
UNIT 9 LEADERSHIP: CONCEPT AND THEORIES*

Structure

- 9.0 Objectives
- 9.1 Introduction
- 9.2 Meaning and Definitions
- 9.3 Styles of Leadership
- 9.4 Theories of Leadership
- 9.5 Leadership Skills
- 9.6 Conclusion
- 9.7 Glossary
- 9.8 References
- 9.9 Answers to Check Your Progress Exercises

9.0 OBJECTIVES

After reading this Unit, you should be able to:

- Know the meaning and definitions of leadership;
- Explain the styles of leadership;
- Understand different theories of leadership; and
- Identify the skills of effective leadership.

9.1 INTRODUCTION

The success or failure of an organisation largely depends on its leadership. All organisations, big or small, simple or complex, need effective leadership. Unlike many other themes in the field of organisational behaviour, there are a number of studies and a considerable body and knowledge on leadership. A leader has to persuade, influence, encourage, energise and motivate people to achieve the objectives of an organisation. Thus, leadership is the process of influencing the activities of individuals or groups to achieve the goals of organisation. The first and the foremost task of management in every organisation is to provide leadership that is expected to direct, control and coordinate the activities of a group of persons with a view to achieving the desired goals of the organisation.

An interesting addition to contemporary leadership studies is the ability of a leader to motivate and persuade his team members to do something which they do not want to do initially, but gradually, they start involving themselves with dedication in these activities which facilitate the achievement of organisational

goals. Thus, leadership skills also include the persuasive powers to convert an unwillingness into a willingness of the employees or followers. In this Unit we shall discuss conceptual aspects of leadership in an organisational context.

9.2 MEANING AND DEFINITIONS

The dictionary meaning of leadership is to guide others, to be head of an organisation or to hold command. Leadership has been variously defined as an attribute of personality, a positional characteristic and an attitude of behaviour. A leader is partly a manager as he performs quite a few managerial functions. The distinguishing feature of leadership is its ability to persuade others to seek defined objectives.

The importance of leadership lies in the fact that leaders have not only to motivate their followers but also arouse in them an interest to work for the realisation of the goals of organisation. Further, an interesting distinction between leadership and management has been given by an eminent behavioural scientist, Warren Bennis (2010), who on the dust cover of his famous book *Leaders*, mentioned: “Leaders do the right things, managers do them right.” What Bennis implied was that leaders have to be visionary, good policy-makers and sound decision-makers, while managers are expected to execute such vision, policies and decisions systematically and methodically.

This appears to be a convincing distinction, but we should keep in mind that leaders have also to perform managerial roles, while the managers have also to undertake leadership roles. Both the roles are not exclusive, but interrelated and inter-dependant.

According to Mc Farland (1969), “Leadership is a process of interpersonal influence by which executive or manager influence the activities of others in choosing and attaining given goal”.

“Koontz O’ Donnell (1984) observes: “Leadership means influencing people to follow the achievement of common goals. It is the ability to exert interpersonal influence by means of communication towards the achievement of goals”.

According to the Encyclopaedia of Social Sciences, “Leadership is a relation function between individual and group around some common interest and behaving in a manner directed or determined by them”.

Chester James and Orlando comment: “Leadership is a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organisational objectives”.

Theo Haimann, observes: “Leadership can be defined as the process by which an executive imaginatively directs, guides and influences the work of others in choosing and attaining specified goals by mediating between individual and organisation in such a manner that both will obtain maximum satisfaction”.

According to Relph M Stogdill, “Leadership is a process of directing and influencing the task related activities of group members”.

Although many specific definitions (Jain & Saakshi, 2008) could be cited, most would be influenced by the theoretical orientation adopted. Besides influence,

leadership can be defined in terms of group processes, personality, compliance, particular behaviours, persuasion, power, goal achievement, interaction, role-differentiation, initiation of structure and combination of two or more of these.

9.3 STYLES OF LEADERSHIP

The style an executive selects greatly influences his effectiveness as a leader. Leadership style influences the motivation of subordinates in the achievement of organisational goals. Leaders adopt different styles at different points of times depending on the situation. Inappropriate styles may cause irreparable damage as the employees may feel dissatisfied and resentful. Broadly, three leadership styles are identified viz. autocratic, participative and laissez faire. Each of the styles has both advantages and disadvantages. We shall now briefly discuss each of these styles:

Autocratic Style

In this style, authority is concentrated in the hands of the leader. It is the leader who decides policies and modifies them according to his own wishes. This type of leader expects unquestioned acceptance of his or her leadership by the subordinates. It is very difficult to anticipate the behaviour of autocratic leaders. Such a leader tends to be private and remains aloof from the group. He considers himself superior and all his colleagues as inferior, inexperienced and ignorant. This type of leadership has the advantage of quick decision-making, but it causes pain to the employees and results in dissatisfaction.

