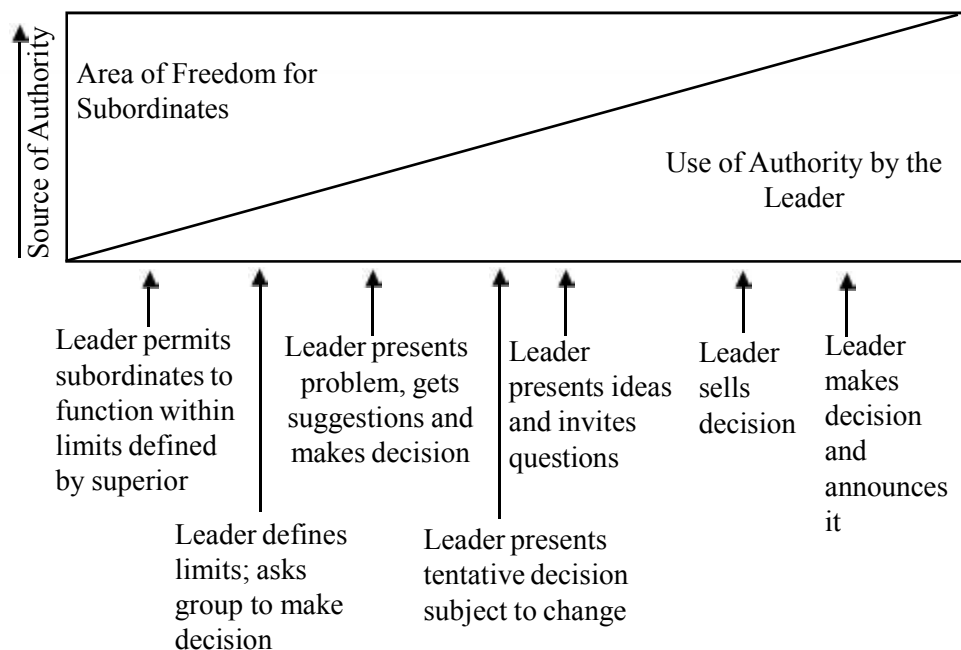


Figure 18.4: Continuum of Leader Behaviour

Look at Figure 18.4 which shows that leaders who are at the authoritarian end of the continuum tend to be task-oriented and use their power to influence their followers. He enjoys a high degree of control and delegate very little authority. On the other hand, leaders who are at the democratic side tend to be group oriented and provide their followers considerable freedom in their work.

Although the leader continuum approach provides a wide range of leader's behaviour. It identifies the number of behavioural alternatives available to a manager. Moreover, the success of the leadership style depends on the modification of the leader to the needs of the situation. Its major limitation is that it supports unidimensional thinking. It has been found that employees orientation and task-orientation are not opposite ends on a continuum.

Check Your Progress A

- 1) Which of the following statements are True and which are False.
 - i) Leadership is not the same things as managership.
 - ii) Leadership is a function of management.
 - iii) Managerial Leadership involves pursuit of group goals, not individual goals.
 - iv) Trait theory of leadership emphasises the behaviour of leaders.
 - v) An autocratic leader-manager can be effective in the short-run, but not in the long-run
- 2) Fill in the blanks selecting appropriate words from those given within brackets.
 - i) A leader manger invariably his subordinates (commands / directs and guides/rewards).
 - ii) Managerial leadership is a process (regular/continuous/convenient).
 - iii) A democratic leader takes decisions on the basis of (his own judgement / group opinion / individual views).
 - iv) Employee-centred leaders have maximum concern for (work / subordinates/ organisational goals).
 - v) If the situation is highly favourable leadership is most suitable (relations oriented / task oriented).

18.6 FUNCTIONS OF LEADERSHIP

A leadership functions of a managers are closely related with his managerial functions. But they are somewhat different as well as overlapping. Essentially, the leader as a manager has to set the group goal, make plans, motivate and inspire subordinates and supervise performance. But he has to perform several other functions as leader. The more important of these functions are given below:

- 1) **To develop team work:** One of the primary functions of the leader is to develop his work-group as a team. It is his responsibility to create a congenial work-environment keeping in view the subordinates competence, needs and potential abilities.

