MODULE V

LEADERSHIP

Leadership is the ability to lead or guide people towards the accomplishment of a common goal. Leadership involves the following.

- ✓ Vision
- ✓ Ability to convince others
- ✓ Ability to inspire others
- ✓ Providing knowledge and strategy
- ✓ Coordinating and guiding
- ✓ Balancing the interests of everyone
- ✓ Being resilient at times of crises

According to John C. Maxwell, a leader is **one who knows the way, goes the way and shows the way.** Leaders lead people by their influence and charisma rather than authority.

FRAMEWORK TO ANALYSE LEADERSHIP

Fig. 9.1. A framework for analyzing leadership.
Adapted from EP Hollander : Leadership Dynamics: Practical Guide to Effective Relationships

The leadership framework consists of three elements – leader, follower and the situation.

1. **The Leader**
   The traits of the leader, his expertise and his societal/ organisational positions are the key factors.

2. **Followers**

   The shared values, norms and extent of bonding between the followers influence how they perform as a group and how they respond to their leader

3. **Situation**

   Nature of the goal to be attained, the level of stress, the stakes and the general environment make each situation unique. The interaction between leader and followers depend largely on the situation.

PEOPLE DEVELOPMENT

In the development stage, leaders try their best to develop new leaders to maintain the momentum of good performance of the organisation. The leaders inspire the members to rise up to their maximum potential by influencing their lives. The overall effectiveness of the organisation gets increased if the new leaders are emerged. This is about identifying the leadership material and finding out the strengths and weaknesses.

CULTURAL DIMENSIONS OF LEADERSHIP

Leadership in organizations is dictated and determined according to a variety of reasons and factors including personality, cultural, country and regional aspects. Among the various factors, the cultural dimension of leadership is often not highlighted. However, with globalization and the advent of tighter integration and interconnectedness, there is a need to study how leadership is determined by cultural factors and cultural exchanges between the West and the East play out when determining how leaders behave.

With globalization, leaders and managers in the East have learnt to adopt a more democratic style of leadership as opposed to the authoritarian leadership that was hitherto practiced. Further, leaders in the West have begun to understand that the way things are done in the East is radically different from the way they are done in the East and hence they need to be cognizant of these differing approaches to management.

The cultural dimensions of leadership can be based on the following.

Leadership in the East and the West

The pioneering work of the Dutch psychologist, Geert Hofstede is often cited and quoted to emphasize the differences in leadership between the west and the east that are determined by cultural reasons. For instance, culture plays a very important role in

determining the leaders' actions especially where the decision-making, attitudes towards diversity and treatment of people down the hierarchies are concerned**. It is the case that leaders in the East tend to be authoritarian in their decision making styles as opposed to democratic and consensual in the West.**

Further, **leaders in the East tend to view diversity by masculine behavior. In contrast, diversity is practiced actively in the West and the leaders in many Western companies often do more than what is required by the law in these cases.**

Next, **the attitude towards those lower down in the hierarchy in the West is more accommodative and conciliatory whereas in the East, leaders at the top tend to view their subordinates according to strict classifications of seniority conditioned by cultural factors.** These are some of the differences in leadership between the East and the West as presented by Hofstede in his work.

In short, leaders in the East and those in the West are different in their cultures in three aspects namely,

1. **Decision making styles**
2. **Diversity**
3. **Attitude towards subordinates**

GROWING AS A LEADER

Corporations, governments, universities and global development organizations alike have a shortage of quality leaders. However, more than ever before, the need for globally minded leaders is at an all time high. While leadership is not something that is developed overnight, it is a skill that can be developed. The following tips are proven to help you grow as a globally minded leader.

1. **Write down Your Goals**

Research has found that if you write down your goals, even if you never look at them again, you have a much higher likelihood of achieving them. You have to document your dream position, the skills you want to develop, and even the things you want to do from a personal standpoint.

2. **Develop Your Grit**

More than any other skill, Grit is the best predictor of success. By becoming aware of your "grittiness", and learning how to strengthen it, you will be more likely to succeed in all walks of life.

