1

LEADERSHIP AND POWER

Meaning- Importance-Leadership Style – Theories – Leaders Vs Managers – Source of Power – Power Centers – Power and Politics

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Part -1

1. Leadership

1.1 Definition and Meaning

- Leadership is the process of influencing the behavior of other towards achieve goals in a given situation

- "Leadership is the process of influencing and supporting others to work actively toward achieving objectives".

                                                                              -Bernand

1.2 Importance or function of a leader or leadership

- **Motivating employees:** - Motivation is an important factor for achieve the goals. High level of motivation leads to better performance of employees. A good leader motivates the employees for higher performance.

- **Leader develops team work**: - One of the primary functions of the leader is to develop and join his followers as a team. The leader need to create a congenial and healthy working environment for his work team

- **Better utilization of manpower:** - A leader implements the plans, policies and programmes of an organization to utilize the available manpower effectively and gets the highest production with minimum human cost.

- **Creating confidence to followers**:- A good leader may create confidents in his followers by directing them, giving them to advice and getting through them good results in the organization

- **Directing group activities:** - A personal behavior of a leader can direct others to achieve organizational goals. He acts as a friend, guide to his followers and takes the leader in all activities.

- **Building morale**: - Good leadership is necessary for high employee morale. The leader shapes the thinking and attitudes of the group. He develops good human relations and facilitates interactions among the members of the group.

- **Maintaining discipline**: - Discipline prompts individuals to observe rules, regulations and procedures which are necessary for the achievement of objectives. A good leader create good self – discipline among employees.

1.3 Leadership styles

- **Autocratic / dictatorial leadership style:** - The leader takes all decision by himself without consulting subordinates. The subordinates have to follow his directions without any question.

   There are 3 types of autocratic leaders

   a. **Strict Autocrat** :- The leader follow the autocratic styles in a very strict sense. He follows negative motivation for getting work from subordinates.

   b. **Benevolent Autocrat**: - This leader is also taking decisions himself but his motivation styles is positive

   c. **Incompetent Autocrat: -** Sometimes, leader adopts autocratic leadership style just to hide their inabilities

Advantages:-

--- It facilitates quick decision making

--- Highest productivity

Disadvantages

--- Dissatisfaction among employees

--- Employee moral will be low

■ **Participative/Democratic Leadership**: - In this type of leadership, the subordinates are asked and their feedback is taken into decision making process. <u>Decisions are taken after group discussion. The authority is decentralized.</u>

Advantage

--- The quality of decision is improved

--- Labour turnover and absenteeism will be minimum

Disadvantage

--- Delay in decision making

--- If subordinates are lazy and avoid work, then controlling them is difficult

■ **Free Rein or Laissez Faire leadership style**

In this type, <u>complete freedom is given to the subordinate</u>, so that they plan, motivate, control and otherwise be responsible for their own actions. <u>Leader does not take part in decision making process. The authority is completely decentralized.</u>

Advantage

--- It leads to job satisfaction among employees

--- It bring free environment to employees

Disadvantage

--- Lack of discipline

--- Lowest productivity

---No control and coordination

■ **Linkert's four style**

Linkert's management system

a. **System 1: Exploitative – Autocratic: -** Managers see a minimum confidence and trust in subordinates. Here Authority is centralized at the top and subordinates are forced to work under punishment.

b. **System 2: Benevolent – Autocratic:** - The manager under this system adopts a paternalism approach towards the subordinates. The manager issues orders but subordinates have some freedom to comment on these orders. Subordinates are rewarded for completion of task and punishment for fail to complete the task

c. **System 3: Consultative – Democratic:** - Major decision are (centralized) taken by top management and subordinates are permitted to make some decisions at lower levels. The subordinates are motivated by providing rewards rather than punishment.

d. **System 4: Democratic – Participative:** - Management has full confidence in subordinates under this system. Subordinates can set goals and make work related decision themselves. Interaction between managers and subordinates is frank, friendly and trusting.