Participative Style

This style is also called 'democratic' style of leadership. In this style, leaders obtain the cooperation of employees in achieving organisational goals. They allow the employees to participate in the decision-making process. All policies and decisions are arrived at through group deliberations. The leader encourages and assists his colleagues and only suggests alternatives instead of dictating the final decisions or policies. The members of the group enjoy considerable freedom. Participative style leads to improved employee-employer relations, higher morale and greater job satisfaction. It also reduces the burden on the leader. Major problems in this style are dilution of quality and more time consumed in the formulation of policies and decisions. The consultative process naturally becomes time-consuming.

Laissez-faire Style

In this type of leadership, the organisation does not depend on the leader to provide external motivation. The employees motivate themselves. They enjoy greater freedom and leader's participation in decision-making is minimal. The leader only assumes the role of one of the members of the organisation. This style of leadership has an advantage of giving freedom and independence to employees. The basic problem in this style is an absence of strong leader to direct and control the teams. Employees generally miss guidance and motivation in such a style of leadership.

Check Your Progress 1

- Note:** i) Use the space given below for your answers.
ii) Check your answers with those given at the end of the Unit.

1. Explain about meaning and definitions of leadership.

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2. State different types of leadership.

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9.4 THEORIES OF LEADERSHIP

Leadership has several distinct theoretical bases. At first, leaders were seen as either ‘born’ or ‘made’. The ‘great person’ theory implied that individuals were born with certain traits. Dissatisfied with this approach, researchers shifted their emphasis on the group leadership. In the group approach, leadership is viewed more in terms of the leader’s behaviour and his relationship with his followers. Later, the situation began to receive increased attention in leadership theory. Now a leader is viewed as a product of the times and the situations. The person with particular qualities or traits that a situation requires will emerge as a leader. The following sections examine different theories of leadership:

Trait Theory

This theoretical approach is related to characteristics or traits that are required for a person to become as leader. This theory is known as “great man” theory assuming that leaders are born with certain special necessary traits for leadership. Ordway Tead and Chester I.Barnard are prominent trait theorists. Ordway Tead has brought out ten qualities of a leaders viz. 1) Physical and nervous energy 2) A sense of purpose and direction 3) Enthusiasm 4) Friendliness and affection 5) Integrity 6) Technical mastery 7) Decisiveness 8) Intelligence 9) Teaching skill and 10) Faith. Chester I.Barnard indicates two categories of leadership traits. The first category includes outstanding qualities in respect of physique, skill, technology, perception, knowledge, memory and imagination. These qualities are expected to command the subordinates’ admiration. The second category includes the individual merits of determination, persistence, endurance and courage.

Researchers do not welcome trait theory due to its low analytical value. But still the theory is alive with changed focus. Now the emphasis has shifted from

personality traits to job related skills, such as technical, professional, conceptual and human skills needed for effective management.

Group and Exchange Theory

This theory has roots in social psychology. It assumes that there must be a positive and harmonious relationship between the leaders and followers to accomplish group goals. Chester Barnard was key proponent of this theory. According to this theory, leadership is an exchange process between the leader and followers. This theory strongly believes that the leader and his followers affect and influence each other.

Contingency Theory

The lacunas in the trait theory have led to the formulation of this theory. The theory stresses the significance of situational variables that affect leadership roles, skills, behaviour and followers' performance and satisfaction. Fred Fiedler proposed a widely recognised situation-based or contingency theory for leadership effectiveness. This model contains the relationship between leadership style and the favourableness of the situation.

Fiedler was convinced that the favourableness of the situation in combination with the leadership style determines leadership effectiveness. In simple terms, this theory proposes that people become leaders not only because of the attributes of their personalities but also because of various situational factors and interaction between leaders and situations. This means that there is nothing automatic or good in leadership styles; leadership effectiveness depends upon various factors.