3. Find Your Purpose Pattern

Your purpose is the foundation of your ability to be effective in your role, and will continue to fuel your growth. Understanding your "why" will help you to be more effective in your current and future roles.

4. Always Be Learning

Everybody has skills worth developing. It might be in something technical, like the latest technology; it might be in soft skills, like cross culture communication; or it might be in more effective use of tools, like Excel training. Similar to your goals, write a list of the skills you need, prioritize them, and then start learning them.

5. Start Using a Career Coach Today

This point is a little counter intuitive at first. The best time to start looking for a new job is when you're in the love with the one you have. For the same reason, by the time you are unhappy with your job, you've waited too long to find a career coach. Career coaches don't require much time and they don't have to be expensive. You don't even need to pay for one. A career coach can be anybody that you meet with somewhat regularly, at least once a quarter, to talk about your current job, your career path, and ways to continue growing.

6. Get International Experience

The importance of international experience in the 21st century global economy cannot be overstated, and indeed, is frequently mentioned in research about leadership development. If you want to grow as a leader, you need international exposure.

7. Work with a Mentor

In addition to a coach, you should work with a mentor, too. Whether you find a mentor through work, an online tool, or in your professional network, research proves that mentors can help you be higher performing. Most importantly, they can help you learn faster from your successes and failures.

8. Engage in Skilled Volunteering

Nothing accelerates development more than experience, and skill based volunteering is proven to have transformative benefits. In addition to making you healthier and happier, it is also proven to help you develop skills and grow as a leader, especially if done internationally. Increasingly, companies are looking for leaders with global exposure, so using your skills in foreign settings can prove your capacity to lead in global and resource constrained environments.

GAINING CONTROL AS A LEADER

Being a great leader is not an easy task. A good leader has to achieve the respect from his subordinates and colleagues in all levels. Some leaders really are autocratic in nature while others stand with the members of the team even in adverse situations. Gaining control over the team by the leader is a challenging task.

Control is about making sure that a leader's orders are carried out, exactly the way they are prescribed. Controlling doesn't mean that maintaining tight control of your team.

The characteristics the great leaders should have to control the team are given below.

> **Positive Vision:** They should have a powerful positive vision of what they are creating for both team and organization.

> **Focused Strategically:** They are focused on strategic actions and turning the vision into reality and only spend limited time on minute operational details.

> **They Trust People:** Trust is your most valuable asset. Great leaders delegate authority to enable team members to make decisions and get things done.

> **Recognize and Value People:** When things go right, they recognize those who are responsible.

> **Responsibility:** When things do not go right, they take responsibility to ensure the problem gets corrected and the mistake doesn't happen again.

> **Expect Growth:** Great leaders expect team members to grow, so they can add even more value to the team.

Accept Mistakes: Great leaders know that if they value innovation and continuous improvement, there are going to be mistakes. Congratulate people for trying something new, even if it didn't work, and move on.

Confidence and Self Esteem: Great leaders truly believe that if something does not go well, they have confidence to lead the team to success.

Genuinely Care: Great leaders genuinely care about the success of their team members, personally and professionally, as well as the team as a whole.

BUILDING TRUST AS A LEADER

The greatest leaders are all highly trusted. To be a great leader, one should have a compelling vision, rock solid strategy, excellent communication skills, innovative insight and a skilled team, but if people don't trust you, you will never get the results you want. Leaders who inspire trust garner better output, morale, retention, innovation, loyalty and revenue, while mistrust fosters skepticism, frustration, low productivity, lost sales and turnover. Trust affects a leader's impact and the company's bottom line more than any other single thing.

One of the biggest mistakes a leader can make is to assume that others trust him simply by virtue of his title. Trust is not a benefit that comes packaged with the nameplate on your door. It must be earned and it takes time. As a leader, you are trusted only to the degree that people believe in your ability, consistency, integrity and commitment to deliver. The good news is that you can earn trust over time, by building and maintaining eight key strengths given below.

1. **Clarity**: *People trust the clear and mistrust or distrust the ambiguous*. Be clear about your mission, purpose, expectations and daily activities. When a leader is clear about expectations, he will likely get what he wants.