- 2) **To act as a representative of the work-group:** The leader of a work-group is expected to act as a link between the group and top management. When necessary, the leader has to communicate the problems and grievances of his subordinates to the top management.
- 3) **To act as a counsellor of the people at work:** Where the subordinates face problems in connection with their performance at work, the leader has to guide and advise the subordinates concerned. The problems may be technical or emotional in nature.
- 4) **Time management:** The leader's functions include not only ensuring the quality and efficiency of work performed by the group, but also checking on the timeliness of completing different stages of work.
- 5) **Proper use of power:** While exercising power or authority in relation to his subordinates, the leader must be careful about using his power in different ways according to the situation. It may be necessary to use reward power, coercive power, or expert power, formal or informal power, depending on what will stimulate positive response from the subordinates.
- 6) **Secure effectiveness of group-effort:** To get the maximum contribution towards the achievement of objectives the leader must provide for a reward system to improve the efficiency of capable workmen, delegate authority, and invite participation of employees in decision-making, ensure the availability of adequate resources, and communicate necessary information to the employees.

18.7 MOTIVATION AND LEADERSHIP

Effective leadership makes a positive impact on the motivation of members of a work group. This is due to the following reasons:

- i) Leadership creates a congenial work environment and thus ensures job satisfaction.
- ii) It enables group members to achieve individual goal as well as organisational goals.
- iii) It provides for a proper system of rewards and incentives for capable employees, which includes both financial and non-financial incentives.
- iv) The leader's concern for the well-being and development of subordinates promises self-fulfilment to every group member.

An effective leader-manager helps and supports his subordinates in the light of their individual values and expectations. This supportive relationship increases their motivation as it builds and maintains a sense of personal worth and importance of each individual.

18.8 LEADERSHIP EFFECTIVENESS

We have discussed above how different styles of leadership reflect the behaviour pattern of the leaders. The manager leader may be effective or ineffective depending upon the leadership style adopted by him. He may be **employee-centred** (i.e., relations-oriented) or **production centred** (i.e., task oriented). In

other words, the style may reflect the leaders **concern for people** or **concern for production**. But in reality, the manager-leaders may combine his concern for people and concern for production with different degrees of emphasis on each. This idea was developed in the form of what is known as ‘**Managerial Grid**’, which is briefly outlined below.

Managerial Grid: The managerial grid refers to a diagrammatic representation of the possible combinations of concern for people and concern for production which may be reflected in the style of leadership. The concept of managerial grid was developed by Blake and Mouton in 1964.

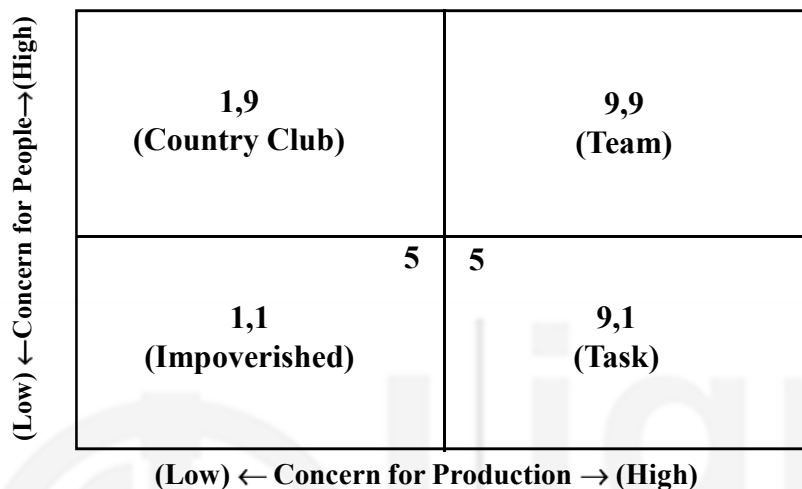


Figure 18.5: Diagrammatic Representation of Managerial Grid

As shown in the diagram, there are nine degrees of concern each for people and production. Combining lower degrees and higher degrees of concern, five basis styles of leadership are distinguished as follows (No. 1 representing minimum concern, and No. 9 maximum concern):