1.4 Leadership theory

1. **Trait Approaches to leadership**: - Trait theories assume that people come into certain qualities and that make them better suited to leadership. Some qualities are need for good leader. They are

   a. **Physical Qualities**: - Sound health, physical energy, forcefulness etc.

   b. **Intellectual Qualities**: - High intelligence, sound judgement, ability to teach, self understanding etc.

   c. **Moral Qualities**:- Honesty , Truthfulness, will power etc

   d. **Social Qualities**: - Self – confidence, empathy, initiative, knowledge of human nature and human relation attitude.

WEAKNESS OF TRAIT THEORY

a. There is no universal (common) list of qualities of successful leaders.

b. Trait theory fail to consider the whole environment of leadership

c. There is no direct relationship between the level of quality and level of success

2. **Behavioral Theories**: - This leadership theory focuses on the actions of leaders not on mental qualities or internal states. <u>According to this theory, people can learn to become leaders through teaching and observation.</u>

The behavior theorist challenge that a leaders style is oriented toward:-

a. **Employee – Centred:** - The leader highlights developing friendly, open relationship with employees.

b. **Job – Centred**:- The leader getting the job done by planning, organizing, delegating , analyzing the performance etc

2.1. Leader range – Basic style of leadership

a. Autocrat

b. Laissez – Faire

c. Democratic

d. Benevolent Autocrat

3. **Situational Theory**: - <u>Situational theories propose that leaders choose the best way of action based upon situations.</u> Different styles of leadership may be more suitable for certain types of decision-making. **For example**, in a situation where the leader is the most knowledgeable and experienced member of a group, an authoritarian style (all power in the hand of leader – centralized) might be most appropriate. In other instances where group members are skilled experts, a democratic style (Giving authority to subordinates- decentralized) would be more effective.

Theories based on various leadership styles

4. **Contingency theory:** - Contingency theories of leadership focus on particular variables related to the environment that might determine which particular style of leadership is best suited for the situation.

Example:-

a. Leader –member relationship

b. The leader power

c. Degree of task structure

5. **Hersey and Blanchard's situational theory:** - According to this theory, the maturity level of the subordinates play an important role in deciding the leadership style of the superior. The leadership style is based on:

a. **Telling:** - If an employee low in his ability and willingness to perform, a leader has to give him regular direction.

b. **Selling**: - If an employee low in his ability and high in willingness to perform, a leader has to give direction and also support to perform the task.

c. **Participating**: - If an employee has high ability but not willingness to perform, a leader has to give less direction and high support to perform the task.

d. Challenging: - If an employee has high ability and also willingness to perform. So a leader has to delegate the task and responsibilities to the subordinate.

6. **Path – Goal Theory:** - According to this theory, the leader should provide support and guidance to the subordinates for achieving organizational goals.

Author Robert house suggested 4 types of leadership based on Leader Behaviours:-

   a. **Directive Leader** :- The leader clearly tells his subordinate what is expected from them

   b. **Supportive Leader** :- The leader is understanding and tries to solve the problems of the employees

   c. **Participative Leader** :- The leader discusses the problem with the subordinates before taking any decision

   d. **Achievement** – Oriented Leader :- The leader develops his subordinates by giving challenging assignment and encouraging them to perform

7.   Managerial grid theory of leadership grid theory of leadership

The grid has two aspects, the leadership is based on

a.   Concern of people

b.   Concern of production
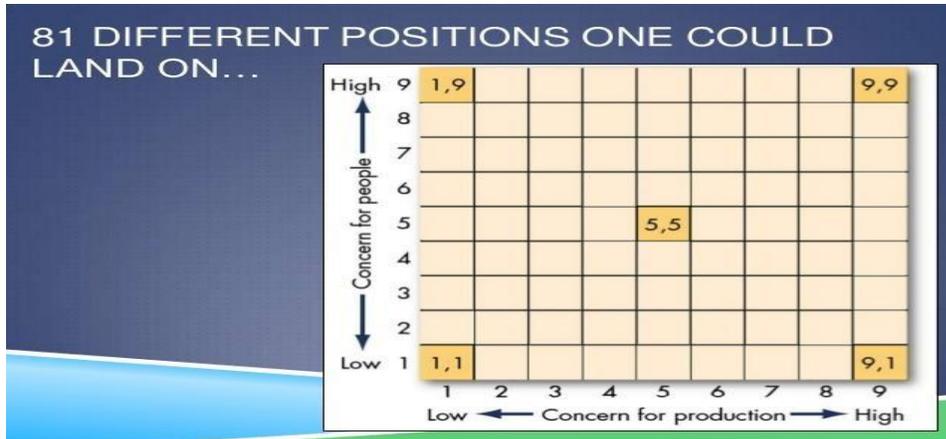
- (1,1) – Here, the leader put minimum effort to get work done from subordinates and low concern for employee satisfaction

- (9,1) – Leader has more concern for production than for people

- (5,5) – Leader tries to maintain a balance between goals of company and the need of people

- (1,9) – Leader gives more importance to people that the production because he feels that if employees are supported it will lead to self – motivation.