2. **Compassion**: *People put faith in those who care beyond themselves.* Think beyond yourself and never underestimate the power of another person. People are often skeptical about whether someone really has their best interests in mind.

3. **Character:** *People notice those who do what is right ahead of what is easy.* Leaders who have built this pillar consistently do what needs to be done when it needs to be done. It is the work of life to do what is right rather than what is easy.

4. **Contribution**: *Few things build trust quicker than actual results*. At the end of the day, people need to see outcomes. You can have compassion and character, but

without the results you promised, people won't trust you. Be a contributor who delivers real results.

5. **Competency**: *People have confidence in those who stay fresh, relevant and capable*. The humble and teachable person keeps learning new ways of doing things and stays current on ideas and trends. According to one study, the key competency of a successful new MBA is not a specific skill but rather the ability to learn amid chaos. Arrogance prevents you from growing and they compromise others' confidence in you. There is always more to learn, so make a habit of reading, learning and listening to fresh information.

6. **Connection:** *People want to follow, buy from and be around friends*. Trust is all about relationships, and relationships are best built by establishing genuine connection. Ask questions, listen and above all, show gratitude. It's the primary trait of truly talented connectors. Grateful people are not entitled, they do not complain, and they do not gossip. Develop the trait of gratitude, and you will be a magnet.

7. **Commitment**: *People believe in those who stand through adversity.* People trusted General Patton, Martin Luther King, Jr., Mohandas Gandhi, Jesus, and George Washington because they saw commitment and sacrifice for the greater good. Commitment builds trust.

8. **Consistency**: *In every area of life, it's the little things done consistently that make the big difference.* If I am overweight, it is because I have eaten too many calories over time, not because I ate too much

MANAGING DIVERSE STAKEHOLDERS

Stakeholders are the groups without whose support the organization would cease to exist. A corporate stakeholder can affect or be affected by the actions of a business as a whole.

Stake holder management includes the processes required to identify people, groups or organisations that could impact or be impacted by the project.

To manage the stakeholders in your job and in your projects, we have to mark out their positions on a stakeholder map.

The next stage is to plan your communication so that you can win them around to support your projects. Stakeholder planning is the process by which you do this.

To manage the stakeholders effectively, we may follow the given steps.

1. **Update the Worksheet with Power/Interest Grid Information**

   Based on the stake holder map you created, enter the stakeholders' names, their influence and interest in your job or project and your current assessment of where they stand with respect to it.

2. **Plan Your Approach to Stakeholder Management**

   The amount of time you should allocate to manage stakeholders depends on the size and difficulty of your projects and goals, the time available for communication and the amount of help you need to achieve the results you want.

   Think through the help you need, the amount of time that will be taken to manage this and the time you will need for communication. Help with the project could include sponsorship of the project, advice and expert input, reviews of material to increase quality, etc.

3. **Think Through What You Want From Each Stakeholder**

   Next, work through your list of stakeholders thinking through the levels of support you want from them and the roles you would like them to play. Think through the actions you would like them to perform.

4. **Identify the Messages You Need to Convey**

   Next, identify the messages that you need to convey to your stakeholders to persuade them to support you and engage with your projects or goals. Typical messages will show the benefits to the person or organization of what you are doing, and will focus on key performance drivers like increasing profitability or delivering real improvements.

5. **Identify Actions and Communications**

   Finally, work out what you need to do to win and manage the support of these stakeholders. With the time and resource you have available, identify how you will manage the communication to and the input from your stakeholders.

   Focusing on the high power/high interest stakeholders first and the low interest/low power stakeholders last, devise a practical plan that communicates with people as effectively as possible and that communicates the right amount of information in a way that neither under nor over communicates.

CRISIS MANAGEMENT

Crisis management is the process by which an organization deals with a major event that threatens to harm the organization, its stakeholders or the public. The study of crisis management originated with the large scale industrial and environmental disasters in the 1980s. It is considered to be the most important process in public relations.

Three elements are common to a crisis, namely

(1) A threat to the organization
(2)   The element of surprise
(3) A short decision time.