- 1,1 style, where the manager has minimum concern for people as well as production, is known as **impoverished management**. This represents a casual attitude of the manager towards his job the organisation cannot be expected to survive.
- 9,1 style reflects the manager’s highest concern for production but least concern for people. It is known as **task management**.
- 1,9 style in which the manager has the maximum concern for people and minimum concern for production is described, as **country club management**. It implies that the manager is inclined to keep people happy expecting that happiness will make them more efficient, which is not true for business enterprises.
- 5,5 style represents moderate concern for both people and production and therefore known as **middle of road management**. This style of leadership is preferred by many managers whose approach to management is that of “live and let live”.
- 9,9 style is the best combination of concerns for people and production with maximum concern for both. In this case, the manager tries to integrate the

objectives of the organisation with the objectives of the people employed. This style therefore represents **team management**. It may be suggested that the 9,9 management style is likely to be most effective.

Effective and Ineffective Styles

Effectiveness depends on the situational demands of a specific environment. When the style of a leader is appropriate to a given situation, it is termed effective. On the other hand, when the style is inappropriate to a given situation it is termed ineffective. Look at Figure 18.6 which shows the effective dimension of leadership.

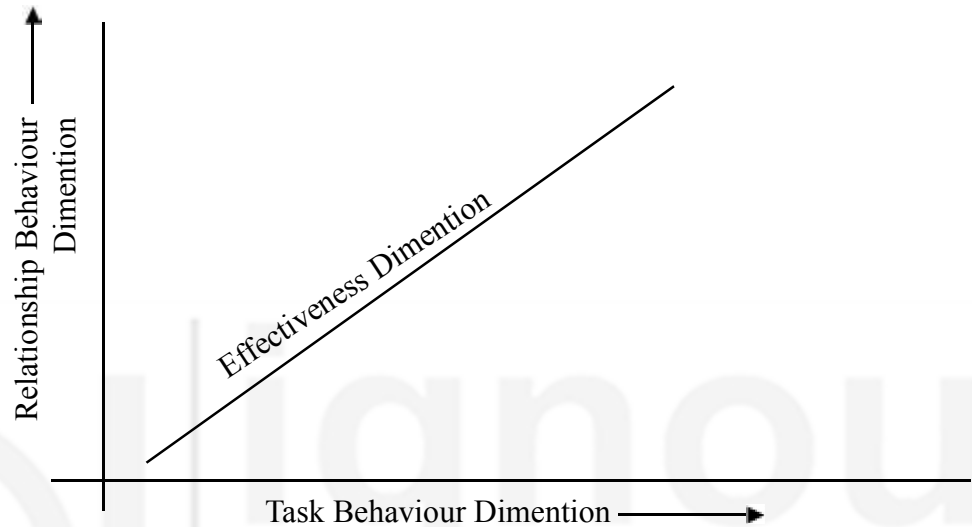


Figure 18.6: Diagrammatic Representation of Effectiveness Dimension

The basic styles of leadership are further divided into eight styles according to their degrees of effectiveness i.e., as more effective and less effective styles. The following are regarded as **more effective styles**.

Executive: Used by a manager this style attaches maximum importance to work as well as the people. Such a manager is able to motivate people and utilise the team effectively. He sets high standards of performance and can accomplish the goals successfully.

Developer: The manager adopting this style attaches greatest importance to the people at work and has minimum concern for work. He devotes maximum attention to the development of individual subordinates and believes in their capability.

Benevolent autocrat: The manager whose attitude and style are those of a benevolent autocrat has high concern for work and low concern for people. But he is able to achieve the goals without causing any resentment among the subordinates.