- (9,9) – Leader will give more importance to both the people and production

1.5 Leaders / Managers

Leader	Manager
a. They have no such authority	a. They have formal Authority
b. A leader has followers	b. A manager has subordinates
c. The leader aim is for Personal Goal	c. A manager aim is to attain the organizational Objectives
d. A leader and his followers is generally	e. A manager and his subordinates is

Informal	generally formal
f. Leadership qualities are to greater level in born	d. Managerial qualities are Acquired

1.6 Characteristics or Qualities of leadership

a. **Effective Communicator:** - Good communication skill is enables the leader to become strong in convincing and commanding the workforce

b. Trustworthy :- Trust is at the central part of respecting any leader. <u>If employees truly believe leaders within an organization are honest, they know they can trust that the job at hand will be carried out to the best of that leader's abilities</u>. Employees work harder for a leader whom they trust, respect and believe in.

c. Ability to See the Past, Present, and Future: - A great leader needs to learn from what happened in the past, adapt to how things are working in the present, and do their best to predict how things will work in the future, all at the same time.

d. Actions Speak Louder than Words: - The best method for encouraging employees to work harder and value their positions more is to jump into their work with them. Show your employees you practice what you lecture and they will too.

e. Motivator: - A leader is responsible for motivating and inspiring their employees to get as excited as they do about the business. Motivating employees can improve overall office morale and productivity

f. Consistent :- Good leaders need to learn to have a proper balance of mental, emotional, and physical characteristics so employees have a chance to get to know, understand and adapt to the leadership style.

g. **Take Responsibility**: - Leaders delegate and give direction to each employee. Therefore the work that is done by those employees is a reflection of each leader's leadership skills. <u>Great leaders are responsible for their employees as long as they are within the organization</u>

h. **Organized:** - <u>Great leaders know everything that is going on in their business. They're able to differentiate what takes priority and delegate who is responsible for what</u>. Having the

ability to know and understand all of what's going on in an organization allows each leader to approach decisions about the company in a complete manner

i.   **Relatable to Employees**: - <u>Leaders need to work with all employees. Get to know who the employees are within the organization, how they work, what motivates them and what is upsetting to them</u>. A leader in adjust with their employees can connect with them more easily and therefore create a more effective professional relationship.

j.   **Listen to Employee Feedback**: - Ask your employees for suggestions and comments and then be willing to truly listen to their answers. Great leaders learn more about their employees and how their business is running when they take the time to listen to those people very important to the success of your business.

1.7 Factors influencing leadership

- **Yourself**: - Understand your abilities. Your staff observes you, and how you handle yourself affects their acceptance of your leadership as much or more than anything you say. Effective leaders are trusted for their knowledge and competence

- **Your Employees**: - The type of work or service you do may attract different types of employees. For example, information technology businesses may attract younger workers who develop in a involving environment.

- **Type of Business**: - Your company`s type of work influences how you can combine leadership. . A business in difficult one that must respond quickly to changing markets, requires you to be decide and able to communicate decisions effectively in a top-down way. In practice, businesses experience a combination of conditions, so you may move between styles as situations change.
- **Communication: -** Flow of information is at the important of effective leadership. While the conditions and styles of communication change, the need to express yourself clearly in all situations.

PART - 2

2a. Power

2a.1 Definition

- <u>Power is the ability to get things done the way one wants them to be done. Power is a capacity that a leader has to influence the behavior of the follower.</u> Power is the ability to influence people to make desired things happen.