 Crisis is a process of transformation where the old system can no longer be maintained. Therefore, the **fourth defining quality is the need for change**. Crisis management involves dealing with threats before, during and after they have occurred.

LEADERSHIP TRAITS

Trait approach is one of the earliest attempts to study leadership. Traits are the personal attributes or characteristics people possess. **The key traits that form the personality or character of a person are,**

1. **Openness to Experience**
2. **Conscientiousness**
3. **Extroversion**
4. **Agreeableness**

It is difficult to identify a unique set of traits of leadership because each situation is unique. A person rises to leadership in a particular circumstance that promotes the trait he has. Nevertheless, **there are certain traits consistently found in leaders of all times, they are, Influence, Results, Control and Support.**

According to Ralph Stodgill, the major traits and skills for a leader are as given below.

Traits	Skills
✓ Adaptable to situations	✓ Clever
✓ Alert to social environment	✓ Creative
✓ Ambitious and achievement oriented	✓ Diplomatic and tactful
✓ Assertive and decisive	✓ Fluent in speaking

✓ Cooperative and dependable ✓ Dominant to influence others ✓ Energetic ✓ Tolerant of stress ✓ Willing to assume responsibility	✓ Administrative skills ✓ Social skills

LEADERSHIP STYLES

There are six styles of leadership according to Daniel Coleman. Any leader can combine any of these styles to suit the situation to be the best leader.

1. **Authoritative Style**

   The authoritative leader mobilizes his team towards the goal and expects others to follow his orders. This style is suitable to deal with problem people. This style won't work out when the employees are more skillful than the leaders.

2. **Affiliative Style**

   Here the leader is more concerned with the feelings and needs of the employees rather than meeting the deadlines. People are valued by the leader and a sense of belongingness is created. This style works the best when the employees feel stress, but may result in mediocre performance only.

3. **Coaching Style**

   This style concentrates on continuous personal development. The leader assigns challenging tasks to the employees, coaches them to resolve the issues and empowers them to face challenges in future. Failures will be tolerated more and this style works the best with the enthusiastic employees who like personal development. Here the leader believes in the potential of the followers.

4. **Coercive Style**

   This style demands immediate compliance. Obeying orders without any question is the style adopted here and it is the least effective style of leadership. It makes the organisation less effective and this style may affect the morale of the employees.

5. **Democratic Style**

   This type of leader takes decisions based on consensus and works in collaboration with the team members. The leader acts like a team member and considers the ideas

suggested by every member of the team. Conflict management becomes easier and organisational flexibility will be increased. This style is the best when the organisation needs harmony among the employees and needs to get fresh ideas from everyone.

6. **Pace setting Style**

A pace setting leader sets high standards of leadership. He demands excellence and urges the employees to complete their tasks faster and better manner every time. This style works the best when the employees are already settled and motivated.

TYPES OF LEADERSHIP

1. VUCA Leadership

VUCA is acronym for Volatility, Uncertainty, Complexity and Ambiguity. It was coined by the US Army to describe the world after the Cold War.

VUCA Means,

Volatility	-	A high rate of change
Uncertainty	-	Lack of clarity about the present and the future
Complexity	-	Multiple factors impacting key decisions
Ambiguity	-	Lack of clarity about meaning and events

Volatility

If the situation is volatile, it means things are changing too fast. A leader who takes decisions about stable situations only may feel it difficult to take decisions when a sudden change happens. A good leader should have the capacity to take decisions even in adverse situations.

Uncertainty

In this situation, the leader is uncertain of his actions and their consequences. This happens due to imperfect or insufficient data.

Complexity

It is the condition in which the leader faces multiple factors, each one autonomous and interdependent. Such situations results in stagnation of judgement. Decision making will be difficult.

Ambiguity

If a situation has more than one interpretations, that will result in ambiguity. Ambiguity is a situation in which a difficulty to explain will exist due to multiplicity.

In a VUCA world, the leaders need 1) Learning agility 2) Intellect to deal with complexity 3) Values for guidance though uncertainty 4) Emotions to relate to others 5) Drive for relentless pursuit of goals.