Bureaucrat: With a bureaucratic style the manager is able to control the work-situation and achieve goals by means of rules and procedure. He has minimum concern for people and work as such.

The less effective (or **ineffective**) style are stated to be those which are not appropriate to the situation. These are as follows:

Compromiser: A manager who is equally concerned with people and work in a situation which requires emphasis on one of these, is a poor decision-maker due to pressures on both counts. Thus is ineffective manager leader.

Missionary: The missionary manager is one who aims at harmonious relations among people as an ideal and is little concerned with work, although the situation requires greater emphasis on work. He is unable to get results.

Autocrat: An autocratic manager is interested only in work and results thereof, whereas the situation requires relation-orientation. Such a manager lacks confidence in his subordinates and depends on high-handed management. So his leadership fails in the long-run.

18.8.1 Factors Influencing Leadership Effectiveness

Taking an overall view of the question of effectiveness of leaders, some writers have identified a number of factors that influence the leader and his effectiveness. These factors are:

- 1) The leader's own personality, past experience and expectations.
- 2) The expectations and behaviour of his supervisors.
- 3) The subordinates' characteristics, expectations and behaviour.
- 4) The requirements of tasks to be performed by subordinates.
- 5) Expectations and behaviour of fellow managers (peers).
- 6) Organisational culture (climate) and policies.

18.8.2 Qualities of an Effective Leader

A leader cannot be effective unless he possesses certain qualities of head and heart. Irrespective of the nature of the manager-leader's own responsibilities of the job and the styles adopted by him, a number of qualities are generally found to be possessed by the effective leader. The more important of these qualities are listed below:

- 1) **Mental and physical health:** To be able to bear the pulls and pressures of leadership, it is essential for the leader to have sound health both mental and physical. Along with a balanced temperament and optimistic outlook, he must possess stamina and sound health.
- 2) **Empathy:** A leader must have the capacity to appreciate others and look at things from his subordinates' angle. This attitude of the leader motivates his subordinates.
- 3) **Self-confidence:** Confidence about one's leadership ability makes it possible for a leader to analyse and face different situations and adopt a suitable style. Lack of self-confidence often prevents managers to adopt participative style and repose trust in his subordinates.
- 4) **Awareness of others' opinion about himself:** A leader having self-confidence should not ignore how others perceive him as a leader. He must be aware of his strength and weakness in relation to his subordinates.
- 5) **Objectives:** A leader who is effective does not get carried away by emotions. He is fair and objective in his dealings with subordinates.

- 6) **Knowledge and intelligence:** A leader to be effective must have knowledge of group behaviour, human nature, and activities involving technical and professional competence. He must have intelligent perception of human psychology and ability to think clearly and argue cogently on points of dispute.
- 7) **Decisiveness:** Decision-making is a necessary but difficult tasks for every leader. A leader often has to take initiative and exercise mature judgement while taking decisions. Besides, he has to have foresight, imagination and creative ideas for effective decision-making. Open mindness is yet another essential quality for that purpose.
- 8) **Ability to communicate:** The skill of effective communication of goals and procedure of work is extremely important in leadership. To achieve desired results and coordination of efforts in a group, oral communication is of great significance.
- 9) **Sense of purpose and responsibility:** A leader must have clarity of purpose and responsibility to be able to inspire his subordinates to achieve specific goals.
- 10) **Other qualities:** Enthusiasm, courage, sense of direction, judgement, tact, courtesy and integrity are also regarded as necessary qualities for a leader to be effective.

Check Your Progress B

- 1) Fill in the blanks.
 - i) The primary function of the leader is to develop the work group as a
 - ii) When subordinates at work face problems the leader must act as a
 - iii) Leadership enables group members to achieve as well as
 - iv) The leader-manager's effectiveness depends upon the adopted by him.
 - v) Maximum concern for people and minimum concern for work is known as management.
- 2) Which of the following statement are True and which are False.
 - i) Team management refers to moderate concern of the manager for work and people.
 - ii) A leader provides for a proper system of financial and non-financial incentives for subordinates.
 - iii) The managerial grid represents combination of lower degrees of concern for people and concern for work.
 - iv) Middle of the road management means a passive attitude on the part of manager leader.