  For Example: - A capacity that A has to influence the behavior of B. so that B acts in accordance with A's wishes

2a.2. Bases or Sources or characteristics or types of power

- **Reward power**: - when a leader can give, or take away, a reward. <u>Manager who uses appreciate and recognition has also a good deal of power.</u> **E.g.** a leader can influence a follower's behavior by awarding a bonus, salary increment

- **Coercive power:** - Coercive powers have control over some form of punishment. **<u>Power—</u>** <u>The power to punish. It is based on fear.</u> It can come from legitimate. **E.g** a leader has coercive (forcing) power if her followers believe that she will initiate disciplinary action like dismiss, suspension etc

- **Legitimate power**: - <u>Refers to the ability to influence others because of the position one holds in the organization. It is also called authority</u> or the right to command. Characteristics of organizational authority are: I. It is invested in a person's position. **E.g**. typically, the CEO of an organization has the highest positional power

- **Referent power or Charismatic:** - The managers who have good interpersonal relation who are good at public meeting and speeches, who maintain moral standard command this kind of power.

- **Expert power**: - When a leader has significant domain knowledge/skills. E.g. an expert accountant influences how junior accountants go about their tasks

2a.3. Acquisition of power

- **They do extraordinary things:** - Some person acquires power by performing certain extraordinary work. **Example**: - Negotiating a new contract, designing new product and so on

- **They do the right things** :- Doing right and relevant activities does also increase one's power

- **They do visible activities**: - Even extra ordinary activities do not generate much power. Therefore activities need to be visible or known to others. Their activities appreciate by the people of superiors bring more power to the people.

- **They cultivate right people**: - In an organization, a manager who is good and has friendly relation with his subordinates and is able to develop good interpersonal relationships may also increase his power.

- **They form coalitions (combination):-** This is another way to earn power. The philosophy behind joining together is gaining increased capability to influence others. Example :- Labour union

2a.4 Power centers

- Power center is a person who is close surrounding area of higher management and whom management trusts and takes feedback from. It is very important to understand that these people may not be on very important designations but may be the supply of information to the boss.

Ways to use power center

- **There are two ways to use these people**.

a) You should use to advertise your achievements and your plan to these people in a very separate manner, which does not disclose the full plan but gives only hints. Discuss what you are doing and what you will do in the future with these people. Never ever criticize the company or your boss in front of these people

b) Pass on the negative information about your competitors to these people and thus insult your competitors tell them how others are giving loss to the company

Precautions while dealing with power centers

- **Identify and select more than one power centre**: - After careful observation in a month or two, one must identify and select more than one power centre. It is beneficial if the information passed on to boss from worthy man.

- **Selectively disclose the things** :- One must always think twice before disclose any information to power center, because it will immediately reach to the boss

- **Make them feel important:** - Always make these people feel important by praising them once a while. Try to wish them regular basis

- **Never criticize the company or boss:** - Never do mistake of criticize the company or boss, because it will immediately reach to the boss. Instead of that one can appreciate the boss and company before others,

- **Maintain relations** :- Deeper relation with these people will result in faster growth because power centers are like the power boosters in the organization

2b. Politics

2b.1.Definition

Generally people use various tactics and strategies to use power to influence people. Some of these tactics and strategies are acceptable to the organization, while others are or not. Thus actions acceptable by the organization that are taken to the influence others in order to meet personal goals refer to politics.

Example: - An employee asking for a rise in pay is not political behavior, but the use of unionism to obtain pay rise amount is political behavior.

2b.2. Reason for organization politics or negative effects of Organizational Politics

- **Unclear goals** :- More unclear goals leads to politics in the organization

- **Autocratic decision**: - Autocratic style of leadership, the leader dictates or the decision or orders, and the subordinates have no point out. Therefore, in order to safeguard their interests, workers involved in politics by forming association

- **Flexible authority:** - Organization provides positions with flexible authority that is used based on individual judgement. These leads to politics

- **Power politics**: - Managers like power to use over people and things because it is satisfy to them. Managers such behavior becomes quite dysfunctional from organizational view point.

- **Biased performance appraisal:** - In some case the employees' performance cannot be based on achievement. This leads to politics. **For example**: - Sometimes the manager will give favorable performance judgment to the person who is very close to him rather

than hard worker. It leads the subordinate very closer to the superior for providing him personal satisfaction rather than organizational performance. This biased performance appraisal force the subordinate into dysfunctional political behavior

2b.3.Managing organizational politics or strategies to minimize the political behavior

- **Jobs needs to be clearly defined**: - Political behavior is caused in the organization in the absence of clarity of job. Clarity of job helps to minimize the political behavior.