2. Transactional Leadership

It is the type of leadership in which the leader maintains relation with the followers through a series of transactions involving rewards and punishments. Employees are rewarded for good performance and punished for poor performance. This style is formal and bureaucratic in nature. The followers are motivated by their own self interest. **The main features of transactional leadership are**

a) **Contingent Reward**

This involves exchange of rewards for effort, promising pay hike or promotion for good performance. Here psychological or materialistic rewards are given.

b) **Management by Exception**

This involves enhancing the existing organisational culture or maintaining the status quo rather than going for radical changes. The leader watches out the deviation from the established procedures or standard practices and takes corrective action as and when it is required. He intervenes only if the standards are not met.

3. Transactional Leadership

It is the kind of leadership in which the leader transforms the thinking of the followers by instilling in them a sense of mission and excitement. The leader relies on his/ her personality, energy and charisma rather than authoritative power. He

encourages to take risks and to think out of the box. This style is not formal but intellectually stimulating. **The three main features of transformational leadership are,**

a) **Inspiring Vision**

The leader inspires the followers to achieve anything and to look beyond their self interest. Vision, mission and goals of the organisation are expressed in simple and inspiring terms.

b) **Intellectual Stimulation**

The leader motivates the employees to generate and bring out the best solutions by challenging them intellectually.

c) **Individual Concern**

The leader accepts the differences among the employees and treats everyone accordingly. He acts as a coach to everyone. He understands what motivates each and gains the trust and devotion of the employees by giving them personal attention.

Differences between Transactional and Transformational Leaderships

(Transactional Leaderships Vs Transformational Leaderships)

Transactional Leadership	Transformational Leadership
✓ Suitable for a **settled environment** where efficiency is improved.	✓ Suitable during **troubled times** where innovation and changed are needed.
✓ Works well when the **emotional level of the employees is not high.**	✓ **It appeals to the emotions** of the employees
✓ Formal and bureaucratic.	✓ Informal and charismatic.
✓ Only one leader will be there.	✓ There can be more than one leader.
✓ Employs **planning and execution** to maintain status quo.	✓ Stimulates and promotes **innovation**.
✓ Employs **rewards and punishments** using authority and position.	✓ Employs **influence and intellectual stimulation** using charisma.
✓ Reactive	✓ Proactive

4. Entrepreneurial Leadership

Entrepreneurial leadership is organizing a group of people to achieve a common goal using proactive entrepreneurial behavior by optimising risk, innovating to take advantage of opportunities, taking personal responsibility and managing change within a dynamic environment for the benefit of an organisation.

The best leaders empower their employees to act on their vision for the organization. The entrepreneurial leader executes through inspiration and aligns relationships to achieve common goals.

An entrepreneurial leader will proactively identify opportunities to gain advantage through creativity, innovation and market understanding and hold them responsible to deliver what customers need via the effective management of risk to optimise outcomes for both the organization and the customer.

5. Moral Leadership

Moral leadership is a very different kind of leadership. Rather than aspiring to being followed, moral leaders aim to serve. Instead of showcasing their own skills, moral leaders tend to develop the capacities of others. A moral leader is always characterized by a deep sense of ethics and is driven by core ideals (such as justice) and is motivated by the pursuit of a higher purpose.

Moral Leadership is also about particular capacities and skills. First of all, moral leaders know how to manage themselves, how to control their egos and how to act with nobility and rectitude. They are visionary and affect personal change. Moral leaders also have a highly developed sense of emotional intelligence and master key social skills. They work to overcome obstacles and are skilled at the art of consultation. They build consensus, navigate diversity and establish unity. Moral leaders are the conscience (i.e. moral compass) of an enterprise or organization and the glue that holds it together.

6. Turnaround Leadership

A turnaround is a fast and dramatic change in the performance for the betterment of an organisation. Leaders or executives who are assigned with this task are called turnaround leaders.