- v) The bureaucratic manager attaches maximum importance to work as well as to people.
- 3) Match the following expressions given in column (A) and (B) by reference to the alphabets and numbers against each.

Column A**Column B**

- | | |
|--|------------------------|
| i) Minimum Concern for people & work | a) Executive |
| ii) No Concern for people & work | b) Benevolent autocrat |
| iii) Maximum Concern for people & work | c) Deserter |
| iv) Maximum Concern for work and
Minimum Concern for people | d) Bureaucrat |

18.9 MORALE

You have learnt different dimensions of leadership behavior. Effective leader tries his best to boost the morale of the employees which in turn motivate them to work willingly. Let us discuss about morale in detail.

18.9.1 Meaning and Significance of Morale

Morale is the state of mind or attitude of an individual or group towards the work and environment i.e. towards the superior, fellow members of the group and goal of the organisation as well as the task assigned. A favourable attitude is an indication of high morale, while an unfavourable attitude indicates low morale.

Morale is an important factor which contributes to the willingness of people to work, leads to their happiness and determines their productivity. It is regarded as a significant variable which determines the success of an organisation. With high morale, people work willingly and enthusiastically for the achievement of organisational goals. Further, high morale leads people to attach greater importance to group goals as compared with their personal goals. It also reduces absenteeism and labour turnover. On the other hand, low morale leads to inefficiency, waste, low productivity, unrest and indiscipline among employees.

18.9.2 Factors Determining Morale

Morale reflects a state of mind or attitude of people which result from the conditions under which they work in an organisation. The more important factors that influence morale are the following:

- 1) **Objectives of the organisation:** if the organisational goals are considered by the employees to be useful and important, morale generally tends to be high.
- 2) **Leadership:** The effectiveness of a leader in providing satisfactory work environment is another important factor in moral building. If leadership enables the subordinates to achieve their goals and aspirations, there is a positive impact on morale.
- 3) **Group members:** High morale also results from the nature and behaviour of co-workers in the group. If members of the work group are cooperative and there is mutual faith and understanding among them, morale is likely to be high.

- 4) **Job satisfaction:** The jobs assigned to employees are performed well if they derive personal satisfaction from the work they do are proud of it,. Satisfying jobs contribute towards high morale particularly when the employees thereby have opportunity of self development.
- 5) **Structure of organisation:** The organisation structure defines the lines of superior-subordinate relations. If the authority and responsibility are clearly defined and there is free and frank communication between the superior and the subordinates, the situation is highly conducive to morale building.
- 6) **Compensation:** Satisfactory levels of wages and salaries as well as a system of rewards and incentives for higher efficiency are basic requirements for employee satisfaction. Thus, the morale tends to be high when fair compensation and rewards are assured.
- 7) **Advancement and promotional opportunity:** An organisation in which capable employee has opportunities of advancement in their career through promotion is highly preferred by ambitious people. The scope of promotion to position of higher responsibility and remuneration is a positive factor that determines the morale of employees.
- 8) **Living conditions and health:** The living conditions of employees which contribute to the physical and mental health also affect morale indirectly. People who live under satisfactory conditions naturally have a better attitude in relation to their work.
- 9) **Working environment:** Conditions in the work place have of course a direct impact on morale. Provision for safety, health care, and welfare of employees help a great deal in building up their morale.