Path Goal Theory

This theory of leadership was developed by Robert House. It describes the most effective leaders as those who help subordinates achieve both the enterprise goals as well as their personal goals. Personal goals of subordinates includes money, promotion, opportunity of growth and development. Leaders of this theory remove obstacles to performance, increase opportunities for personal satisfaction in work performance by reducing unnecessary stress and strain.

In addition to the above traditional leadership theories, a number of modern theories have emerged in recent years. The following section provides an overview of these theories.

Charismatic Theory

This theory is also attributed to the work of Robert House. He suggests that charismatic leaders are characterised by self-confidence and trust in subordinates, high expectation for subordinates, ideological vision and the use of personal example. Followers of the charismatic leaders identify with the leader and the mission of the leader, exhibit extreme loyalty to and confidence in the leader, emulate leader's values and behaviour, and derive self-esteem from their relationship with the leader. Charismatic leaders have superior oratorical and persuasive skills and technical expertise, and foster attitudinal, behavioural, and emotional changes among their followers.

Transformational Theory

This theory is based on transforming the values, beliefs and needs of their followers by the leader. Such a leadership facilitates superior performance in organisations that are facing demands for renewal and change. The organisation fosters transformational leadership through the processes of recruitment, selection, promotion, training and development. It has a positive impact on health, well-being, and effective performance of the organisation. Empirical research studies highlight that transformational leaders more frequently employ legitimising tactics and engender higher levels of identification and have better performance.

Social Learning Theory

This theory is model for the continuous and reciprocal interaction between the leader, the environment and behaviour itself. This model is called Situation Organism Behaviour Consequence (S–O–B–C) model. Subordinates are actively involved in the process and together with the leader they concentrate on their own and each other's behaviour, environmental contingences and their mediating behaviour and cognitions. In this approach, the leader and the subordinate have a negotiable, interactive relationship and are consciously aware of how they can modify each other's behaviour by giving or holding back desired rewards.

Substitutes Theory

This theory was proposed by Kerr Jermier. It suggests certain substitutes or neutralisers for leadership. Substitutes that make leader behaviour unnecessary and redundant, whereas neutralisers prevent the leader from behaving in certain way or which counteract a behaviour. These substitutes or neutralisers can be found among subordinates, tasks, and organisation characteristics. Those subordinates who don't particularly care about organisational rewards will neutralise both supportive / relationship and instrumental / task leadership attempts. There are also a number of organisational characteristics that substitute for or neutralised leadership.

Rensis Likert's Leadership Model

Rensis Likert and his associates at the University of Michigan have studied the patterns and styles of leaders. Likert developed certain approaches to leadership behaviour. He propounded four systems of leadership or management. They are:

- (i) **System-I: Exploitative-Authoritative Management.** In this type, managers are highly autocratic. Besides they have little trust in their subordinates. They motivate people through fear and punishment. They centralise decision-making at the top.
- (ii) **System-II: Benevolent-Authoritative Management.** In this system, managers trust their subordinates. They motivate people through rewards, fear and punishment. They invite ideas and opinions from their subordinates and allow them some delegation of decision making powers.

- (iii) **System-III: Consultative Management.** In this system, managers do not have complete confidence and trust in their subordinates. They usually try to make use of subordinates' ideas and opinions. They motivate subordinates through rewards and resort to punishment. They act in consultation with their subordinates and allow some specific decisions to be taken at the lower levels.
- (iv) **System-IV: Participative-Management.** In this system, managers have complete trust and confidence in their subordinates in all matters. They always consult them and get their ideas and opinions and use them. They give economic rewards and encourage decision-making at all levels of the organisation.

Of the four systems of management of leadership, Liker found that those managers who applied the System-IV approach had the greatest success as leaders. He believed that their success was due to the participativeness of the subordinates in the management of affairs.

9.5 LEADERSHIP SKILLS

Leadership styles, roles and activities are closely related to leadership skills. The research on leaders' traits has given way to attempts to identify leaders' skills. The following is a list of suggested leadership skills that are considered critical to success in the global economy:

- i. **Cultural Flexibility:** This skill refers to cultural awareness and sensitivity. Leaders must have the skills not only to manage but also to recognise and celebrate the value of diversity in their organisations.
- ii. **Communication Skills:** Effective leadership must be able to communicate in written form, orally and non-verbally.
- iii. **HRD Skills:** These skills include developing a learning climate, designing training programmes, transmitting information and experience, assessing results, providing career counselling and creating organisational change.
- iv. **Creativity:** Leaders must possess skills like problem-solving, innovation and creativity to face the external competition. They should develop congenial atmosphere to encourage these skills among the organisation employees.
- v. **Self-management Learning:** This skill refers to the need for continuous learning of new knowledge and skills. In this time of dramatical change and chaos, leaders must undergo continues change themselves. They must be self-learners.