There are two types of turnaround leadership namely,

1. **Devoted to save the organisation from a crisis situation or avoiding a forthcoming crisis.**

2. **Devoted to save the organisation in the crisis, staying back with the firm to identify the root causes of crisis.**
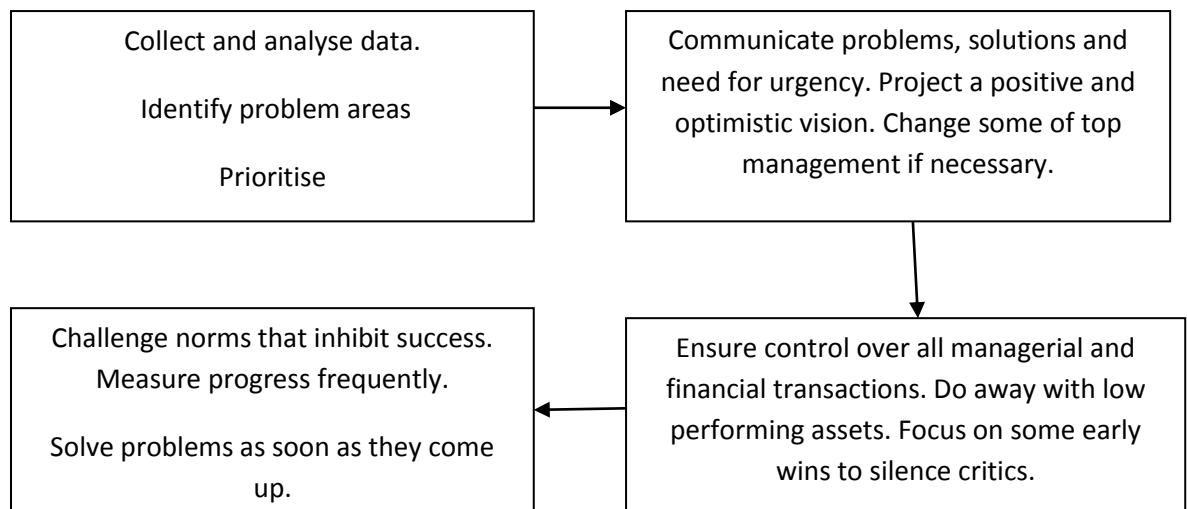
The second type is necessary.

Qualities of a Turnaround Leader

- ✓ Ability to analyze data and identify the critical points
- ✓ Ability to negotiate and convince
- ✓ Ability to take fast decisions
- ✓ Ability to gain respect
- ✓ A sense of urgency
- ✓ Willingness to neglect resistance
- ✓ Willingness to lead from the front

Strategies for Turnaround Leadership

Usual strategies for turnaround leadership are setting deadlines, pushing people hard, cutting costs, etc. A turnaround leader must take the following actions.

Collect and analyse data. Identify problem areas Prioritise	Communicate problems, solutions and need for urgency. Project a positive and optimistic vision. Change some of top management if necessary.
Challenge norms that inhibit success. Measure progress frequently. Solve problems as soon as they come up.	Ensure control over all managerial and financial transactions. Do away with low performing assets. Focus on some early wins to silence critics.

LEADERSHIP GRID

Leadership grid or managerial grid is a behavioral leadership model developed by Blake and Mouton. It categorizes leaders into one of 81 possible types based on the following two behavioral dimensions.
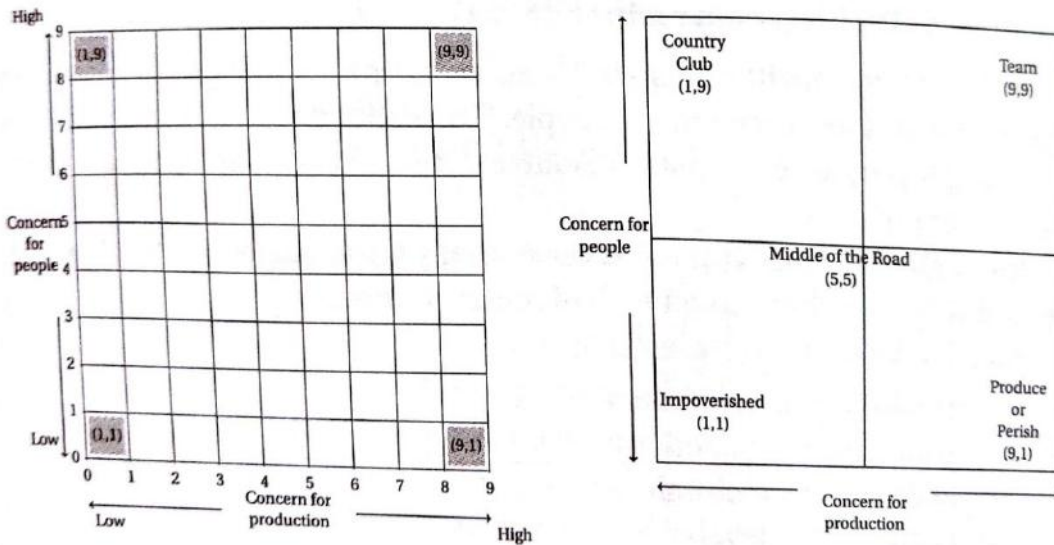
1. **Concern for People**