18.9.3 Leadership and Morale

There are different reasons which may explain the correlation between managerial leadership and morale of subordinates. Good leadership inspires confidence in the subordinates not only to work efficiently but to derive adequate satisfaction from their work. Morale is generally high where the leader recognises the needs and aspirations of employees and identifies himself with the work group. Democratic leadership style wins over the loyalty of subordinates due to their involvement and participation in decision-making. The leader-manager who is concerned about the well being and advancement of careers of subordinates, supports them when they need his support, and represents their interests to higher-level managers, may build up the morale of subordinates more significantly. Provision of a system of fair compensation and incentive scheme by the leader also contributes a great deal to employee satisfaction leading to high morale

Check Your Progress C

- 1) Which of the following statements are True and which are False.
 - i) Morale is an attitude of mind which is reflected in willingness to work enthusiastically.
 - ii) Living conditions of employees do not have any effect on their morale.
 - iii) Manager leaders who are autocratic in their behaviour are able to build high morale.

- iv) People with low morale are misfits in their work-group.
 - v) Leadership and morale are positively correlated.
- 2) Fill in the blanks:
- i) Good health has a effect on morale.
 - ii) Morale is when workers have a favourable attitude to their work.
 - iii) Working conditions affect morale
 - iv) Managerial leadership and morale are correlated.
 - v) Morale tends to be high if there is a system of compensation.

18.10 LET US SUM UP

Leadership is a process of influencing group activities towards the achievement of certain goals. It is a continuous process whereby the manager influences, guides and directs the behaviour of subordinates to secure willing cooperation of the group. Combination of the managerial and leadership roles in the manager leads to not only effective task performance but also human satisfaction all round.

The trait theory of leadership suggests that the success of a leader depends mainly on his personality traits or characteristics. Whereas the behavioural theories of leadership are based on the belief that leaders can be identified by reference to their behaviour in relation to the followers.

In the situational theories of leadership the success of leadership is said to depend upon the situation in which the leader operates. The situational factors which influence leader's effectiveness include **leader-follower relations, the task structure** and the **position power of the leader**.

The dominant behaviour pattern of a leader-manager in relation to his subordinates is known as leadership style. There are three basic styles of leadership:

- (1) Autocratic, (2) Laissez faire and (3) Democratic style.

An autocratic leader centralises power and decision-making in himself and exercises complete control over the subordinates. Hence it results in low morale, and decline of productivity in the long run.

In democratic style of leadership decisions are taken by the leader in consultation with members of the group and with their participation in the decision-making process. It helps subordinates to develop their potential abilities, provides job satisfaction and improves morale, in laissez faire style, subordinates are left to take the decisions and perform their work as they like. Hence there may be chaos and mismanagement under this leadership style.

The functions of a leader manager include: developing teamwork, representing the group and acting as a link with top management, advising and counselling subordinates, managing the time schedule of work performance, using power properly, and securing effectiveness of group effort.

- B) 1) (i) team (ii) counsellor (iii) individual, organisational
(iv) leadership style (v) team
- 2) (i) False (ii) True (iii) False (iv) False (v) False
- 3) (i) and (d), (ii) and (c); (iii) and(a); (iv) and (b)
- C) 1) (i) True (ii) False (iii) False (iv) True
(v) True
- 2) (I) Positive (ii) high (iii) directly (iv) positively (v) fair.

18.12 QUESTIONS FOR PRACTICE

- 1) What do you understand by leadership? How does it differ from managership?
- 2) Enumerate the principal characteristics of managerial leadership.
- 3) Define 'leadership style'. What are the main differences between autocratic, democratic and free rein leadership styles?
- 4) What are the two types of leader behaviour identified in research studies in the State of Michigan and Ohio in U.S.A? Explain briefly.
- 5) Explain in detail the concept of 'managerial grid' and its purpose.
- 6) Write explanatory notes on:
 - a) Effective and Ineffective styles of leadership
 - b) Functions of leadership
 - c) Qualities of an effective leader
 - d) Trait theory of leadership.
- 7) What is meant by morale? Outline the factors that influence the morale of employees in an organisation. What is the significance of leadership vis a vis morale?

Note: These questions will help you to understand the Unit better. Try to write answers for them. But do not submit your answers to the university. They are for your practice only.