- **Management should discourage the dysfunctional (improper) behavior of people:** - Dysfunctional form of political behavior occurs only when the top management encourages it directly or indirectly. When the top management is engaged in dysfunctional behavior, the people at the lower levels also follow it. So they should discourage it.

- **Action should be taken to overcome the dysfunctional behavior in the grow**: - The first function of the dysfunction behavior, the management should take immediate action to overcome that.

- **People should be rewarded objectively:** - Much of dysfunctional form of political behavior can be checked and the people are rewarded for their positive behavior and penalized for the negative one.

- **Open communication:** - Open communication help to minimize the political behavior.

- **Reduction in uncertainty**:- Reduction in uncertainty is helps to reduce the political behavior in the organization

- **Awareness** :- Making people aware of the causes and effects of politics make them resists temptations of resorting to political behavior

2c. Power and politics

Power is defined as the ability to influence others. Politics is related to the use of power but it is not similar to it.

- ## Tactics used to gain political power

a. **Bargaining**: - Each party to the conflict offers some benefits to the other so that there can be some stability in their relationship.

b. **Co-optation**:- Co- option occurs when a group gives some of its important positions to members of other groups or includes them in its policy – making committees.

c. **Pressure**: - It is an unfriendly method of gaining power. **For example,** A trade union goes for strike if the management does not accept its demand. The management goes for lockout if the trade union does not accept its terms.

d. **Control over information:** - It is very much a part of political behavior to control the dissemination of critical information to others.

e. **Control over communication channel**: - People who are in lower level positions but have some control over the channels of communication can acquire considerable political power. For example, the secretary may have considerable power in deciding who sees the boss and who does not at a given time.

Important Questions

Important 2 marks

1. What is mean by leadership?

2. What is mean by power?

3. What is mean by power center?

4. What is mean by politics?

5. Write down the five style of leadership according to managerial grid?

6. What do you mean by legitimate power

7. What is transactional leadership?

   The transactional leader works through creating clear structures whereby it is clear what is required of their subordinates, and the rewards that they get for following orders. Punishments are not always mentioned, but they are also well-understood and formal systems of discipline are usually in place.

   When the Transactional Leader allocates work to a subordinate, they are considered to be fully responsible for it. When things go wrong, then the subordinate is considered to be personally at fault, and is punished for their failure (just as they are rewarded for succeeding).

8. Distinguish between power and authority (Write any 3 points)

Power	Authority
Authority is the formal right given to a manager to make decisions or to command.	Power is the personal ability to influence others or events
Authority flows downwards in the organization. This is because it is delegated by the superiors to the subordinates.	**Power can flow in any direction**. Even subordinates have power over their superiors, if they can influence their behaviour. So power can flow upwards, downwards or horizontally.
Authority relationships (superior-subordinate relationships) can be shown in the organization charts.	Power relationships cannot be shown in organization charts.
Authority depends on the level of management. Higher the level of management, higher will be the authority	**Power does not depend on the level of management**. Power can exist at any level of management. Even a lower-level manager or a worker can have power to influence the behavior of a top-level manager.
Authority is always official in nature. So it is legitimate.	**Power need not be official in nature**. So it need not be legitimate.
Authority is given to a position or post. The manager gets the authority only when he holds that position.	**Power resides (lives) in the person who uses it.**

9. Trait theory of leadership

10. Who is charismatic leader?

A charismatic leader is one who attracts followers through his or her personality. This leader tends to have a trait of good speaking ability and has a way of speaking to

individuals articulately. They also have good listening skills, a positive attitude and the ability to inspire the people around them into action.

11. What are the responsibilities of power center?

12. What do you mean by leadership substitute?

    Factors in a work-setting that encourage common efforts toward achieving organizational goals, and can take the place of active leadership.

13. What is expert power?

Important 16 Marks (Be clear in one part and other part go through once)

Part – 1 – Leadership (Very important)

   Or

 Part – 2 – Power, power center and politics