    It is about the leader's nature to develop relationship with the employees.

    The leader cares for the employees the maximum and relationship is the important aspect for the leader than results.

2. **Concern for Production**

    Here, the leader is concerned about results and improving productivity rather than being concerned about the employees.

Each cell in the grid represents a unique combination of the leader's task orientation and people orientation.

Impoverished Leadership Style (1, 1)

Leaders of this style have low concern for both production and people. They are indifferent towards achieving organisational goals and also towards employees. They move away from responsibilities and prefer low visibility. Their concern is only to

preserve their own position. This kind of leadership will result in **dissatisfaction among the employees, inefficiency, disharmony and high turnover rate.**

Country Club Leadership (1, 9)

This is an accommodating style that gives maximum emphasis to the comfort and feelings of the employees. The leader hopes to improve organisational effectiveness by taking too much care of the needs of the employees. The leader pays little attention to get results. This leads to friendly team members, harmony in workplace, inefficiency and low productivity.

Produce or Perish Leadership (9, 1)

This is an authoritarian style of leadership based on control with high emphasis on production and low concern for people. The leader dictates, dominates and treats employees as resources. He expects following the rules and delivery of results. People can become rebellious as the result of pressurization. **Such leadership results in,**

1. **Short lived performance and productivity**
2. **Low employee morale**
3. **High conflict and attrition rate.**

Middle of the Road Leadership (5, 5)

Leaders of this style compromise on each concern and try to maintain a balance of the concerns. It is the best to maintain the status quo. These leaders stand by the opinion of the majority and choose the popular decision. This style neither inspires high performance nor adequately meets the needs of the people. Excellence cannot be assured due to continuous compromises. **This style of performance results in**

1. **Average performance**
2. **Lack of excellence and challenge**
3. **No sense of achievement**

Team Leadership Style (9, 9)

This is the best and most effective style of leadership. This style is called "sound" leadership style. These leaders are committed to achieve the goals of the organisation

and at the same time concerned about the needs and necessities of the team members. They believe in getting results through teamwork in a pleasant and harmonious work environment. These leaders are good at communicating the vision of the employer and promote and motivate the members to achieve the goals. **This style results in the following.**

1. **Greater awareness about organisational objectives among employees.**
2. **Greater motivation and challenge.**
3. **Good team work and higher level of satisfaction.**
4. **Increased efficiency**
5. **Higher levels of production.**

EFFECTIVE LEADERS

An effective leader is the one who follows the best leadership style. He should be able to understand and motivate his team and be a role model for them. The **important personality traits of effective leaders** are given below.

1. **Dominance**

   The effective leader should have **willingness** to take responsibilities even in adverse situations. He should be **extrovert** and be **able to communicate fluently and effectively** to the team members and to the customers. He should have **confidence about his team.**

2. **Conscientiousness**

   The effective leader should be **result oriented** and should work according to the vision and rules of the organisation. He should be an **initiator of good movements. High energy level** should be maintained to motivate others.

3. **Social Tendency**

   This includes all the social skills like, **willingness for attentive listening, expression of love and affection, low interest for fame and name, empathy, etc.**

4. **Internal Locus Control**

   This tells about **being optimistic about the team members, hardworking attitude, patience, etc.**