Effectiveness of leaders is critical to organisational survival and success. There are at least three major views on the determinants of leadership effectiveness. One view is that effectiveness is a function of the personal qualities or traits of individuals who assume the role of leadership. Although these qualities do not generate effectiveness, all we can say is that they increase the probability of leadership effectiveness.

The second view is that leadership effectiveness is not a matter of what leaders are but rather a matter of what they do and how they behave. This is known as the behavioural approach. The two most important dimensions of the behaviour of leaders are the productivity-orientation and the employee satisfaction orientation. Leaders who score very high in both these dimensions are considered to be very effective. They give equal importance to the tasks and goals of the organisation and their employees. Effective leaders do regard high productivity and employee satisfaction as complementary to each other.

The third view is that leadership is a function of interaction among at least three variables: The leader, the group of followers and the task situation. This is known as situational or contingency theory of leadership. Here effectiveness is defined in terms of the performance of the group followers. It is determined by the qualities of the leader, his authority or power position, the aspirants, attitude and skills of group members and the complexity of the relations. Leadership effectiveness in this context depends upon the ability of the leader to adopt different behavioural styles to address different situations. There is no one best leadership style for all situations. The leader tends to be more effective if he possesses high authority or power, good formal and information relations and clarity in task structure.

Check your progress 2

- Note:** i. Use the space given below for your answers.
ii. Check your answers with those given at the end of the Unit.

1. Write about Rensis Likert's leadership models.

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2. State some of the leadership skills.

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9.6 CONCLUSION

The success or failure of an organisation largely depends on its leadership. The importance of leadership lies in the fact that leaders have not only to motivate their followers or subordinates but arouse in them interest to work for the realisation of organisational goals. The leaders adopt different styles like autocratic, participative and laissez faire, depending on the situation.

There are several distinct theoretical bases for leadership. The important theories of leadership include trait theory, group and exchange theory, contingency

theory, path-goal theory, charismatic theory, transformational theory, social learning theory and substitutes theory. Rensis Likert developed four systems of management. Leadership styles, roles and activities are closely related to leadership skills. Leadership skills like cultural flexibility, communication skills, HRD skills, creativity, self management of learning etc. are critical to success in the global economy. Effective and efficient leaders are necessary for organisational survival and success.

Most theories of leadership above have developed in the Western organisations. They cannot be applied in the same format in a developing country like India and, more particularly in government organisations. India, because of its long colonial history and monarchical pattern of governance, has been characterised by centralised, hierarchical and authoritarian structures as well as leadership styles. Democracy within a government organisation is a rare phenomenon in India and in most developing countries. Hence, a combination of various leadership styles, keeping in view the nature of the organisation and the competence of subordinates, needs to be evolved and adopted in public administrative systems.

9.7 GLOSSARY

Autocratic Style	:	In this style of leadership, the leader has the absolute authority to take decisions.
Participative Style	:	In this style of leadership, the employees participate in the decision-making process.
Laissez-faire Style	:	The employee have full freedom to take decisions, leaders participation in decision making is minimal.
Trait Theory	:	According to this theory, leaders have inborn qualities.
Situational Theory	:	According to this theory, leadership emerges from situation and is influenced by situation.
Group Theory	:	According to this theory, a person is accepted as a leader as long as he/she satisfies the needs of the groups.

9.8 REFERENCES

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9.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. Your answer should include the following points:

- Leadership is to guide others, to be head of an organisation to hold command.
- Leadership has been variously defined to mean an attribute of personality, a positional characteristic and an attitude of behaviour.

2. Your answer should include the following points:

- Autocratic Style.
- Participative Style.
- Laissez-faire Style.

Check Your Progress Exercise 2

1. Your answer should include the following points:

- System-I: Exploitative-Authoritative Management.
- System-II: Benevolent-Authoritative Management.
- System-III: Consultative Management.
- System-IV Participative-Management.

2. Your answer should include the following points:

- Cultural Flexibility.
- Communication Skills.
- HRD Skills.
- Creativity.
- Self-management-Learning.